

In recent months there have been encouraging developments looking towards the removal of one of the chief causes for division between the countries of the free world. I refer to the division between the dollar and non-dollar groups. Economic co-operation is always difficult when countries are divided into groups, when one group is discriminating against another group, or when one group of countries is dependent upon grants in aid in order that they may remain solvent. The Commonwealth Economic Conference held in London at the end of last year signified the beginning of a determined attempt to solve this problem. The initiative that was then taken will, it is hoped, be the first of a series of constructive steps. It is being increasingly realized that the success of the free world in solving its economic problems is of decisive importance in the struggle against Soviet Communism.

The principal political divisions in the world of to-day become evident from the discussions which take place in the organs of the United Nations. Three main cleavages have become apparent in that organization. There is first of all, of course, that fundamental cleavage between East and West or between Communism and democracy. Under the one system, the interests of the individual are subordinated to those of the whole. Under the other system, the interests of the individual are identified with those of the whole. Accordingly, under the one we have the subjection of the individual to totalitarian dictatorship; under the other we have liberty or freedom for the individual.

At San Francisco we still hoped that it would be possible to reconcile these two opposing philosophies. We believed in the professions of Stalin when he talked about the possibility of the peaceful co-existence of the Communist and capitalist worlds. The Charter of the United Nations was drawn up on this optimistic assumption, but we very soon found out that the Soviet Union had no intention of co-operating with other nations in the maintenance of peace and security. It has been the lack of the desire for peace on a basis of freedom that has divided us from the East and has prevented the co-operative accomplishment of our aims.

In recent weeks it has appeared that the chances of effecting a reconciliation between East and West have become more promising. The peace feelers from Moscow make the possibility of peaceful co-existence of the Communist and capitalist worlds appear more real. The free nations must seriously welcome and realistically follow up every opening for a settlement of outstanding differences. This is worthwhile if only to relieve the tension which has been filling our thoughts with fear of war. At best, however, peaceful co-existence may mean an uneasy peace. The burden of rearmament can be lessened only if there is real agreement on disarmament. It would be fatal to slacken our defence efforts until we have made more progress in removing the disparity in military strength between the East and the West. Along with disarmament there should be efforts to bring about a settlement of Far Eastern questions, a peace treaty with Austria and the unification of Germany based upon the free choice of the people in both the Eastern and Western parts of that country. In the consideration of these questions we must be constantly on our guard against