

important now that the more favourable international climate may tend to place an increased emphasis on the non-military aspects of our community. We must be increasingly concerned with the political aspects of our relative economic strength, which, in part, is a measure of the degree of co-operation within the North Atlantic Community and amongst the countries of the Free World. It is therefore appropriate that NATO should concern itself with the successful development of economic co-operation between its members and, in a broad way, with co-operation between all free countries.

The O.E.E.C. is not a suitable forum for discussions relating to Article 2 for a number of reasons. First of all, it is a regional organization embracing a region which forms a part only of the Atlantic Community. Secondly, the United States and Canada are not full members of O.E.E.C. but only associate members. While associate membership affords ample scope for the expression of views, it does not give these important members of the Atlantic Community that equality of status they would have in a NATO forum. Thirdly, the presence of the neutrals precludes any NATO country from invoking Article 2 of the North Atlantic Treaty in the O.E.E.C. forum. Hence, O.E.E.C. does not serve to keep alive this Article as an instrument of international economic policy.

In spite of these drawbacks from the point of view of the concept of the Atlantic Community, a great deal of valuable collaboration between Europe and America is taking place in O.E.E.C. That Organization has proved itself to be one of the most effective inter-governmental agencies ever set up. It has played, with American assistance, a notable part in the restoration of the European economies after the war. By establishing and then operating the European Payments Union, it has greatly facilitated the clearing of accounts between European countries and thereby the exchange of goods between them. It has made good progress in the dismantling of quantitative import restrictions through the progressive liberalization of the trade of the member countries. It has taken steps to remove discrimination by European countries against the trade of outside countries, such as the United States and Canada. In all this work the Organization has received advice and assistance from the United States and Canada, who have actively participated in its work as associate members.

Let us now turn to those organizations of a world-wide character which I have referred to already. First of all, let us admit that in this respect the situation is a great improvement over that which prevailed in the period between the two world wars. I was present at the Financial and Economic Conference which was held in London in 1933 at the depth of the great depression. That Conference failed completely to