

The policy of non-discrimination in trade, which is the keystone of GATT, is in the interests of all of the countries of the Atlantic Community. Discrimination has the effect of shutting a country off from the most economical source of supply. It means buying goods at prices higher than the prices at which similar goods are available elsewhere. Hence, a country practising discrimination, isolates itself to that extent from international competition. Costs within that country tend to get out of line with world costs, and its industries are less able to compete in export markets. This is particularly important for countries such as the United Kingdom and Canada which are so dependent upon export trade for their continued prosperity. We must have a fair measure of international competition if we are to promote conditions of stability and well-being among the countries of the Atlantic Community.

Thus, the NATO member countries, by co-operating actively in the GATT forum to reduce trade barriers on a non-discriminatory basis, are promoting a most important form of economic collaboration envisaged in Article 2 of the North Atlantic Treaty.

You will see from what I have said how much the strength and stability of the Atlantic Community depends upon the economic co-operation that is now taking place among the members of the Community in such forums as the OEEC, the IMF, and GATT. This co-operation is vital to the continued strength of the Atlantic Alliance on which our security depends. Our co-operation must also be made to provide an example of the way in which free nations should live together by seeking their own best interests within the context of the general well-being of all like-minded countries.

Economic co-operation in all international organizations may not be the detailed responsibility of NATO, but the spirit and objectives of Article 2 of the Treaty should be made to permeate their work through the good offices of the representatives of NATO member countries. The NATO Council itself may find in the future that it may usefully consider the broad politico-economic aspects of the trends in these organizations in the light of Article 2 and the relative developments in the Russian Bloc and in the Free world.

May I conclude by saying a few words about the relationship of my own country to NATO. I might begin by pointing out the geographical vulnerability of Canada in any future thermonuclear aggression. Lying as it does between the USSR and the United States, Canada is bound to be as much in the front line, should war break out, as any of the European countries of NATO. In the past, we have recognized the urgent needs of the defence of the European area of NATO, and have