

Economic well-being and political stability go hand in hand. In two world wars Canada felt immediately at one with Western Europe in the need to preserve the independence of the latter. It was this thinking which made Canada one of the first countries to recognize the need for the North Atlantic Treaty Organization. If Western Europe were to fall to the Communists, we felt that an immediate threat to Canada would be presented. The tangible proof of our interest in Western Europe is the fact that a Canadian armoured brigade and a Canadian air division are stationed in Germany and France today as part of the NATO forces.

Thus Canada is obliged to look towards Europe, and to consider the fate of Western Europe the fate of Canada.

Geography helped, though in a minor way, to determine our close link with Europe. It was the dominant factor in forcing us to look also to the East and to the North. Just as Canada is the closest American country to Europe, it also is the closest both to Japan and China and to the U.S.S.R., with the exception of the United States territory of Alaska. We have had therefore to take an interest in developments beyond the Pacific.

An interesting example of the influence of geography in the Pacific on Canadian trade and diplomacy occurred in 1955 when we were negotiating a trade agreement with the U.S.S.R. at the latter's request. At first we could not understand why the Russians were so eager to purchase Canadian wheat, since it seemed incredible that it would be either economic or politic for them, one of the major wheat-producing countries of the world, to buy wheat from us. After we began negotiations, the Russians admitted that it would be cheaper for them to supply the grain-producing needs of Siberia and their Pacific provinces with Canadian wheat shipped from our Pacific ports, than to transport grain from the Ukraine by rail to eastern Russia.

Up until the end of the war, the North was for Canada a vast, largely unexplored region though already producing fabulous mineral wealth. It exerted a tremendous influence on the psychology and thinking of Canadians, but we hardly considered it as a frontier beyond which loomed the immense power of Soviet Russia. With the advent of the jet age it has become painfully apparent that the Russians are only a few hours flying time from North America and that Canada lies between the great giants - the United States and the U.S.S.R. As a result we have had to look to the North in a different way, and have spent billions of dollars in developing our defence net-work in the Arctic, and establishing permanent populated posts in the North.