

European half something over 2,500,000 or a grand total of well in excess of six million. Out of this pool present plans envisage the creation of an integrated force under the command of General Eisenhower, to be stationed in Western Europe, and to comprise approximately 750,000 men. Supporting this huge armed strength is a wealth of natural resources, productive capacities and scientific skill. Though the area to be defended is huge, the size of these armed forces, if well organized and trained, united and skilfully led, would nevertheless seem to provide an effective defence against any possible combination of enemies.

How to unite these forces is another question. And, honourable senators, make no mistake about it, it is a problem. Though we on this continent have much in common with our Western European partners culturally, a combination of circumstances has created a wide economic gulf which will be difficult to bridge. Most of us have participated in two world wars, but we on this continent have felt their impact to a far lesser extent than have the people of Western Europe. The per capita income in the United States and Canada is probably three or four times as great as that on the continent of Europe. So the problem of integration will present numerous difficulties. The problem of integrating the armed forces will itself be very difficult, involving as it will questions of different rates of pay, dependents' allowances and living conditions. In addition, there is the ever-present problem arising from the fact that each individual country, while bound under the treaty, has the right to determine the extent of the assistance which it will give.

While the prospect of armed forces in excess of six million men is a comforting one from the viewpoint of defence, the cold fact is that it will be a very expensive necessity. The cost of maintenance and of equipment has reached staggering proportions, and on the present basis will be a continuing one indefinitely. However in one way or another it must be paid for, and, in addition, from the collective resources there must be provided very material assistance to the peoples of countries less fortunate than we are, lest they permanently align themselves with communism. For it must be remembered, honourable senators, that if concurrently with the other efforts that I have mentioned a satisfactory standard of living is not maintained for the peoples of our respective countries, there would inevitably be much social unrest which would seriously handicap our common cause.

Assuming again that armed forces are created and maintained in being, there comes also the question of direction and control. In recent days we have had one example of the inherent dangers of conflicting foreign policies among allies. In the negotiations at Lake Success we seemed for a few days to be on the edge of a precipice, and the end is not yet. What arrangements can be worked out in order that the foreign policies of the respective countries which comprise the North Atlantic Pact can be integrated so as to prevent a recurrence of that recent experience will be of the utmost importance. One such experience in a lifetime is enough. Although we are hopeful that the process of integrating the conflicting interests of the twelve members of the North Atlantic Pact will be in due course accomplished, there arises also the problem of enlisting on our side countries in the peculiar position of Western Germany. The problem of whether in the years that lie ahead she will align herself with the western world or with the group led by the Soviet Union, will be a difficult one to solve; but there is little doubt about the desirability of having her with us rather than against us.

The question of inflation remains a problem which will be common to all members of the pact. Quite possibly it will exist in its most acute form in the western European part of the union, but it will also be a severe problem in the United States and Canada. By reason of the assistance extended through the Marshall Plan, combined with her own efforts, Western Europe has accomplished a very satisfactory degree of recovery from the effects of war; however, her standards of living are well below ours, and she will have to face further belt-tightening in order to provide the wherewithal in goods and finances to carry her additional defence efforts.

The joint plans seem to contemplate that this continent, by reason of the great extent of our productive facilities, and the fact that such facilities are relatively safe from bombing attacks, will be called upon to provide a very large proportion of the munitions of war. For us this will mean shortages of consumer and capital goods for civilian purposes. Running concurrently with the need for production of goods for defence will be a continued demand for such items as housing and various types of new construction. If the productive effort of the various countries could be co-ordinated, it would not be unreasonable to suggest that at least during the periods of shortages there might be a much freer exchange of goods and services than exists at the moment. If, while we are supplying Western Europe with arms, that country could supply us with some badly