## Nature of the Settlement

7. The Canadian government believes that the settlement of the German problem, which is the aim of the present negotiations, must throughout their course be discussed with a view to achieving a settlement for Europe as a whole. Justice must govern that settlement; above all, justice for the victims of nazi aggression. Of the responsibility of the German government and the nazi party for the war, there is no room for doubt. The German people, as a whole, however, must bear their full share of this responsibility. Through leaders whom they permitted to secure control of the resources of the German state and who openly proclaimed policies of shameless aggression, they led the people of the world into the most desolating war in modern history. The paramount purpose of the settlement, however, must be to prevent the recurrence of war. To achieve this the political and economic life of Europe should be rebuilt in such a manner that the German people may ultimately resume a peaceful and constructive place in the European and the world community without the power or desire to become a menace to their neighbours. It is evident, therefore, that the primary consideration in the negotiation of a settlement should be the welfare of Europe and the world as a whole, not merely the position of Germany or her relation to any one of her neighbours.

8. The settlement need not result immediately in a formal peace treaty between the victorious allies and the defeated enemy. There is at present no German government to sign such a treaty nor is it clear that any such government will exist in the near future. Even if it did exist, there is much to be said against having it sign any peace treaty at this time. It might indeed be preferable to the present negotiations as the preparation of an international statute constituting a new German state and governing the relations of that state with its neighbours and with other parts of the world until it can be replaced by a permanent treaty. An international statute of this nature should form a sound constitutional basis for the new German state. It should be both just and practical. It should be regarded as part of the structure of international law which will exist in the world under the United Nations. When circumstances permit, a German government might accede to this statute or it might be converted into a treaty under the United Nations and signed by Germany.

9. The political and psychological defects of the treaty procedure adopted at Versailles in 1919 have long been recognized. It might be unwise to follow that procedure at this time, or to saddle a successor German government which must be kept weak with the formidable initial responsibility of accepting voluntarily an imposed treaty settlement which, of course, is bound to be unpopular and unwelcome to the people of Germany. Nor would the signature by such a government of a treaty at this time give any evidence or guarantee of its sincere acceptance.

10. The real guarantee of the durability of the German settlement will come first from agreement among the allies as to the basic principles which would underlie it, secondly, from their continued readiness to enforce these principles, thirdly from the consolidation of the strength of the United Nations, and finally in the controlled integration of German economic development within the framework of a wider and a closer organization of the general European economy. A German signature to a treaty of peace now would add little to the effectiveness of these fundamental and indispensable guarantees.

11. A second argument in favour of the statutory approach to a settlement is that it would lend itself to a process of peace-making by instalments. Some of the major political decisions involved in the German settlement will, of course, necessitate compromises by the powers concerned on policies held and proposals made. This may require a considerable period of time. There are, however, a great many aspects of the German settlement concerning which a high degree of agreement could be reached quickly and in respect of which there is everything to be said for ending present uncertainties with the least possible delay.

12. It is obviously important, from the point of view of general European recovery, that as many firm decisions as possible should be taken on the German settlement as rapidly as possible, and be made operative forthwith. This will be difficult under the conventional approach to the conclusion of treaties of peace, in which every decision must be kept formally in suspense until final agreement is reached on the document as a whole. A statutory procedure would, on the other hand, permit progress by instalments, bringing into force chapters of the new regime for Germany as they are agreed.

13. Furthermore, if the present task could be envisaged as preparing the first draft of an international statute for the future regime of Germany, this would facilitate the association