

We can only begin to feel sure that war will be avoided when the like-minded nations have become so strong that their power would only be challenged by madmen. Then perhaps the "peaceful co-existence" to which Stalin often refers may become a reality; issues now insoluble may become negotiable; the Iron Curtain may be slowly raised; the breath of freedom may reach the satellites behind it and the United Nations may begin fully to serve the purposes for which it was designed.

For some years, and especially since the outbreak of fighting in Korea, events have compelled the free countries to concentrate efforts on the building up of military power. While much remains to be done, the progress made has been great, and collective means of further progress have been established, notably in the North Atlantic Treaty Organization but also in many other security treaties and agreements in effect or pending, such as the European Defence Community, the Pacific agreements of the United States with Australia and New Zealand, with Japan, and with the Philippines, the Rio Pact, and the intimate and far-reaching arrangements for continental defence between the United States and Canada. New methods have been developed and new obligations assumed.

Military power, of course, is only a part of the mustering of the collective power of the free countries that is required. Economic strength is the foundation of military power, of political security, and of social progress. This is, I fear, a blatant platitude, but it bears repetition perhaps only because of the very prevalent habit of reckoning power in terms of divisions, air groups and navies. The free world has been busy developing new means of increasing its collective armed strength. How effective are the means that have been devised for building up its collective economic strength?

There has certainly been no lack of international agencies charged with various responsibilities for promoting economic collaboration. There are the International Monetary Fund and the International Bank for Reconstruction and Development; the many agencies of the United Nations, such as the Economic and Social Council, the Economic Commissions for Europe, Asia and Latin America, and the Technical Assistance Programme; the Food and Agriculture Organization; the Organization for European Economic Co-operation, with which the United States and Canada are associated, and the European Payments Union. There is the pledge in the North Atlantic Treaty that the parties "will seek to eliminate conflict in their international economic policies and will encourage international economic collaboration between any or all of them". Not least important, there is the General Agreement on Tariffs and Trade, intended to be the precursor of an International Trade Organization, which has unfortunately fallen by the wayside through failure to secure ratification of its charter.

This is a dizzying array of international agencies, some almost universal in membership, and some of limited but wide membership. Two of them in particular are responsible for seeking to remove continuing obstinate restrictions on international trade by bringing about the convertibility of currencies, the reduction of tariffs, the simplification of customs administration, and the elimination of discrimination. These are the International Monetary Fund in the financial field, and the General Agreement on Tariffs and Trade in the field of commercial policy. In one way or another, however, the work of all the agencies that I have named and others as well touches on these same problems.