

At this point I should like to emphasize that the Canadian Government is in sympathy with the broad objectives of the movements towards European unity. We have from the outset welcomed the development of institutions designed to bring about increased co-operation in Europe. Such institutions as the Organization for European Economic Co-operation, the European Productivity Agency, and the Economic Commission for Europe, have done a great deal of valuable work. They have certainly improved the standard of living and contributed to the welfare of the peoples of the European countries; they also strengthened political ties between these countries. In these respects they have made a substantial and valuable contribution; they are worthy achievements, and I applaud them.

It should also be evident from my foregoing remarks that there is no contradiction in our present policy of welcoming the political and economic integration of Europe while expressing concern about the possible growth of restrictiveness in European trading policies. Rather, we consider that the one need not entail the other. We believe that, properly developed, they can become examples of international co-operation for the good of the whole international community, rather than for the limited benefit of a few of its members.

It is clear that the past year or so have been marked by the passing of what might be called the postwar world, and a new phase is beginning. Western Europe has largely completed its reconstruction after the ravages of the Second World War and has now reached a position of unprecedented strength and prosperity. The world's main trading currencies have been made convertible and the outlook for increased trade and freer payments has been greatly improved.

The relative mildness of the three postwar recessions - none of which has really represented more than a pause before a period of even greater expansion - has given the international trading community confidence in the basic strength and stability of the world economy, as well as encouraging national governments in their moves to dismantle restrictive measures.

One problem which is of great and immediate concern to me, as the Minister responsible for External Affairs, is disarmament. Aside from the terrible threat to mankind of nuclear weapons, which must overshadow all foreign policy in this age, there is the heavy burden of defence - a burden in terms of taxes and in terms of the great demands for the skills and resources of our people and country. Sometimes one hears the concern expressed that our free enterprise economy requires the stimulation of an arms race to keep it from depression that we cannot, in fact, tolerate disarmament because of its economic consequences.