

with Maine but stretches out another 800 miles or so into the Atlantic, to terminate at St. Johns. But American thoughts have recently gone forward with a bound, as the large amount of space devoted to Canada in American newspapers indicates, and the logic of geography is slowly making itself heard.

In the three centuries that have elapsed since they first came into the path of history, the geographical elements of the North Atlantic coast and its funnel-like opening into the interior have moulded the events that have been superimposed upon them. Sometimes the set of human action has been in one direction, sometimes in another. In this ebb and flow it is easy to see the essential nature of the great port that for two centuries has stood out so prominently in every war. Halifax is a kind of pivot from which armed action may be swung in any direction. The British first swung it up across and into the Gulf against the French, then down across the routes to Boston and New York against the Americans. They bound it, as a principal centre of distribution, into the routes centering on their own islands. Today it is this again, and more; for potentially it is the centre of an arc lying both to east and west, not so much containing as excluding. Once more the Atlantic circle is complete, or virtually complete, leading from London

through Newfoundland and Nova Scotia to New York and southward back again through the Bermudas. Only the Azores provide a conspicuous gap. If complete this circle remains, that will have important consequences for mankind.

It is too early yet to speculate upon those consequences, but surely the events of the last few months justify some optimism. The Ogdensburg agreement, the fifty destroyers, the American naval bases on British territory, the Canadian defence program at last conceived in a spirit other than that of colonial subordination, all these portend a new kind of Anglo-Saxon world. It will be a world in which Canada, the keystone of the Atlantic arch, can play a great part if she manifests the qualities that should be hers. These qualities do not consist only in manufacturing supplies or even in forming armies: they do not consist merely in industry or martial courage. Important as these things are, statesmanship, wide views and moral courage in high places are more important. Without these our country may find itself in as uncomfortable a position as a small boy dragged along between two hurrying adults. On the other hand, with boldness, initiative and imagination, this Dominion, though small numerically, may, thanks to its position and the energy of its people, find a proud place in world affairs.

## New Defences of the New World

By CLARK FOREMAN

**E**NCOURAGING steps toward the military and economic defense of the new world have been taken in recent months. The growing realization by the people of the Americas that their

countries are inter-dependent is the fundamental part of this improvement. Throughout the hemisphere there has been a remarkable agreement on President Roosevelt's appeal of "all for one and one for all". Every American country is now inclined to accept the idea that self-defense is dependent upon hemisphere defense.

In the realm of military defense, the outstanding accomplishments began with

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the Declaration of Lima in 1938, when the twenty-one American republics agreed upon mutual consultation in case of danger from without or within; but this Declaration was carried much further in Havana in July of 1940, when the twenty-one American republics adopted the Act of Havana. The signing of this convention by the representatives of all the republics, and its later ratification by fourteen countries—the necessary two-thirds—was one of the most significant advances in the whole history of Pan-American co-operation.

The Act of Havana and the Declaration of Lima together have virtually taken the Monroe Doctrine from its unilateral status and made it the unanimous policy of all the American republics. The ratification of the Act of Havana established an Inter-American Commission of Territorial Administration, and provided that any territory in America which is controlled by a non-American state would automatically come under this Administration if the territory was threatened "directly or indirectly" by any other non-American state.

The achievements of the Pan-American Union did not, however, apply to Canada, which is not a member of the Union, and, since Canada has Dominion status, it cannot be said to be controlled by a non-American state. President Roosevelt has, however, announced that the United States would come to the aid of Canada if she were attacked. This announcement was followed by the establishment, in August, 1940, of the Permanent Joint Board of Defense of Canada and the United States. This Board is composed of representatives of the military arms of both countries. Its importance has already been clearly explained by Colonel Oliver Mowat Biggar in an address which was broadcast on October 20, 1940 and later printed. Colonel Biggar emphasized the nearness of Alaska to Asia, the nearness of Newfoundland to Europe and "the curious result that each of these corners is politically separated from the adjoining territory". "On the northeast," Col. Biggar continued, "Newfoundland, now including much of the adjoining

mainland, has no political connection with Canada except that both are parts of the British Empire. Alaska on the northwest is an outlying part of the United States, separated from it by some four hundred miles of Canadian territory. It follows that Canada has an obvious interest in the defense of Alaska, and as we shall see both Canada and the United States have an interest in the defense of Newfoundland."

While the function of the Board is advisory, it nevertheless is already performing an important service in the coordination of North American defense. The Board studies problems and reports to each government. Many of the problems on which the Board is reporting concern plans that must be made in advance of attack, others of course will deal with joint or concerted operations of the forces of the two countries "if and when these are directed".

Perhaps the most significant of all recent advances in the military defense of America was the leasing by Great Britain to the United States for ninety-nine years of air and naval bases from Newfoundland to British Guiana, and the further assurance by Prime Minister Churchill that the British fleet will never be surrendered or scuttled. The bases not only gave the United States fleet and air service vital outposts in Newfoundland and Bermuda, but also allowed the Navy to close up the gaps in the Caribbean defense of the Panama Canal. Bases on Antigua, St. Lucia and Trinidad greatly enhanced the defenses of the United States already existing in Cuba and Puerto Rico; in fact, they make it possible for the United States to establish absolute protection for all entrances through the Caribbean to the Panama Canal. Whereas before the flying distance from the Puerto Rico base in the United States to Natal, on the bulge of Brazil, was approximately 3,100 statute miles, as compared with the distance from the French base, Dakar, in Africa, to Natal of 1,863 statute miles, the new base granted by Great Britain, at Georgetown, in British Guiana, will be approxi-

mately 2,100 statute miles from Natal, or a thousand miles closer.

The bases leased from Great Britain were declared by President Roosevelt not to be for the United States alone, but for the use of all American countries. In thus giving concrete evidence of the new spirit of inter-American unity, the United States led the way to greater co-operation in this hemisphere.

Uruguay has recently agreed with the United States to provide air and naval bases on the Uruguayan coast, but these too will be open to other American countries and there will be no loss of Uruguayan sovereignty. Negotiations for similar arrangements are now proceeding with the other countries of South and Central America.

One of the recent developments has been the visits of military groups to the United States from the other twenty American republics. Each of these republics was represented by its Chief of Staff or by another officer of very high position. They traveled by air over the United States and inspected the military establishments, weapons and training methods, as well as the expanding productive machinery of the factories. These visits, and the resulting collaboration, did much to strengthen the military position of this hemisphere. Some came with prejudices acquired from their association with German and Italian officers, but their comments after inspecting the American defenses showed that they had been greatly impressed.

Along with the attention devoted by the visiting military men to military defenses of the United States, there also was genuine concern about the improvement of transportation facilities between the various countries and the development of better economic conditions in all of the countries. In fact, one of the lessons which has been learned by military men is that military defense alone is not enough. They must now be concerned not only with the provisioning of the armed forces but of the civilian population as well.

The warehouses of many South American ports are overflowing with goods which

cannot be sold because of the war in Europe. The standard of living of the people in many of these countries is already very low. Their income is almost entirely dependent upon the export of agricultural goods and minerals. The loss of so many of their markets faces these countries with an embarrassing situation which must be solved if they are to have a real defense. For years the farmers and workers have been receiving promises which the Governments have been unable to fulfill. Now the merchants and other white-collar groups are facing most difficult times. The agents of Germany and Italy are taking advantage of this situation and are telling the people that their only hope of prosperity lies in collaboration with the Axis powers and the abandonment of democracy. This technique has been used effectively already in the Balkan States and it is having some signs of success in a few countries in South America.

In a recent book, called *Total Defense*, Joan Raushenbush and the writer have analyzed some of the tactics being used by the Axis powers to gain the domination of South America first and then North America, by economic means. We also have presented a comprehensive program for hemispheric co-operation which would more than offset the Axis plans and, in fact, increase the purchasing power of the people of the American countries, developing an economic plan which would be complementary rather than competitive among the American countries, and thus greatly strengthen their defenses.

Every American country has in the past thought more of trade with Europe than of American trade. Our vital supplies of rubber and tin have come from Asia, and American sources for these materials have been neglected. At the same time, the productive forces of the American countries have been to a large extent engaged in catering to a European market. As a matter of defense, it now becomes vitally important to shift the emphasis of this trade so that the strategic materials which are

needed both for defense and prosperity can be obtained within this hemisphere. This will not only strengthen our military position but also, by providing an American market for American goods, will do much to relieve the American countries from their dependence on Asiatic sources of supply and European markets. It will also provide greater purchasing power for the people of the Americas.

Normal channels of trade can be used to accomplish this shift, although Governmental assistance may be needed in some instances. For example, the United States recently appropriated \$500,000 for experimentation in the development of rubber in South and Central American countries. It is expected that this will open up opportunities for private capital to be invested in the production of rubber in South and Central America. This step by the United States has been received most enthusiastically by the countries of South and Central America. The United States has recently signed an agreement with Bolivia whereby 18,000 tons of tin will be brought to the United States for smelting. This is a most significant development, as in the past this hemisphere has been entirely dependent upon Europe for the smelting of tin.

The development of a tremendous steel industry in Brazil is being financed in part by a loan of \$20,000,000 from the United States, and this too will have very important consequences for defense.

Efforts are being made to develop American sources of other strategic mineral and agricultural products, such as ferrograde manganese, chromite, tungsten, antimony, mercury, block mica, manila fiber and quinine.

There is also the important step of finding and helping establish sources of supply for goods formerly imported from continental Europe, which is no longer able to export them. Many, if not all, of these goods could be produced in American countries if adequate financing, either from private or Government sources, was made available. The existence of such industries in many South

American countries would help materially in the increase of purchasing power, which is so important.

For both military and economic defense, faster and cheaper transportation between the American countries is of great importance. Until very recently many countries in this hemisphere transported goods almost entirely by water, and the best ships and the cheapest rates were to Europe. With the development of the airplane, much faster transportation is possible, and many isolated parts of the hemisphere are now being opened up. With a greater volume of business it is expected that both the shipping companies and the air companies will be able to reduce their rates and to increase even further the amount of travel among the various countries. The Pan-American highway, which will eventually extend from Alaska to Buenos Aires, is going forward steadily, and when it is finished, will provide for automobile travel throughout the continent. This is a most vital item in American defense, and ways are being studied for expediting completion of the highway. With the improvement of transportation and the development of industries, and the consequent increase in purchasing power, there will undoubtedly be greatly increased consumption of goods in this hemisphere throughout the normal channels of trade. There will, therefore, be fewer surpluses and a higher standard of living.

In the transition years, however, there will unquestionably be surpluses in many countries which cannot be disposed of through the normal channels of trade. It has been suggested that the American countries establish an All-American Surplus Products Corporation, which would arrange for an exchange among the various countries of their surpluses so that these could be distributed to impoverished families. Through relief agencies, school lunches, or some such idea as the stamp plan—which has worked so successfully in the United States—it should be possible for the American countries to get the full benefit of their productive capacity even before they

have completely developed the complementary economies which are desired.

With a strong internal economy, an increasing standard of living for the people, well organized industries for the production of armaments, and a

closely coordinated system of military defenses, there is no reason why the countries of the new world should not be able to go forward to greater heights of freedom, liberty, prosperity and democracy.

## Economic Implications of United States-Canadian Defence Co-operation

By DENIS COURTNEY

THE Canadian-American defense agreements came, to the American public, at least, as a surprise. The attention of most Americans has been from the beginning directed to Latin America rather than Canada as the most likely loop-hole for foreign hostile influences. This was only natural considering the long story of fascist political and economic penetration in many Latin American countries both before and during the war. The realization that Canada, from its geographical position no less than from its importance in world trade, plays a vital role in hemisphere preparedness is of more recent growth. The first care was for the physical protection of the northern continent, and the agreements concluded for sharing the military responsibility for defending the lengthy coast-lines of the two countries have been the welcome result. The wider proposals for hemisphere solidarity in the economic field, now under discussion, are calculated to defend not only North, but South America as well, from the far more insidious threats of totalitarian economic aggression.

The damage already done in Latin America is grave; the potential danger is

graver. Here is a situation which demands immediate action. For the rest of the hemisphere the danger is less insistent, but potentially it is still there. No matter who wins the war, present tendencies point to a world split into great regional areas of economic control from which the British nations and the United States are likely to find themselves shut out. The only contrary possibility would be in case a victorious Britain were left with sufficient strength and initiative to organize and compel, perhaps with the aid of the United States, a return to freer conditions of international trade. In this event the task of reconstructing an impoverished and starving Europe would call for all the organizational machinery at the command of the British Commonwealth and the Western Hemisphere.

But in the event of Fascist preponderance in the European continent, the danger of unplanned and unprotected contact between the commerce of this hemisphere and the unscrupulous, monopolistic trading bodies in Europe and elsewhere would be very great. It is for this contingency that an organized trading bloc in the Western Hemisphere is advised, not to cut the Americas off completely from such bodies, but so as to control and supervise the channels of trade and avoid unscrupulous dealings at either end. An economic bloc in the Western Hemisphere thus would be the most useful machinery either for defense or reconstruction, and there is every

EDITOR'S NOTE: Denis Cartwright is on the staff of the National Economic and Social Planning Association—NESPA—with headquarters at 1721 Eye Street, Washington, N. W., D. C. The Association, to which the Editor is deeply indebted for their assistance in preparing this issue of PUBLIC AFFAIRS, has given special attention to the problems of economic co-operation between Canada and the United States. A preliminary report presented by one of NESPA's study groups is contained in the June issue of *Plan Age*, the Association's excellent monthly bulletin.