

project for which we expect to provide some pumping equipment; a large colonization or settlement project in the Thal area of the Punjab, for which we hope to provide such items of equipment as dump trucks, motors, pumps and some electrical and transport equipment.

So far as India is concerned, as was foreshadowed in my earlier statement, we have been asked by the Indian Government, and have agreed, to make available a large part of our allocation to that country in the form of wheat. The provision of food-stuffs was clearly envisaged in the original Colombo plan report, and we think will provide a most welcome support to India in her efforts to combat famine and basically to strengthen her economy. The Indian Government intends to set up what are known as counterpart funds. The rupee equivalent of the value of the wheat we are providing to them will be used as internal financing for development projects they are undertaking under the plan. Those funds would be available for purchases of material within India and of course for Indian labour. We are continuing at the present time to explore with the Indian authorities projects requiring external finance to which we could apply funds over and above those which are being used for wheat. One particular project is an irrigation project in west Bengal to increase rice production in that area.

Japanese Peace Treaty

I cannot leave this part of the world without making a reference, which I shall keep as brief as possible, to the Japanese Peace Treaty ... which was signed at San Francisco on September 8. That was a conference called, not to negotiate a treaty but to sign a treaty. The signature took place only after eleven months of serious diplomatic discussions during which time all the governments concerned including the government of the U.S.S.R., had ample opportunity to express their views. Certainly we expressed our views in regard to the draft which had been submitted originally to us by the United States of America. As a result of those views certain changes were made in the draft. Not all the changes were made that we wished to have made, but in a treaty of this kind you cannot get unanimity with perfection.

On the whole, the treaty as it was signed was considered by the Canadian representatives there to be a good treaty. Of course there were some important omissions in the countries represented at San Francisco, particularly China and India. As far as China was concerned, the reason for that omission was obvious. If the representatives of the Chinese Government on Formosa had been invited to attend that conference, certain delegations would not have turned up. If the representatives of the Communist Government in China had been invited to attend that conference, then more delegations would not have turned up. The obvious thing to do under the circumstances was to postpone the problem of Chinese representation and Chinese accession to the treaty. We regretted also the absence of India for reasons which seemed good to that Government.

But there were other free Asian nations which were present at San Francisco and they spoke in no uncertain way. In signing this treaty we did so, not as a treaty of revenge but of reconciliation. Of course the treaty leaves Japan a much weaker state than she was when she entered the war, and that is as she should be. She has been stripped of all her outer islands and has been reduced to the four main islands. Her capacity to commit aggression again in the future has been very