

used to justify its actions. Our experience in the last two wars has led us to conclude that there is no effective alternative to unified command and planning arrangements for allied forces. That is even more true of modern warfare with the emphasis on rapid and dependable communications and on quick, but jointly and carefully considered, responses. The need for continuing these proven arrangements is accepted as imperative by all other members of the alliance. Last week these governments agreed on a declaration of their continuing support for the Organization....

...The Canadian Government continues to give its full support to the organizational arrangements which have been established over the years in NATO. This does not mean that we think the military organization cannot be improved. Within the conception of unified command and planning, we believe that the military organization would profit from a re-examination aimed at improving its effectiveness and rationalizing the command structure. The readjustment which is imperative as a consequence of the French decision will afford an opportunity to apply the lessons we have learned. This opportunity must be seized.

FORMAL TIES TO CONTINUE

In spite of its decision to withdraw from the integrated military arrangements of NATO, the French Government has stated that it does not intend to denounce the North Atlantic Treaty in 1969; that is, that it will continue to be a party to the Treaty. The implications of this intention, in the light of the announced decision to withdraw from the integrated military arrangements, have yet to be explored with the other members of NATO. But the Canadian Government welcomes this indication of France's desire to continue its formal association with the other parties to the Treaty.

The French Government has also indicated a willingness to develop organizational arrangements with other members of NATO to co-ordinate plans in the event of possible conflict. There are serious doubts as to the real effectiveness of such arrangements under the conditions which would be likely to obtain in modern war. Such arrangements could, however, constitute additional links in France's continuing association with the other members of NATO.

CANADA'S POSITION

One object of Canadian policy will be to ensure that nothing is done which would make more difficult the resumption by France of full military participation in NATO, should France so decide. No matter how great our regret that the French Government should have taken the decision it has, we shall do all we can not to allow this action to affect the existing warm and friendly relations between Canada and France, which form an important and basic element of our foreign policy. Indeed, if the institutional links between France and NATO must be loosened, it is all the more important to maintain and strengthen, if possible, the bilateral relationship.

In spite of the uncertainties and the problems

which the French action will cause for us and our allies there are certain essential points about the Canadian position which I should like once more to underline:

- (a) We shall continue to subscribe to the purposes and objectives of the North Atlantic Treaty;
- (b) Canada intends to continue to participate in the integrated military command and planning arrangements, the need for which we discovered at such tragic cost during the last two great wars, and which has become even more important with the increasing complexity and rapidity of military actions and reactions;
- (c) France's decision will require a review of NATO military arrangements. Canada will seize this opportunity for an examination of how we can best contribute to the continuing military effectiveness of the alliance and how the existing arrangements can best be adopted to meet contemporary needs;
- (d) The Canadian Government desires to preserve and strengthen the existing close and friendly relations with France and will do all it can not to allow the French action in NATO to impair our bilateral relations. The Canadian Government also hopes that the French action will not impair France's co-operation with other European and North Atlantic countries in economic, financial, trade, and other matters of great importance to France and to the rest of us.

RECORD SALE OF WOOD TO BRITAIN

A recent report from the Department of Trade and Commerce shows that, in 1965, Canada replaced Russia as Britain's major supplier of sawn softwood lumber, regaining a position last enjoyed in 1949. This pre-eminence was achieved by the supply of 26 per cent of Britain's total softwood requirements last year. Canadian exports to Britain increased to one billion board feet, valued at roughly \$120 million. Such a volume had not been achieved since 1940.

Sales to Britain of other Canadian wood products showed corresponding improvement. Plywood exports in 1965, for example, also exceeded the 1964 level.

RESULT OF VIGOROUS PROMOTION

This improved export performance reflects an accelerated promotional programme conducted jointly by the Canadian lumber, plywood, and allied building materials industries and the Department of Trade and Commerce. It began with a timber housing mission from Britain to Canada in 1963, followed by construction by Canada of six demonstration timber-frame homes in Britain, participation in the Building Trades Exhibition, London, a home builders' mission from Britain and a Canadian construction materials' mission to Britain.

The British-financed Harlow Development Project, providing for construction of 176 dwellings, is a direct result of the promotion. Construction of these units is expected to begin this summer.