

"In Europe, as in Asia, there has been progress towards security and stability, but here also the outlook gives no reason for complacency.

"At the December meeting of the North Atlantic Council in Paris, from which I have just returned, there was general recognition that international tensions have somewhat diminished, and that the danger of open military aggression is perhaps less than it was a year or two ago. But it was also agreed that the menace to our security from the forces of Communist imperialism remains, and that the Communist conspiracy against freedom still persists.

"Furthermore, any comfort which we might derive from such easing of tension as may have occurred during the year, is neutralized, to some extent at least, by the knowledge that if war does come, it will now be far more terrible even than it would have been a year or so ago; because of developments, in the U.S.S.R. as well as on our side, in the power and the quantity of nuclear weapons and in the means of delivering them.

"It would be folly, therefore, to allow ourselves to be lulled into a sense of false security. But it would also be wrong to so harden our hearts, or close our minds to the point where we could not respond to any genuine peace move, to any sincere offer to negotiate that might eventually appear from behind the iron curtain.

MR. EISENHOWER'S ADDRESS.

"One such move of encouraging and far-reaching significance was made from our side early in December, 1953, when President Eisenhower, in a memorable address to the General Assembly of the United Nations, outlined a new and imaginative approach to the problem of international co-operation in the field of atomic energy. His plan calls for the establishment of a United Nations agency to develop the peaceful possibilities of atomic energy. All men of good will must welcome such a proposal. What its ultimate fate will be, it is too early to say. However, as the year ends, we perhaps may take some hope in the acceptance (however cautiously expressed and however hedged with conditions) by the Soviet Government of the invitation to negotiate on this all-important matter.

"Another major problem which demands a decision during 1954 concerns the relations of the Western democracies and Germany; more specifically, whether the European Defence Community is to come into being, as a framework, within the general system of the North Atlantic coalition, for the association of Germany with the defence of the West. No one with any sense of history can fail to understand and, indeed, to sympathize with the hesitations and doubts of our French friends over this issue; doubts derived from a cruel and tragic national experience. But some solu-

tion must be found, for it is not possible for a political vacuum to remain in the centre of Europe. Nature abhors a vacuum, but a potential aggressor relishes one. It is essential, therefore, that some way be found of completing the arrangements for collective security, begun with the inception of the North Atlantic Treaty system. That completion requires that the German people play an appropriate part in collective defence. The method of achieving this will have to be settled soon.

"In our preoccupation with regional and limited security and political arrangements, we should not overlook or minimize what has been done during the year by our world organization.

"At the United Nations there has been achievement--notably in the Korean armistice. There has also been frustration. The work, however, goes on, and this indispensable piece of international machinery remains at the service of its members in their efforts to realize the ideals of the Charter which established it.

PROGRESS IN 1953

"In many fields which, if not spectacular, are of great long-term importance, encouraging and useful progress has been made in 1953. I have mentioned two of the principal long-term problems of the Western democracies--defence against Communist imperialism, and relations with the peoples of Asia. There is a third basic question which sometimes overlaps with the two, but which has a fundamental and distinct importance in itself. In United Nations circles this is called the question of "under-development"--the social and economic relations between the advanced industrial nations and the peoples in those parts of the planet whose economies are still relatively primitive and whose standards of living are consequently low.

"Particularly through its expanded Programme of Technical Assistance, the United Nations has developed a realistic and practicable method whereby the technically more advanced nations can help the economic and social development of those less fortunate. Through this and through other social and economic programmes, and through its various Specialized Agencies, the United Nations has continued to do a great deal of useful, if little publicized, work for human welfare.

"The amount of resources that can be devoted to such activities may be limited, particularly so long as the threat of aggression necessitates large expenditures for defence; but it would be foolish to forget that for most of the so-called under-developed nations of the world, it is precisely in the social and economic articles of the United Nations Charter that they see the main appeal and the greatest value in international co-operation.

"Comparing the situation of the Western world with that of a few years ago (and with