

Soviet economic initiatives that were essentially political in aim and motive. Canada emphasized, however, that the implementation of national policies must be effected through functional economic organizations specially designed for the task, e.g. the OECD. Ministers also stressed the importance of stimulating the sound economic growth of the less-favoured members of the alliance and the special responsibilities of NATO countries to provide through competent economic organizations aid to the under-developed countries of the free world.

### Heads-of-Government Conference

For some time NATO members have been aware of the need to re-appraise NATO policies. On a number of occasions during the year the Prime Minister publicly advocated the holding of a conference at heads-of-government level as soon as possible. A suggestion to this effect was made by the Secretary of State for External Affairs at the December meeting in the hope that a conference at the highest level might be arranged in 1961. After Mr. Herter had explained that he could not commit the incoming Administration, it was agreed that this suggestion would be considered further in the Permanent Council in the light of developments in the new year. The ministers also agreed to accept the Norwegian Government's invitation to hold the annual spring meeting of NATO foreign ministers in Oslo in May 1961.

### North American Defence

North America is part of the North Atlantic Treaty area and under NATO the Governments of Canada and the United States share responsibility for the defence of the region. The various co-operative measures which have been taken to improve the defences of the continent contribute to the greater strength of collective security within the broader framework of NATO.

During the past year, co-operation in this field with the United States has continued to be close and mutually beneficial. The consultative machinery built up over a period of years has continued to operate effectively.

The third meeting of the Canada-United States Committee on Joint Defence was held at Montebello, Quebec, on July 12 and 13. This Committee was established as a result of discussions in July 1958 between the Prime Minister and President Eisenhower to enable both governments to consult periodically at the ministerial level on matters affecting the joint defence effort and to review not only the military but also the political and economic aspects of joint defence problems. At Montebello, the Committee discussed a broad range of recent international developments of interest and concern to the two governments. It reviewed the position concerning the negotiations on immediate and complete general disarmament under an effective system of control and agreed that efforts for the resumption of meaningful negotiations must be continued. The members were further in accord that, pending agreement on a plan for general and controlled disarmament, there could be no relaxation of defence measures. Progress achieved on co-operative measures to improve the defences of North America was reviewed as was the progress of the defence-production sharing programme. This concept was reaffirmed as one in the best interests of each country and the Committee discussed further steps which might be taken to ensure a greater measure of co-operation.