

form of aggression against Germany, with a consequent lowering of German confidence in the alliance. It also means a distinct loss of bargaining power with Eastern Europe, since there are no signs of reductions of military forces in the Warsaw Pact . . . "

After a careful re-examination of the whole problem since last August, can there be any doubt that, for the present, strong allied forces continue to be required in Europe: first, to preserve stability in that divided continent; and secondly, to promote continuing movement toward improved relations with the Soviet bloc countries? NATO's prudent defensive stance in Europe has contributed to the increasing normalization of East-West relations, and we look forward ultimately to Soviet agreement to a settlement in Central Europe which could be sustained without the presence of Soviet forces. We believe that to achieve these several ends a balance of forces must be maintained in Europe.

Such an approach does not exclude working for balanced force reductions, either by agreement with the Russians or by mutual example. Such reduction could be undertaken without disturbing the present balance and Canada would welcome any progress which could be made in this direction. Indeed, we shall be discussing this matter in Brussels at the NATO meetings in December. If the war in Vietnam were to end, we could make progress toward mutual reductions. Until then and the end of such problems as the Middle East, we shall have to pursue our present policies.

We have also examined the suggestion that Canada consider restricting its contribution to NATO to forces based in Canada. The argument in favour of such a course of action has its attractions. The European nations have grown in military and economic power and are no longer totally dependent, as they were when NATO was founded, on outside aid. Canada's contribution is now, in consequence, relatively far less important to the defence of Europe than it was. But this approach ignores the fact that most of the smaller NATO countries are in roughly the same position as we are: making small contributions which alone are not essential, and under pressure, as we are, to find new sources of revenue for other government activities.

The basis of an alliance is that all members contribute in an appropriate manner. And, since we believe in the continuing importance and promise of the alliance, we see no alternative to continuing to make an appropriate contribution, at the present time, to NATO's forces in Europe.

We are, of course, aware of the attractions of contributing forces to NATO from Canadian territory. In fact, our anti-submarine forces in the Atlantic already represent such contribution, in that at the same time they are committed to NATO and also are an important element in North American defence. With the development of new means of transport, it becomes increasingly possible technically to contribute land forces based in Canada. Moreover, air-transportable forces would fit in well with strategic defence plans which are being developed for