

Let us take, as an example, the O.E.E.C. -- or to give it its full title -- the Organization for European Economic Co-operation. Canada and the United States are associate members of O.E.E.C., and all of the other NATO countries are full members. It was partly by reason of Article 2 of the North Atlantic Treaty that Canada, in 1950, became an associate member of O.E.E.C. The membership of this Organization, however, is wider than that of NATO and includes countries whose traditional policies of neutrality preclude them from having any association with even a defensive military alliance. I am referring in this connection to Switzerland, Sweden, Ireland and, we can now add, Austria. For this reason there can be no organic connection between NATO and O.E.E.C. In practice, however, NATO is able to draw on the work that is being done in that Organization by reason of the fact that so many members are common to both organizations and each has its headquarters in Paris. That is the reason why the Canadian Government have appointed me both as their representative to NATO and as their representative to O.E.E.C.

One activity NATO has had to undertake in the economic spheres has been an examination of the impact of defence expenditures on the economies of the different countries. Obviously, in drawing up a defence plan, account has had to be taken of the economic capabilities of each of the NATO countries. The economic data, however, required to make such appraisals has been drawn largely from information available in O.E.E.C., although supplemented, where necessary, by data obtained directly from the NATO countries. On the other hand, in reviewing annually the defence efforts of each member country, NATO can and does make recommendations about their economic policies.

Economic co-operation between the NATO countries is not limited to the activities of the O.E.E.C. Such co-operation also takes place within the broader organizations having a world-wide character, such as the International Monetary Fund and the Contracting Parties to the General Agreement on Tariffs and Trade - more commonly known as the GATT. The latter Organization, of which I am Chairman, has a special significance for co-operation between Europe and America, as I shall mention later on.

NATO includes the countries with the greatest financial and economic strength. Together they account for approximately two-thirds of the total world trade. Hence, their policies have a decisive influence on the development of international economic co-operation. For this reason, it is a pity that an opportunity is not afforded from time to time for discussion in a NATO forum of the broad lines of economic policy. This would serve to reinforce the concept of the Atlantic Community. Such reinforcement has become