

dollars for the first fifteen months, about half of which could be used for purchases in other Western Hemisphere countries, "off-shore purchases".

The implementation of the plan does not depend, however, only on assistance from this hemisphere. In the long run, Europe must stand on its own feet and that requires re-arrangement of tariff and other barriers to trade between them. Moves are, therefore, under way for a greater degree of European economic unity.

The first result of this unity may bring about some dislocations in Canadian trade with Europe. But I am sure we will all do all we can to keep those dislocations to a minimum, not forgetting that in the long run, Canada will benefit by any European consolidation of this kind.

As a second step, it was necessary to move toward the consolidation of Western Germany. Originally, all four occupying powers took measures regarded largely as of a transitory nature, on the assumption that a German peace treaty would not be long delayed.

But the failure of the Foreign Ministers' meeting in London last November and December, demonstrated that this was no longer a reasonable assumption. The powers occupying the Western zone have, therefore, had to consider the pressing needs for administrative and economic reforms in Western Germany of a more lasting character and the United Kingdom has announced a constitution for Bizonia, or the two zones they control, and are proceeding to take with Belgium, Netherlands and Luxemburg, the steps necessary to rebuilt self-government, stimulate production and restore trade in that important area.

This gives reason to hope that an end will be made to the enervating uncertainty and continuous drain which has been such an obstacle to the process of general recovery.

The other very important step which was announced by Mr. Bevin in his speech of the 22nd of January last, was the plan for what has been called the Western Union, the terms of which have now been agreed to and which, we are informed, will be signed by the United Kingdom, France and the Benelux countries, the day after to-morrow. This is no mere military alliance directed against a possible aggressor from the East. It seeks to mobilize the moral as well as the military resources of the Western European countries and to contain or restrain Soviet expansion, not by a Maginot line, but by building up in these liberal, democratic and Christian states, a dynamic counter-attraction to the degrading tenets of totalitarian and materialistic communism.

Such a union is not excluded by the terms of the United Nations Charter and would be in complete accord with the purposes of the Charter. It is, of course, not easy to realize among countries so firmly attached to their individual sovereignty, their traditions, their cultures and their ways of living; but it has been successfully started and there is room for hope that it will extend. And it may not be only Western Europe which will be forced into a spiritual, cultural, economic and political union to offset the union of the totalitarian states under the aggressive leadership of Russia.

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