Against recognition was the fact that the three states did not meet all the customary legal requirements for recognition. Under the terms of the agreements establishing their independence, France still retained a large measure of control over foreign affairs, defence and finance. more, Bao Dai's Government was in effective control over only a limited part of the territory in In addition, the only Asian Viet Nam. state so far to grant recognition had been Thailand. India had indicated that it would regret recognition by Canada but it was thought it would understand the reasons motivating it. Finally, there was some possibility that recognition by Canada might increase the chances of France asking for Canadian assistance in Indo-China.

6. Mr. Pearson suggested that, in view of the present tense situation and the uncertainty of developments in the near future, it might be wise to hold up recognition for a short period.

7. The Cabinet, after discussion, agreed to defer the problem of recognition of the Indo-Chinese states of Viet Nam, Cambodia and Laos for consideration at a subsequent meeting; the Secretary of State for External Affairs to prepare for circulation a report on the present situation.

External Affairs; proposed bilateral air agreement with France

8. The Prime Minister, referring to the discussion at the meeting of March 31st, 1950, said that negotiations had taken place between

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