

It is of urgent and great importance that we should develop the concept of a North Atlantic economic and social community within the framework of the North Atlantic Treaty. Up to the present, we have considered the North Atlantic Pact as primarily a defensive military arrangement to increase our power to resist aggression. We were right in giving this side of it priority and we have made encouraging progress in organizing and planning our defensive system. But it is now time to plan our economic defences. In the long run our hopes for the safety and prosperity of the North Atlantic world will prove illusory unless we regard the North Atlantic Treaty as being a great deal more than simply a military alliance. The terms of the Treaty, especially Article II, specifically pledge its members to make every effort to broaden the basis of their association, and not restrict it to defence alone. This aspect of the Treaty, which holds out the promise of economic co-operation, has always seemed of particular importance to the Canadian people and their government, because we believe that in the long run our ability to stand fast against the attacks of international communism will rest in the well-being of our own people and in that of our friends and allies. We also know that this well-being cannot be ensured by national action alone. We believe that the purpose which we have declared in signing the North Atlantic Treaty can only be fully realized if by our joint efforts we solve the economic and social problems which threaten the area that we have undertaken to defend. We can, I hope, make progress on this front at the North Atlantic Council meeting in London in May. It is time that we began, because it will be a long hard process.

Up to the present we have occupied ourselves only with the foundations of our North Atlantic system; with the search for agreement on principles. Now we face the far more difficult and challenging task of constructing the superstructure - of converting our principles into policies. We now have to give effect to such agreeable and popular phrases as "integration of production", "standardization of weapons", "co-ordination of activities", "mutual aid", "sharing the burden", etc., etc. All these are fine ideas, essential ideas - good material for any after-dinner speech! They are easy to accept in principle; difficult to work in practice. In no sphere of collective action will the difficulty be greater than in the economic field. In no sphere, is it more essential that we should succeed. I hope, therefore, that we can make a good beginning towards this success in London in May.

I think that our past record will give our friends the assurance that Canada will do its part. At the same time the other members of the group will recognize, I hope, that one of the most effective contributions we can make in Canada to the general security is through the full development of our own natural and strategic resources, and the building of a strong and balanced economy in the northern half of this continent. This is itself a big undertaking for a young country, vast in area, small in numbers, vigorous in climate, but it is one which we must carry out if we are to play the important part in ensuring North Atlantic security, that we wish to play. Certainly it will be difficult for us to give at this time much defence aid in the form of arms to our European friends, if such aid represents a drain on those United States dollar reserves, the inadequacy of which has recently caused us so much anxiety; and will probably continue to do so as long as 145 millions of Americans buy less from Canada than 13 millions of Canadians buy from them. Also the Canadian people might find it difficult to understand why we should be providing assistance to Europe, if that continent attempted - for any other reason than strict and demonstrable