

"Third, there must be action on the *military front* so that there will be a concerted effort with unity of command, agreed strategy and planned use of resources

"We know what we want. Some of this work has been done, more is being done and more will be got under way. Our representatives have been in close consultation with the representatives of other nations as to what the role of each would be. Any arrangement such as a North Atlantic Security Pact will be submitted to Parliament for its approval. We are making no commitments without the approval of Parliament. On the other hand we are planning our defences after consultation with others so that what we do will fit into any subsequent plan that may be arrived at after Parliament has given its approval to Atlantic Security."

Of the speeches listed above, texts of those delivered in the House of Commons may be found in Hansard. Texts of all other speeches, including the one made in the House of Commons on April 29 by Mr. St. Laurent may be obtained from the Information Division, Department of External Affairs.

The following articles have been published recently in the "External Affairs Bulletin":

July, 1948

Text of Vandenberg Resolution.....	p. 4
Text of Treaty of Brussels.....	pp. 5-6
Mr. St. Laurent's speech on June 11, 1948.....	pp. 7-8
Mr. Claxton's speech of June 24, 1948.....	pp. 9-10

September, 1948

Mr. St. Laurent's speech of September 7, 1948.....	pp. 11-12
--	-----------

THE EUROPEAN RECOVERY PROGRAMME

Although it is difficult and often dangerous to differentiate between the political and the economic aspects of the European Recovery Programme, it may be said that at least the background of the plan is economic. The huge post-war deficit in Europe's overseas balance of payments made it absolutely essential that Europe should have outside financial assistance if an economic collapse, having grave political consequences, were to be avoided. This huge European deficit was a combination of many factors; the loss of income from shipping and overseas investments, the steep rise in import prices, the inflationary pressure prevailing in many of the European countries, the failure of production to recover in Europe and Asia, the radical changes in the pattern of world trade resulting from the war, and the inconvertibility of currencies. It is true that before the war Europe imported \$2 billion more than it exported, but at that time the figure was fully offset by receipts from invisible transactions. Since the war it has been increasingly obvious that the restoration of European equilibrium will only be brought about by substantial changes in the structure of the European economy.

In his Harvard Commencement address on June 5, 1947, the United States Secretary of State, George C. Marshall, having been apprised of the rapidly dwindling French, United Kingdom, and Italian dollar resources, made the general statement that the United States would look with sympathy upon European requests for aid and rehabilitation if the European countries would examine their own resources and their abilities to meet their needs, and outline an appropriate programme of action.

The United Kingdom and France, acting on the assumption that the United States would only help those countries which would help themselves, held a preliminary meeting at Paris in mid-June, 1947, and drafted an outline