

"I want to develop this point a bit. The Canadian Government has made it clear that it is not only willing, but anxious, to join the other North Atlantic democracies in establishing a regional collective security pact for the North Atlantic.

"We believe that the maintenance of an overwhelming superiority of force on the side of peace is the best guarantee today of the maintenance of peace.

"As you know, representatives of the Canadian Government have been participating for over two months now in informal and exploratory discussions in Washington on the problems of security raised in the Vandenburg Resolution. These discussions have taken place between representatives of the United States, the United Kingdom, France, the Benelux countries and Canada.

AWAIT DECISION

"All the governments concerned have agreed that no information about these discussions will be made public until a decision is reached.

"It is not, therefore, possible for me to tell you today how these discussions are going. I can, however, say that the Canadian Government has every reason to believe that the discussions will be fruitful; that Canada is playing a useful part in them.

"The Canadian Government has also, since the end of July, had an observer present at the discussions in London of the Military Committee of the Brussels Powers - the United Kingdom, France and Benelux. The United States has also had observers present at these meetings. The reports of this Military Committee go to the Chiefs of Staff of the Brussels Treaty Powers and from them to the Defence Ministers of those five powers.

"The Canadian Government has taken these steps towards the creation of an effective regional security system with, I am sure, the overwhelming support of the people of Canada. The people of Canada have given this support knowing that Canada's participation in such a security system may require that, in an emergency, we share not only our risks but our resources. It would, for instance, be the task of a North Atlantic security system, once it is established, to agree upon a fair allocation of duties among the participating countries, under which each will undertake to do that share of the joint defence and production job that it can do most efficiently.

"Such a sharing of risks, resources and obligations must, however, be accompanied by, and flow from a share in the control of policy. If obligations and resources are to be shared, it is obvious that some sort of constitutional machinery must be established under which each participating country will have a fair share in determining the policies of all which affect all. Otherwise, without their consent, the policy of one or two or three may increase the risks and therefore the obligations of all.

"This does not necessarily mean that every member of a regional security pact need be represented on all levels in all organs of the regional organization. To insist on this would make some of the organs unworkable. But it does mean that every organ of the regional security organization will derive its powers from a constitutional grant of those powers to it by all the members of the organization.

FORMER PROCEDURES

"During the last war our three great allies - the United Kingdom, the United States and the Soviet Union - reserved to themselves the sole right to make the big strategic and political decisions of the war. It was the two great Western powers, and not all the Western belligerents, which appointed, for instance, the supreme Commanders in Chief. That arrogation of power by the United Kingdom and the United States may have been necessary during the critical emergency of war, especially as before the war no steps had been taken to organize for collective defence. However, it might be argued on the other hand that, even during the war, the total military, economic and moral strength of the alliance against Germany and Japan would have been greater if there had been a constitutional system under which each of the allies had a fair share in the determination of policy and under which the organs of the alliance were created by the allies as a whole and owed their authority to the allies as a whole.

"In any event, I feel sure that it would not be possible in any effective peacetime organization of collective security to accept the procedures which were adopted in the war-time organization of the grand alliance.

"It is, for instance, one thing for a group of states to accept common responsibilities, each taking its fair share in discharging them, and indeed, in adding or subtracting from them. It is, however, quite a different thing for one, two, or three states to make decisions which may have far-reaching consequences for all countries and all peoples, and then, one, two, or three of them ask other countries to jump in and help in solving the problems which those decisions have raised. There are times, no doubt, when the requirements for consultation and for co-operative decisions must be subordinated to the necessities of a grave emergency. But those occasions must be reduced to a minimum, before there can be any genuine collective action. That is one reason why I hope that the North Atlantic Regional System for security and progress will soon be formed so that within its framework the decisions which affect all will be taken by all. Only then will the common responsibility for carrying out those decisions be clear and unequivocal.

"Canada is facing today the necessity of making grave decisions on its political and military relations with the other North Atlantic democracies. Canada is also facing the

necessity of making decisions concerning its financial and economic relations with the United Kingdom and the other North Atlantic democracies. These decisions cannot wisely be considered in isolation from each other.

"Each of the specific questions which arises is neither purely economic, nor purely military nor purely strategic. In making decisions on any one of the related questions, it is necessary to weigh the political, economic, strategic and psychological factors.

"If the decision is to be a wise one, it must therefore follow a very careful balancing of such political, economic, strategic and psychological factors. All of these factors are difficult to calculate; many of them are intangible.

"The problems also involve a weighing of short run against long run considerations. In the short run, certain decisions may be preferable to others either because they do not disturb an economy too much or because they produce results immediately. However, these decisions, though preferable if one is looking forward only one or two years, may not be as beneficial as other possible decisions if one is looking forward five, six or seven years.

"The purpose of balancing the various kinds of factors - short run and long run, political, economic, strategic and psychological - is to arrive at a policy which will best serve the interests of the people of Canada.

"But the interests of the people of Canada cannot be considered in isolation from the interests of the peoples of the other North Atlantic democracies - nor can their interests be considered in isolation from ours.

COURSE OF REALISM

"The only course of realism today for the North Atlantic democracies is for each of them to consider problems arising out of their relations with one another as problems between friends and associates. This does not mean that each of us should do everything that any other member of the group says is in the interests of the whole association. It does, however, mean that each of us, before taking action in the political, economic or military field, must consider what the effect of its action will be on the total strength of the group as a whole - its total military, economic and moral strength.

"Each of us must make these decisions, realizing that, though war is by no means inevitable, there is a risk that war may break out at any time. The extent of this risk is incalculable, but its existence cannot be denied. It is greater today probably than at any time since the war ended a short three years ago.

"That, gentlemen, is a depressing statement to make. It is, however, based, I think, on a sober appreciation of the facts and the trends of today. You would not wish me to preach a doctrine of sweetness and light when I do not feel that way. Nor, on the other hand, do I feel that we need fall into despair and assume

that nothing can be done to save the situation. Not at all. There is nothing inevitable in the relations between states; nothing fixed or frozen or permanent.

"Living, however, as we will in the years ahead, in an atmosphere of international tension, punctuated by recurrent crises, we and our friends in the other Western democracies will need steady nerves and stout hearts. We will need to be unshaken in our determination to pursue a consistent, firm and unprovocative policy against any power or group of powers which threaten by direct or indirect means the world's peace. In the pursuit of such a policy lies our best hope for the future."

**DOMINION-PROVINCIAL CONFERENCE:** The fifth Dominion-Provincial conference on municipal statistics held its opening session September 22 at Ottawa, with the welcoming address by G.J. McIlraith, Parliamentary Assistant to the Rt. Hon. C.D. Howe, Minister of Trade and Commerce.

Herbert Marshall, Dominion Statistician was chosen chairman of the conference, L. Jacobs, Director, Municipal Auditing and Accounting for Saskatchewan, vice-chairman, and James H. Lowther, Chief, Public Finance Division of the Bureau of Statistics, secretary.

The main objective of the conference is the further development of the comparability of the statistical data of the several provinces in the field of municipal statistics. In this regard the principal work of the conference will centre around the report and recommendations of the continuing committee established at the conclusion of a similar conference held last fall.

The subjects to be covered by the conference include those dealing with the revision in revenue and expenditure classifications, the reporting of other municipal data such as area, population and assessment, and the standardization of reports.

The following provincial representatives are attending the conference: Prince Edward Island, W.E. Massey, Deputy Provincial Treasurer; Nova Scotia, U.J. Harrington, Municipal Commissioner; New Brunswick, L.T. Leeman, Commissioner of Municipal Affairs, and R.S. Carpenter; Ontario, W.A. Orr, Deputy Minister of Municipal Affairs, J.T.F. Orr, Supervisor of Audits, and S.J. Kelly, statistician; Manitoba, A.D. McRae, Municipal Auditor; Saskatchewan, L. Jacobs, Director, Municipal Auditing and Accounting; Alberta, A.W. Morrison, Senior Municipal Inspector; and British Columbia, B.C. Bracewell, Deputy Minister of Municipal Affairs.

Representatives of the Dominion Government: Bureau of Statistics, Herbert Marshall, Dominion Statistician; James H. Lowther, G.A. Wagdin, J.A. Barclay, Miss B.I. McFadden, N. Leseigneur; Department of Finance, J.H. Perry, and K. Carr; Bank of Canada, J.E. Howes.