

Washington Visit by Prime Minister

This is the important thing:

—timed to coincide with the depth of the cycle, we find ourselves today with a delayed deficit which has timed itself to coincide with the present recovery and the emergence of a new inflationary potential. For it is the great disadvantage of government expenditure as a cure for recession that it is both ponderous and irreversible; it takes time to get projects under way and once started they must be completed.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I understand the Prime Minister (Mr. Diefenbaker) would like unanimous consent at this time to make a statement on his return from Washington. We are delighted, of course, to see him back in the house.

Mr. Speaker: I gather from the reception to the remarks of the hon. Leader of the Opposition that unanimous consent is given.

EXTERNAL AFFAIRS**STATEMENT BY PRIME MINISTER ON VISIT TO WASHINGTON**

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am deeply grateful to the house for giving me the opportunity to make a statement on the meeting which the Secretary of State for External Affairs (Mr. Green) and I had earlier today with President Kennedy and the Secretary of State of the United States, Mr. Dean Rusk.

I shall begin by reading the text of the communique which was issued at the conclusion of the meeting, for it sets forth in general the nature of the discussions which took place:

President Kennedy and Prime Minister Diefenbaker met today in Washington to discuss informally a wide range of international problems as well as bilateral questions of interest to the two countries. The Secretary of State, Mr. Dean Rusk, and the United States Ambassador-designate to Canada, Mr. Livingston Merchant, assisted in these discussions together with the Secretary of State for External Affairs, Mr. Howard Green, and the Canadian ambassador to the United States, Mr. Arnold Heeneey.

The President and the Prime Minister welcomed this early opportunity for a friendly exchange of views between neighbours, in a tradition consistent with the long and intimate association between the peoples of the United States and Canada.

The President and the Prime Minister reviewed defence and security problems in all their aspects. They reaffirmed their purpose to work together for peace and freedom in the world. They expressed their readiness to co-operate wholeheartedly with all countries which sincerely seek this objective whatever the difference in approach or outlook. They recognized the central importance of the United Nations, as well as the essential role of direct diplomatic negotiation, in the pursuit of peaceful settlements. They agreed on the need to work steadily towards effective agreements under international control in the field of disarmament.

In reviewing bilateral questions of interest to the two countries, emphasis was placed upon the

[Mr. Benidickson.]

various consultative arrangements of a formal and informal character which have been developed between the United States and Canada as a valuable supplement to the traditionally close and friendly relations between the two governments. The President and the Prime Minister noted with satisfaction that joint meetings are about to take place in Canada between members of both houses of the federal legislatures of the two nations.

The President and the Prime Minister re-emphasized the importance of close consultation on economic matters. They announced that the joint United States-Canada committee on trade and economic affairs will meet in Washington on March 13. This joint committee at cabinet level has been of great value over the years in furthering understanding between the two governments on questions affecting economic relations of the two countries.

I wish now to elaborate on the text of the communique by giving the house something of the atmosphere and substance of the meeting. I would emphasize at once that I found on the part of the President and the Secretary of State not only an attitude of the utmost friendliness but an obvious desire to assure the maintenance and continuance of the good relations which prevail between the United States and Canada. For my part, having had this opportunity to sit down with President Kennedy in a common, informal examination of the issues which face our countries, I have returned to Ottawa reinforced in my conviction that with good will and constructive endeavour on both sides there is no problem which we cannot surmount.

Our discussion began with a general review of the international situation. Naturally, the house will realize that I cannot go into detail, but there are certain subjects that should be mentioned.

The problem uppermost was the situation in the Congo and in particular in proceedings which are now taking place in the United Nations. Canada and the United States share the same aims in this complicated and dangerous crisis. We are agreed on the importance of preserving the independence and the integrity of the Congo and on the vital necessity of avoiding civil war in that country. We are agreed that in order to keep the Congo out of the cold war it is imperative to support the United Nations fully. Only in this way will it be possible for the Congolese, in freedom and without violence, and without interference from the outside, to re-establish the internal stability of their country and to provide a new cement to the structure of their institutions so as to work out their political destiny.

We looked at the situation in Laos where Canada, as a member of the international supervisory commission, has had a direct interest for some years. There have been developments there over the week end. These and related developments were discussed, in