

that member states should not, without advance consultation; adopt firm policies or make major political pronouncements on matters that significantly affect the Alliance or any of its members.

"We are confident that member states are prepared to live up to this recommendation and there is, we believe, an increasing sense of responsibility and obligation regarding consultation. During the last few months, consultations have been particularly useful on the Berlin issue and during the Geneva conferences.

"There have also been fruitful and intimate exchanges on a variety of problems arising outside of the NATO area but capable of possible repercussions on the interests of the Alliance or its members. We are entering into this field in the knowledge that the purpose of such consultations is not the formulation of common NATO policies in parts of the world outside the NATO area or the widening of the commitments of the individual members. Rather, the object is to discuss questions of common concern so that NATO governments in the formulation of their national policies will fully understand each other's points of view and preoccupations. I am sure this approach is shared by all governments represented around this table.

ADEQUACY OF MACHINERY

"It is to the credit of its authors that the Treaty is as adequate to the problems we face today as it was ten years ago. It is up to us to use it. Of late we have had indications that some members of the Alliance are considering the possibility of setting up special machinery for political consultation on a regional basis outside the NATO framework. We welcome exchanges generally and continue to use our own bilateral and multilateral contacts with other countries. It has always seemed to us undesirable, however, that such consultations should take the place of or frustrate political consultation within the Council. In particular, we would view with concern any development which might tend to produce pre-fixed positions by a number of member countries on problems of interest to the Alliance as a whole. We hope that this view is generally shared and that no decision will be taken the results of which would be to weaken the effectiveness of consultation within NATO.

"During the next few weeks the Council will move to its new headquarters. The process of consultation will surely be intensified by the mere presence under one roof of all member delegations and of the Secretary-General and his staff. Indeed it would be quite normal in these new surroundings for some permanent delegations to meet informally and discuss problems of more immediate concern to their countries. The Council on the other hand could remain in more or less permanent session and be available at the call of the chair at a few

minutes' notice. It seems to us therefore that, given goodwill on all sides, the Council could fulfill with a minimum of complications most if not all of the responsibilities which the new international situation may call for. As far as Canada is concerned I can assure you, Mr. Chairman, that we will continue to co-operate fully and whole-heartedly. The Canadian Government strongly endorses what President Eisenhower said here in this Council last month about no member nation having to take a second place in our organization. NATO is and must remain animated by a spirit of equality. In practical terms, this surely means that NATO policies should continue to be determined by all NATO members.

ECONOMIC CO-OPERATION

"Today the position of the North Atlantic Alliance as a whole is one of unprecedented economic strength; and almost without exception our individual countries are economically more prosperous than ever before. This economic growth and strength should serve as convincing evidence as to the efficacy of our own economic systems. Now that the economic scene has changed somewhat we should satisfy ourselves that our actions and programmes are still wholly appropriate to present circumstances.

"We all share the conviction made explicit in Article II of our Treaty that conflicts in our international economic policies should be eliminated and hence that the possibility of an economic split not only in Europe but between Europe and North America and the rest of the free world should not be allowed to develop. In the Canadian view, which I trust is shared by all, regional economic arrangements should stimulate progress towards the expansion of international trade, freed from the burden of restrictions and discrimination.

"We must see to it that our own economic techniques are used in such a way as to increase the economic strength of the free world at the greatest possible rate. Our world economic institutions and our codes of international economic conduct, if properly used and applied, will go a long way toward relieving some of the economic burdens of the underdeveloped countries. Equally important is a recognition of the need for increased financial and technical assistance from those countries which are now finding themselves in highly improved economic conditions. What I am suggesting, of course, is that the increased financial strength which the European members of our Alliance have been successful in achieving should permit of more liberal commercial policies, increased foreign investment and a more direct participation in plans for the assistance of less-developed countries, whether inside the Alliance, or outside. I am not suggesting that the NATO machinery should be used to develop plans to these ends. There are other organizations designed for economic

(Continued on p. 6)