

It seems inevitable in the case of rearmament that there should be set-backs here and there. However, I remember very vividly that a little less than three years ago, when I was appointed Canadian representative on the North Atlantic Council Deputies, we had only isolated national units and an insufficiency of them. At that time we were talking about balanced collective forces as the most we could hope for. Now we have a steadily increasing integrated force under a Supreme Allied Commander for Europe.

Last year the number of parties to the North Atlantic Treaty was increased to fourteen through the accession of Greece and Turkey. There is also the potential German contribution to the integrated force. It is proposed that this will be part of the European Defence Force and will come about when the treaty setting up the European Defence Community is approved by the parliaments of the six European countries concerned, namely, Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands.

Canada is making important contributions to the integrated force. Then there is the air division which is based on four airfields, of which two are in France and two in Germany. We are also committed to the contribution of a fairly considerable force which will be under the Supreme Allied Commander for the Atlantic, whose headquarters are at Norfolk, Virginia. Canada is also contributing to the NATO defence effort through mutual aid, for which in each of the last two fiscal years an amount of \$324,000,000 has been appropriated. This is being used to supply end-item military equipment to our allies.

From this you will see that we have become closely associated in a military alliance with the other parties to the North Atlantic Treaty. These countries form the nucleus of that community to which by tradition we belong. All except a small percentage of our population are descended from those who had their origins in the countries comprising the North Atlantic Community. A very large percentage of our trade is conducted with the countries comprising this community of nations. In the negotiations for the treaty, Canada always intended it should be something more than a mere military alliance.

That brings me to the second of the goals set forth in the treaty - the promotion of stability and well-being in the North Atlantic area. These so-called non-military objectives are dealt with more specifically in Article 2 of the treaty, which provides that the parties "will contribute towards the development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being". The article then goes on to state that the parties "will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them". This provision was inserted in the treaty on Canadian initiative.

Economic collaboration is the aspect of the non-military side of NATO that is of most interest to the members of the Vancouver Board of Trade. I shall confine myself to this aspect because what is applicable to economic co-operation applies equally to co-operation in the social and cultural