

brothers—it would not be an impossible solution at all. Certainly Arab countries in the area have tremendous resources which could be used for the economic benefit, the raising of the standard of living of their own citizens, and to help their neighbouring Arab countries. The refugee problem could be financed by means of the United Nations contribution, and the offer has already been made, and by certain token payments from Israel. My point is, the atmosphere locally has decidedly improved whereas in the United Nations you have two opposite stands. I think that if a solution were attempted in the area itself there might at least be some hope of getting forward at least five to ten inches towards a general solution.

Mr. SMITH (*Hastings-Frontenac*): After the last meeting on Tuesday the officials and I talked about this. There came forward from that division a memorandum relating to this whole question. We are trying to work out something in our own minds which would be acceptable.

The Middle East is an area where our representation badly needs broadening and reinforcing. I am persuaded that having regard to the growing importance in world affairs of countries in that region, and to the need for us in Canada to be as fully informed as possible on developments of a very complex and delicate nature, which are constantly arising there, we should look at the possibility of expanding our representation, in order to give Canada a better opportunity of understanding the situation. I have this in mind. This is not a promise. This represents my own thinking—that we will have to do something more in the Arab countries. If they were more prosperous they might feel a little better towards the Israelis and the question might be solved. I am thinking now off the top of my head.

Mr. PEARSON: Do you agree with the statement that there cannot be any satisfactory and enduring solution to the Middle East problem without the participation of the Soviet Union in discussions leading up to that resolution?

Mr. SMITH (*Hastings-Frontenac*): In considering this memorandum, which is quite a long one, it may have occurred to the men who prepared it. It did not occur to me. But certainly the Russians are moving in. What would you say as to that?

Mr. JULES LEGER (*Under Secretary of State for External Affairs*): Mr. Chairman, if I might, I think the question put by Mr. Pearson resolves itself in the following manner: if the Soviet Union is called in their first request will be directed to the dissolution of the Bagdad Pact, so when you put the question that way it becomes much more complicated.

Mr. PEARSON: I had in mind a situation that is not exactly parallel, but there are some similarities. It is the situation in Indo-China two or three years ago when there was trouble. For a long time we thought, and it was hoped that a solution could be reached without including Communist China in the negotiations leading up to it, but eventually it was agreed by France, the United Nations, and the United Kingdom, that China had to be brought into the negotiations. The conference was held at Geneva, as a result of which there was a settlement which certainly was not a perfect one, and perhaps not even a good one, but it was a settlement. I just wondered whether we could ever reach any similar solution in the Middle East unless these countries, which have an interest, and Russia certainly has, and that interest was recognized in some way.

Mr. Low: Mr. Chairman, has any progress been made in getting an agreement on the part of the Arabs and the Israelis in the Jordan Valley development project as one means of bringing some sort of economic development to the Arab countries as well as the Israelis?

Mr. SMITH (*Hastings-Frontenac*): The under-secretary informs me that has been dormant for over a year.