

conferences in London, in considering foreign policy, the Secretary of State for Foreign Affairs follows the practice of reviewing, in outline, the world situation, and presenting in relation thereto the problems of special significance to the nations of the British commonwealth. In the course of the survey an effort is made to anticipate those matters which are likely to be the subject of chief interest and concern. Discussion on particular topics is reserved until the international situation, as a whole, has been presented. While this involves, at the outset, a statement of some length, it has been found, in the end, the most effective means of presenting outstanding problems in their true light. By making clear their many sidedness and inter-relations, it serves to place each question in a truer perspective, and thereby to avoid much in the way of unnecessary controversy and discussion.

In making to the house, this afternoon, a statement with respect to foreign and other external affairs of immediate concern to Canada, I propose to follow the method just referred to. It is, I consider, the one best calculated to permit of a comprehensive and yet concise review of international affairs, and of the government's policies with respect thereto.

I need not remind hon. members of the importance attached in times like the present and in other countries as well as at home, to any statement respecting foreign policy which may be made in the name of any government; I might even say, the undue significance too often given to a single sentence, or phrase, or word. For this reason, I make no apology to the house for having gone to some pains to reduce to writing most of what I may have to say this afternoon. I shall, perhaps, be pardoned if I adhere fairly closely to the text throughout.

I shall be greatly obliged if I may be permitted to proceed without interruption, save, of course, in the event of the propriety or accuracy of any representation being questioned. In the course of debate either on the statement itself, or in committee on estimates of the Department of External Affairs, I shall be glad to endeavour to answer such questions or to give such additional information with respect to any matters referred to, as hon. members may wish me to do.

I regret that what I have prepared is somewhat lengthier than I might wish it to be. If I have erred in that particular, it is because any review which would seek to set forth the government's position with respect to world conditions cannot be other than of some length, particularly where the desire is to give as full information as may be possible.

The months that have passed since parliament adjourned in July have been a troubled and unsettled period in international affairs. War is still raging on one continent, and civil war, and rumours and threats of war have, for many months, kept another continent in high tension. A world that was spending four billions in gold dollars on direct military preparations eight or nine years ago, last year spent nine and a half billions, three-quarters of this colossal sum being spent by European countries. Every country, in varying degree, some from ambition, some from fear, is devoting to cannon, bombing planes and munitions the resources sorely needed for bettering the standard of living of its people. In not one but many lands criticism is held as treason, opponents are purged, minorities are suppressed, force is openly glorified. Economic recovery is checked by fear of what the future may bring. There are, I am convinced, strong reasons for hope as well as for apprehension, but we can find no sound basis for building peace if we refuse to face all the facts of the situation as it is to-day.

The September crisis over Czechoslovakia was the outstanding incident of the year 1938, perhaps the most significant political development in Europe since the treaty of Versailles. As I have been asked to deal particularly with the crisis of September, and as it provided the background of future developments, it will be necessary to recall some of the phases of that incident. I shall do so briefly, since the main stages of that critical period are within the recollection of all hon. members of this house.

The difficulties between Czech and Sudeten German which came to a head last year were not new. They were the latest phase of a seven-hundred year rivalry between Slav and Teuton. The failure of the Austro-Hungarian empire to assure freedom and equality to the main racial groups within its borders, by federation or some other means, was the immediate cause of the great war. When the terms of peace were being drafted at Paris, a solution was sought, not in a federation which would have preserved the economic unity of the Danube area, but by breaking Austria-Hungary into its racial units.

The new state of Czechoslovakia came into being by the union of two kindred Slav peoples. The principle of self-determination, or racial unity, was not, however, carried out in full. There were many who doubted the wisdom of including in that state the German-speaking Sudeten fringe, with its three or four million people, as well as certain Polish and Hungarian areas. There were, it is true, historical reasons for preserving substantially