

North Atlantic countries. For example, getting back to the subject of economic collaboration, we find that, first of all, there is in Paris the Organization for European Economic Co-operation, usually known as the OEEC. All the European members of NATO are active members of this organization and Canada and the United States are associate members. In the OEEC there are other European countries who are not members of NATO but whose co-operation is essential if economic collaboration is to be truly effective. I refer in this connection to such countries as the Federal Republic of Germany, Ireland, Sweden and Switzerland. It is to such an organization that we can most appropriately refer the short-term economic questions which are of concern to the North Atlantic community.

When we come to deal with longer-term economic questions we find that it is desirable to refer them to agencies having a still wider membership than the OEEC because such problems need to be handled on a broad basis. I think I can illustrate what I mean if I describe briefly what has been taking place in connection with the proposals of the United Kingdom Government to which I have already referred. First of all, there was a discussion in the Conference of Commonwealth Prime Ministers. Then, when the United Kingdom Government found that the objective of their proposals had the support of the other Commonwealth countries, Mr. Eden and Mr. Butler went to Washington in March and discussed these objectives with the Government of the United States. The next step was to report to the OEEC and in this way acquaint the other countries of Western Europe with the general outline of what the United Kingdom is seeking to attain. When, however, the time comes for action directed towards these objectives, the short-term measures which may be adopted by the OEEC will have to be supplemented by long-term action through the medium of other economic organizations. Of these the most important are the International Monetary Fund, the International Bank for Reconstruction and Development and the General Agreement on Tariffs and Trade, which is more usually known as the GATT. The Fund deals with matters pertaining to currencies and international exchanges, the Bank with investment programmes and GATT with commercial policy and tariff questions.

Enough has been said about the United Kingdom objectives for us to know that they relate to the convertibility of currencies and the conduct of world trade on a broad multilateral basis. Objectives such as these can be attained if use is made of existing facilities. For instance it would be through the machinery of GATT that we could best bring about the further reductions in tariffs and the formulation of new trade rules which are necessary before world trade can be conducted on a broad multilateral basis.

Thus, we find that, in pursuit of the non-military objectives outlined in Article 2 of the North Atlantic Treaty, NATO has a watching brief over these forms of activity rather than an opportunity for executive action. It is the task of NATO to see that its members follow harmonious policies in these fields. The implementation of these policies can best be left to action through the medium of the Specialized Agencies.