

people. We know the damage to peace and security that such a punitive peace treaty can cause. I am persuaded myself that, from here on, the disadvantages involved in military occupation, of which I have spoken before, will outweigh the advantages, and that a point of diminishing returns has been reached, if not passed. Therefore I hope that all governments interested in a peace settlement with Japan will not overlook any opportunity to further this end, even if - and this would certainly be an undesirable alternative, a second best - we had to have a peace conference with some powers absent because they refused to accept reasonable conditions for participation on which all other powers were agreed.

I was interested to note that the recently signed treaty between the Soviet Union and the Peiping government contains an article providing that these two governments will expedite the signature of a Japanese peace treaty jointly with the other powers allied during the second world war. I should like to be able to take this article at face value, as indeed I should like to be able to take the other articles of that treaty at face value. As you know, the greatest difficulty in the way of the conclusion of a peace treaty with Japan in the past has been the difference of opinion with the Soviet Union over the procedure to be followed in the drafting of the treaty and the holding of the conference. Recently there has been added a further complication, as to which government from China, Nationalist or communist, should represent China at the Japanese peace conference. China suffered most grievously at the hands of the Japanese aggressor, and as Japan's most important neighbour, she cannot be ignored in any lasting peace settlement with Japan. The Canadian government is certainly anxious to see both the Soviet Union and China play their full part in a Japanese peace conference which could never be a completely satisfactory one without them. But in this conference, as in other international conferences, we cannot accept dictation by one or two powers through arbitrary use of their veto. If such dictation is insisted on by these powers, I suggest we may have to go along without them.

We in Canada recognize that the United States government has a primary responsibility in respect to the settlement with Japan, and I gave expression to that recognition when I talked about this matter at our conference at Ceylon. For this and for other reasons I was particularly glad to have an opportunity to exchange views on this subject with General MacArthur in Tokyo. As a result, I hope now, more than ever, that all the recent statements that have been made favouring an early settlement with Japan will soon result in action, and that at least one major problem may soon be erased from our slate of problems in the Pacific. I may add that I found no objection in Tokyo from any quarter to this view of the desirability of a Japanese peace conference at the earliest possible day.

These were the main political subjects that we discussed at our conference; but we also talked about economic and financial questions. Some of these came up in the course of the discussion we had on the European situation, on developments towards European economic unity; the part that should be played more particularly by the United Kingdom in that development, and how the United Kingdom could reconcile her European and her Commonwealth positions. Mr. Bevin, the foreign minister of the United Kingdom, who played such a wise and important part at our conference, made a statement on this matter. A statement was also made by the Canadian delegation on the same subject. It was, I think the only formal statement we made at the conference. I should like to put on the record some excerpts therefrom, because I think it deals with an