

of smaller powers with that work and the establishment of ad hoc functional committees with varying membership, to prepare drafts of the many technical chapters which, in aggregate would constitute the statute.

#### The German State

14. The general principle should be accepted that people who themselves recognize common national traditions and who have a history of national association should be permitted to live together within the boundaries of a single state if they so desire. To this principle exceptions should be made only when there are exceptional circumstances clearly justifying them.

15. The German people have for many centuries constituted a recognizable racial group in the centre of Europe and within the past century have formed a modern national state. It is believed, therefore, that a German state of some kind will have to be reconstituted in central Europe. The German people, however, have clearly demonstrated that they have not sufficient experience in democratic self government to prevent a centralized state becoming the instrument of despotism and armed aggression. For this reason, the German state should be federal and not unitary in character. Decentralization in Germany through federalism can be made effective and acceptable, particularly if it is carried out in the economic as well as in political fields. The political authority of the various states of Germany, and the economic ties between the various parts of Germany and the neighbouring sections of Europe should therefore be developed.

16. Whereas in free democratic federations the central government may require adequate power to promote the general well-being, the central government of Germany, whose people have not yet learned to impose the restraints upon all government, both central and local, which are present in a truly democratic community should be granted only such authority as is necessary to maintain essential common services. A federal system in which residual authority rests with the member states and in which the powers of the central government are strictly limited and defined, would appear to be required for Germany. In particular, the constitution should so circumscribe the financial and military powers of the central government as to make it legally impossible for the reconstituted German state to build up the resources necessary to make war.

17. The government of Germany, and of the German states which comprise the federation, should be constituted in a democratic

form which would make these organs of government genuinely subject to the control of the German people. The Canadian government regards a political system which subjects the executive branch of government directly to the control of a legislature, elected on representative principles, as being the most satisfactory method of achieving these purposes. Such a government should itself be subject to the rule of law within the state. This should particularly apply to the police department of government. To this end, the judiciary should be given a strong and independent position.

18. The relations between the central government and the governments of the states, and the organs of government generally, should be described in a formal constitution. Provision might be made for the amendment of this constitution, though for a period of years following the settlement, it should not be subject to change except with the consent of the United Nations.

19. The frontiers of Germany should be drawn with a view to securing in the European states system as great a measure of stability as is possible. This stability will, of course, not be achieved if large numbers of German people remain in areas which are contiguous to the German state but are not included in it. A solution to this difficulty may be sought through transfers of population where frontier changes have been or will be made. It is the view of the Canadian government, however, that extensive movements of population which are made on political grounds without reference to economic and social conditions have grave disadvantages and may create serious dangers. It would appear preferable, therefore, to draw the boundaries of the new Germany on an ethnic basis to the fullest extent possible. Provision for the protection of such minorities as cannot be avoided, should be made through the appropriate organ of the United Nations. The principle of ethnic unity should not, of course, result in the inclusion in Germany of Austria, which is historically a separate unit and which has already been reconstituted as an independent state.

#### The German Economy

20. As a nation, whose economic well being depends in no small measure on international trade, Canada is concerned with the level of prosperity in any of the great markets of the world. Europe is such a market and one of the main factors of the European economy is the industrial production of Germany, and in particular of the Rhineland and the Ruhr.