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However, though we may not be committed by American policies, we certainly cannot escape the consequences of what may be decided in Washington - or in Peking. And therefore it is surely the duty of the Canadian Government to do what it can to ensure that these consequences are good.

It seems to me that in considering this matter, a distinction should be made between the position of Formosa - whose relation to China is still undecided legally and politically and that of those islands just off the coast, indisputably part of China and now the scene of bitter conflict between the Nationalist Chinese who cling to them and the Communist Chinese on the mainland who are trying to seize them.

It would be tragic indeed if global war were risked by an intervention in this particular phase of what after all remains, especially to those countries who have not recognized the Communist Chinese Government, a Chinese civil war, even though one party to that war is a communist regime which has already committed aggression in Korea and caused widespread distrust and fear.

It seems to me that what is required now (and this is much easier to say than to do) is to try to bring about a cease-fire on terms which will not dictate or prejudice any later political settlement, and which will make possible the peaceful redeployment of Nationalist Chinese forces from the coastal islands which they now occupy, in the words of President Eisenhower, "as a result of historical rather than military reasons directly related to defending Formosa". The machinery of the United Nations will, I hope, prove useful for this purpose. The Chinese Communists would certainly have to be invited to any United Nations discussions to this end - for there could be no cease-fire without their agreement.

The cessation of fighting, and the peaceful and agreed withdrawal of Chinese Nationalist forces from the coastal islands to Formosa and the Pescadores should make possible the <u>de facto</u> establishment of a situation with which all sides could live. The calmer atmosphere which could thus develop should eventually make possible a final political disposition of Formosa in accordance with the wishes of its people.

Pending any overall political settlement, consideration could be given to the neutralization of Formosa, which would be protected against assault from Communist forces on the mainland and prevented from being used as a base for attack on that mainland.

During recent years there have been three areas, on the periphery of China, where local fighting has gravely threatened the peace of the world. Armistice agreements have been signed in two of these areas - Korea and Indochina. The third, Formosa, remains to be dealt with. If an armistice can be secured in the Formosa Straits the main immediate threats to international peace in the Far East will have been dealt