STATEMENTS AND SPEECHES

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State for External Affging in the House of State for External Affairs, in the House of Commons on February 22, 1950.

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January 9. Its official title was: "Commonwealth meeting on oreign affairs." It was the first meeting of this kind that as been held. Of course Commonwealth meetings on foreign affairs have taken place in the past. We have discussed foreign affairs of t meetings of prime ministers; we have had discussions between heads of Commonwealth delegations at United Nations assembly meetings; but this was the first time that a Commonwealth meeting as held which was composed mainly of foreign ministers of commonwealth countries, and which dealt exclusively with questions if foreign affairs. oluliztē e,,, u⊾atyta≉ua Sacous 1 Late 1 ಿಲೆ

It was the first time also, that a meeting of Commonwealth inisters had been held on the territory of an Asian member of the Commonwealth. This is a fact, I think, of some significance. It is a recognition of the fact that today the Commonwealth has no fixed centre in London or anywhere else. It is a recognition also of the importance of the Asian members of the new Commonwealth, mose culture and traditions are very different from those of the rest of us, but whose association with us in the Commonwealth is if such great value and is so highly esteemed by the other embers.

The fact that we met in Ceylon is also a recognition of the mortance of Asian problems today, and of the necessity of lookng at world problems from an Asian point of view as well as from that of Europe and the north Atlantic. It is just as well to remember that the three Asian members of the Commonwealth at colombo represented 440 million people, while the rest of us, in our home territories, represented only 75 million. This new Jormonwealth is providing not only a link between the Asian and the other nations that comprise it, but also a very valuable link jetween the east and the west.

During our conference, we were the guests of the government of Ceylon; and we were grateful, as I am sure the other delegations dere, for the hospitality that was shown to us by the government of Ceylon and for the arrangements which it so efficiently made.

The chairman of the conference was the Prime Minister of eylon, Mr. Senanayake, who presided over our deliberations with rbanity and good nature, and did much to make our meetings a success. He introduced one custom which to me, at least, was new t international meetings, and I am not sure that it would not be good idea to copy it at other meetings which I have attended and hich have not always been characterized by the good nature and the friendliness of the one we had in Ceylon. When the discussions Malance, Not Deck .

became a little, shall I say, over-zealous, or when we began to get a little tired and lost some of our patience, it was the invariable practice of our chairman to bang the gavel and say: "We will now have a cup of tea". That happened normally three or four time a day, and it proved to be a very useful expedient indeed. I think it might be introduced at Lake Success.

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The agenda at our meeting at Ceylon was short, and the subjects set down for consideration were very broad. The agenda included the following questions: The general international situation; Chinese situation; Japanese peace treaty; situation in southeast Asia and the situation in Europe, more particularly the development towards European political and economic union, and the effect of such development on the Commonwealth of Nations.

In the discussion of these subjects we held eleven meetings. The discussions were informal, friendly, and frank. Straight talk was possible at this meeting because a good understanding existed between the participants. We could disagree, and we did disagree, without danger of anyone wanting to walk out. There were no appeals to passion or prejudice, because there was the honest desire, as is customary at Commonwealth meetings, to get together. There were no appeals to the gallery, because we did not have a gallery.

So far as the value of these discussions is concerned, it is true of course to say that nothing spectacular resulted, nor was anything spectacular intended. Commonwealth discussions now do not customarily result in spectacular decisions; in fact they do not result in decisions at all. They result in recommendations to governments for the consideration of those governments. The recommendations made at Colombo are now before the various governments for any action they decide to take.

No single policy was laid down or was attempted, on any of the questions before us at Ceylon. We listened to each other's points of view, and I think that we gained something from doing so. An exchange of views of this kind between governments representing countries from five continents of the world - from Asia, from Europe, from Australasia, from Africa and from North America - is bound to be useful in modifying points of view which may have been held prior to the meeting.

So far as the Canadian delegation was concerned, we inevitably tended to give the North American viewpoint on the political questions which were discussed, and a dollar viewpoint on the economic questions. Though we all had our own point of view, a discussion of this kind helps to correct the inevitable distortions in our thinking which may arise, in the case of Canada, for instance, because we have traditionally looked on the world from the north Atlantic, North American viewpoint of a people whose civilization for the most part comes from that of western European Christendom.

The fact that the discussions were held at Ceylon was particularly valuable at this time, because, as I see it, the centre of gravity in international affairs has, to some extent, at least, moved to Asia. What I mean by that is simply this: In my view the advance of Russian communist imperialism has been stopped in Europe, at least for the time being. It has not been stopped in Asia, where it is now trying desperately to win power over those millions of people, by allying itself with forces of national liberation and social reform.

It has had great success in China, until nov, continental China, at least, is under the control of a communist government which is allied to Russia. In spite of the publication of the recent Russian-Chinese treaty however we are not yet quite certain what form the alliance has taken. The nationalism of the people of Asia has now finally and fully asserted itself. It is even true to say that in some quarters in this part of the world, people, if they were forced to make the unhappy choice, might prefer even communism to a return to colonialism. The existence of this feeling is recognized now by the nations of Europe and america.

The political mould into which south and southeast Asia was gradually poured during the years following the European incursions four hundred years ago, or more, has now been broken finally, and the great colonial empires of the nineteenth century have either disappeared from the part of the world or are in process of disappearing. No one yet knows what pattern will emerge from that disappearance. No one can be certain, as I see it, that the independence which the people of this area are now exercising can in all cases be maintained in its present form, or whether their internal problems will prove so great that, through weakness, they will fall prey to confusion, to disorder and to those subversive forces which try to provoke, and certainly know how to exploit, such a situation.

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At the present time the countries of south and southeast Asia are making impressive efforts toward the establishment of strong modern nation states, and we of the western world should do what we can to encourage and assist these efforts. This surge of nationalism in Asia has resulted in political independence for twelve - and if you include Indo-China for fifteen Asian states in less than twenty-five years. The political danger from this is that, exploiting this movement, communist expansionism may now spill over into southeast Asia as well as into the Middle East. In my opinion there is no more important question before the world today than this possibility.

The social and economic danger arises out of the fact that the people out there are learning that independence is not enough. The agitation for freedom has stirred up in them other desires; for improvements in their conditions of life; for a change from distress, privation and even starvation; for a change from a life expectancy of twenty years and an average income of less than \$50 a year. These new democratic governments are attempting to meet these new hungers, these new hopes, these new demands. There is danger not only to their own countries, but to the rest of the world, if they do not succeed in that attempt. But they are meeting these dangers as responsible, free, democratic governments, proceeding stage by stage, without, as they progress, destroying the framework of society or of government.

Communism, however, in Asia as elsewhere, is irresponsibly trying to capitalize on misery and distress and the understandable impatience for change, by promising not only immediate freedom where colonial status remains, but where freedom has been achieved, better life at once if only the people will rise in their might and create the chaos out of which communistic rule may emerge.

In India, China and Burma, which are now free states, the ^{appeal} is to a fuller and better life at once; in Malaya and Indo-^{thina} it is to political freedom. Both appeals are strong, for ^{millions} of Asian people do not know that from communism both ^{appeals} are false.

It was in the light of these conditions that we discussed ^{the} situation in various Asian countries at our conference in

Ceylon. Malaya, where the situation is now better - although communist bandits, and it is right to call them that in Malaya, are doing their best to dislocate economic life - is moving ahead to ordered independence under the fine and distinguished leader. ship of a man we know both well and favourably here in Ottawa, Right Hon. Malcolm MacDonald.

In Burma, which is now free, but which is rent, not by civil war but by civil wars, the position is difficult indeed. Indonesian now free, and recognized by Canada as a free state, is being attacked by forces from the right and forces from the left. It is having a difficult time. Then there is Indo-China which I propose to discuss separately, because it is a very important point in that part of the world.

It seemed to all of us at the conference that if the tide of totalitarian expansionism should flow over this general area, not only will the new nations lose the national independence which they have secured so recently, but the forces of the free world will have been driven off all but a relatively small bit of the great Eurasian land mass. In such circumstances it would not be easy to contemplate with equanimity the future of the rest of the world.

That, then, was the background against which we held our discussions in the lush and lovely island of Ceylon. Now a few words, if I may, about the understandings and conclusions we reached as a result of those discussions.

In the first place we agreed at Colombo that the forces of totalitarian expansionism could not be stopped in south Asia and southeast Asia by military force alone. They cannot be checked, if through stupidity or short-sightedness on the part of the democratic powers, totalitarianism is able to ally itself successfully with the forces of national liberation and social reform. If southeast Asia and south Asia are not to be conquered by communism, we of the free democratic world, including the Asian states themselves which are free, must demonstrate that it is we and not the Russians who stand for national liberation and economic and social progress.

The problem, then, for these states is to demonstrate that they can improve, by democratic methods, the standard of living of the masses of their people. That is their problem - one of selfhelp. But there is also our problem, that of mutual aid.

The conference discussed that problem. We agreed, for instance, to recommend financial help for the state of Burma which had been a subject of discussion among the sterling countries before the conference met. The Canadian government was not included in that earlier discussion. The question is one of a sterling loan to strengthen the financial position of the Burmese government. We are now considering here the position of dollar Canada in relation to that sterling loan. Our special position in this regard was recognized at the conference.

One of the important developments of the conference was the recommendation to set up a Commonwealth consultative committee for south and south-east Asia. I was vividly impressed during my brief transit across this area after the conference, by the need for capital development in all the countries stretching from Pakistan to Indonesia. There was a great need to increase agricultural yields through the introduction of irrigation systems and the greater use of fertilizer; also for the establishment of at least some new industries. I was impressed also by the very great need for technical help in those countries. But if the need is obvious, so are the difficulties, In fact, most of the difficulties arise from the very magnitude of There are so many development projects which clamoured the network of the administrative systems of most of these countries. the need. It is only natural that for some time after obtaining experience, these countries, which are so old in history and tradition but so new to full sovereignty in the modern world, should have to struggle with many administrative problems, which inevitably complicate the task at the present time of long-range planning to raise the standard of living.

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Already in this field some useful work has been done by the Inited Nations in listing and analysing the economic needs of this part of the world. The United Nations four point program, as we commission for Asia and the Far East, the international labour office and the food and agricultural organization are all working in this field. Therefore I think that we must be careful in setting up any new agency to avoid overlapping or duplication. We do not want a new committee merely because it looks like an attractive piece of international furniture for an already cluttered-up home.

Yet it is hoped that this new committee which was recommended to the governments at Colombo will be practical and useful and in its results go further than any previous agency in that area. It is hoped that before long the committee will be able to relate the needs of these countries to the possibilities of financial and technical help. But it should be understood that in considering the problem of what the Commonwealth countries can do through this committee to help the area - and I attempted to make this clear at Colombo - the contributions of members of the Com-monwealth will have to be determined in the light of their financial commitments, not only in this area but elsewhere.

We in Canada have undertaken, along with the United Kingdom, heavy responsibilities in the north Atlantic region which are not shared by other members of the Commonwealth. I suggest that those omi: responsibilities must be a first charge on that portion of our national production and income which we may be able to apply as a form of mutual aid toward the support of other countries whose systems of government are similar to ours and which, like us, are threatened by totalitarian aggression. But, within the limits imposed by those prior responsibilities, we in the government are now investigating ways and means of co-operating in the work that of Fight be done if and when this consultative committee is set up. ich then a further meeting is held in Canberra, probably shortly, to discuss this matter, the Canadian government of course will be represented.

se The establishment of this committee represents only a small beginning, although small beginnings can lead to great results. iL do not conceal my own belief, however, that any such committee must have a broader basis than the Commonwealth; that unless the co-Operation of the United States can be enlisted in its work, its the accomplishments may prove to be meagre. for

However, the Commonwealth nations have on this occasion taken the initiative and I think that is all to the good. I think also that the initiative was a sound one, and that the step we have taken may prove to be a valuable one. It certainly is in the right direction.

Now a few words about the situation in Indo-China. We had a thorough discussion of that at Colombo, and we had vigorous differences of opinion as to what the situation was and what might be done to meet it. However, we all agreed that Indo-China occupied a key position in southeast Asia, politically because of the clashes that have occurred there between the communists and the nationalists, and economically because this country is the rice bowl of that part of the world. The communists are now making their greatest effort in Asia in the State of Viet Nam, which is one of the three in Indo-China, the others being Cambodia and Laos.

If for no other reason, our very close and friendly ties with France would ensure our special interest in the progress toward freedom in that area which the French government are seriously sponsoring, and for which I think they deserve our gratitude. We must be concerned, however, over the long continued disturbances in Viet Nam. I hope that these will soon be ended. I feel that the recent ratification by France of the agreements which it had entered into with the three Indo-Chinese states is a commendable step forward in the attempt to restore peaceful and stable conditions in Indo-China. I believe there is good reason to expect that these agreements, which set up three autonomous states within the French union, will provide a means by which the national aspirations of the people of Indo-China will be met.

More particularly we wish the government of Bao Dai every success in its efforts to bring unity and freedom to Viet Nam in the face of a serious communist menace, which has become a greater menace because of the political support it is being given by the U.S.S.R. and, communist China. We recognize that only under the autonomous government of Bao Dai has Viet Nam at this time the opportunity to acquire freedom and unity and stability.

Then we came to the question of China, which also caused mu discussion. In my review on November 16 last in this house I made some observations concerning the nature of the communist revolution in China, and also about some of the great underlying mutual interests which would always serve as a bond between the Canadian and Chinese people, regardless of such changes in government as might take place in China. I spoke also about the factors that had to be taken into account in weighing the question of recognition

Since then four Commonwealth governments - the United Kingdom, India, Pakistan and Ceylon - and a number of the western European governments, have accorded de jure recognition to the Peiping regime. At Colombo there was a frank and useful exchange of views between those Commonwealth governments which had not recognized the Peiping government - Australia, New Zealand, South Africa, and Canada - and those which had. There was also discussion of future relations with China. From our point of view it was very helpful to have the points of view of the Asian members of the Commonwealth on these questions.

The fact that some governments have recognized the new regime in Peiping and others have not, has created an awkward situation in the United Nations and other international bodies; one which may become even more awkward in the not too distant future.

The Soviet delegations, in an exhibition of childish arrogance, have now withdrawn from United Nations bodies until such time as the representatives of the Peiping government are admitted in place of the present Nationalist representatives. This is a form of pressure which, of course, we can only condemn, and care must be exercised to see that the precedents which are created in dealing with this change of government in China do not give rise to further and greater difficulties in the future when analogous problems may have to be faced elsewhere in the United Nations.

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This whole question of recognition of the Peiping government is now before the government, which is giving it active consideration in the light, among other things, of the report that I have made to the government, on our recent discussions in the Far East. At the moment I can say no more than that on this question.

We also had a pretty thorough discussion of the question of a Japanese peace treaty. Hon. members will recall that during my review of external affairs on November 16 last I said that, in spite of the difficulties to be overcome in convening a Japanese peace conference, I thought there might be even greater dangers in its indefinite postponement, and I hoped that another effort might be made to push forward with that conference. Since that time I have had an opportunity to discuss this problem at the Colombo conference, and also during my short but very interesting visit to Japan, where I takked about it and many other subjects with that most distinguished American, General Douglas Mac-Arthur. As a result of those talks I am now more impressed than ever with the need for seizing every opportunity that might lead to a satisfactory early settlement with Japan. The occupation of Japan has continued now for more than four years. During that period the physical demilitarization of Japan has been thoroughly accomplished. Indeed, the act of stripping away from Japan her overseas possessions was itself a drastic ourbing of Japan's war-making capacity. The punitive and preventive side of the occupation has, I think, been virtually completed. The Japanese have made many changes in their domestic legislation, in compliance with allied directives of the eleven-power Far Eastern commission which meets in Washington. They have subscribed to all orders of the occupation regime, and have taken the steps which were demanded of them.

I do not mean to conclude from this that the Japanese by now, in the course of four years, have completely changed their habits of thought, their approach to politics, and their way of life, although there appear to be some in Tokyo who think this has happened. Whatever may be the truth about this, it is clear that the Japanese have fulfilled pretty well the requirements that have been imposed upon them by the occupation, and it seems to me that from here on we must give them some incentive to maintain and strengthen the democratic way of life, and to wish to maintain close and friendly relations with the western world. I suggest our security lies in this as much as in keeping them disarmed. This point of view was brought very forcefully to us by the Asian members of the Commonwealth in their observations on a peace settlement with Japan. The other point of view - or more accurately, if you like, the other emphasis of the same point of view - was given by the Australian and New Zealand representatives at Colombo, who were anxious, as indeed we all are, that Japan should not be restored to a point where she could again become an aggresive power, and that the peace treaty should include "clauses designed to prevent this.

Perhaps this prolonged occupation period will have served a purpose in enabling us to acquire a better perspective on the type of peace treaty we should make with Japan, which will, we hope, be a lasting one; one that should be realistic but not one that would be bitterly opposed as unjust by the Japanese 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 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 suffered most China at the Japanese peace conference. 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, 1 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 LacArthur 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 financiaquestions. 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 position Lr. 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 important matter of international economic policy. I should like to quote as follows from the statement I made at Ceylon:

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That is the Canadian delegation's part, and it is also the policy of the Canadian government.

- we welcome the prospect of closer economic co-operation among the countries of western Europe. Such a development might be expected to contribute to the military strength of the democratic countries concerned and also, by eliminating uneconomic production and encouraging competitive efficiency, to hasten the day when they would no longer require extraordinary financial assistance from abroad. It would also restore to countries occupied and ravaged during the war that sense of hope which they need now more than they need United States dollars. Western Europe could once again look forward to playing in the world the great role for which its history and the resourceful intelligence of its people qualify it.

During the past few months a great number of proposals for closer economic co-operation in Europe have been put forward. Some of them are perhaps as frivolous as the names they bear. Others, however, are more solidly based and deserve careful examination.

In examining them I would suggest that two tests should be applied. First of all it should be determined whether the plan has substantial content or is merely a gesture. Does it take account of present-day economic realities in western Europe and the rest of the world? Is it likely to further the ends which it purports to serve? Secondly, each plan should be tested against the criterion of whether or not it will lead to a progressively wider co-operation in trade and other economic matters between all the countries in the free world.

Some of the proposals made recently seem to my government to be as likely to encourage the development of new high-cost industries and increased high-cost agricultural production in Europe as to lead to the objectives of greater efficiency and lower costs and prices at which they purport to be aiming. What must be avoided is the creation of a closed, high-cost, inflationary economic bloc, whether a sterling bloc, a Commonwealth bloc, a European bloc, or a North American bloc, which would make progress toward a wider multilateral system of trade and payments more difficult. We recognize, at least under present conditions, the advantages to world trade of the sterling area. We have always contended, however, that the sterling area as we know it today should be regarded as a transitional stage on the way to a trading system where currencies will be convertible and where exchange controls and quantitative restrictions will be drastically reduced. In the same way I would argue that any new economic bloc which might be set up in Europe should be so designed as to facilitate rather than retard progress towards this goal.

It is often said in Canada that, in the short run at least, such a bloc might do some damage to Canadian trade. I would hope that it would not be serious. Nevertheless, it might be better for us in Canada to suffer some temporary disadvantages rather than to see the prospect of closer economic co-operation which we believe to be necessary in western Europe made impossible because the United Kingdom is unable to participate.

During the conference there were also economic and financial talks carried on by officials of the delegations represented there. They were carried on at the same time as the ministerial talks, and the reports of those discussions have been made directly to the ministers of finance. We were fortunate to have highly qualified experts at these talks, and they took an active part in them. They concerned in the main the present position and future prospects of the sterling area. The Canadian position with respect to participation in talks of this kind was, if I may say so, a little equivocal. It certainly was not the same as that of the other participating representatives, who without exception came from sterling areas. In fact our role at those talks, if I may put it that way, was that of a persistent but very friendly dollar gadfly. We made clear to the others that naturally we could not be associated with any efforts of the sterling countries to reduce imports from Canada as a dollar country, but we hoped that the balance which we admitted they must achieve could be brought about, at as high a level as possible by increasing dollar earnings through increased exports to dollar markets, and by encouraging the inflow of capital investment from dollar sources.

Other subjects discussed at these talks were the shortterm prospects for the sterling area on dollar account; forecasts of dollar earnings in the year ahead; the sterling balances, especially those of Pakistan and India, and the effect of those on the United Kingdom financial picture; the over-all as well as the dollar deficit of individual sterling area countries. These discussions were useful, and I hope will help in solving these important financial problems which face the Commonwealth countries today.

So much, ther, for the Colombo conference itself. After that conference my colleague the Minister of Fisheries and I, with our officials, had an opportunity to visit a number of countries in the Far East. Wherever we visited, we attempted to discuss trade as well as political questions of mutual interest. I think honorable members will agree that in Canada there is a growing interest in the potential demand for Canadian products in the Asian market; and of course we share the great interest of the western democracies in the development of trade with Asia as a means of contributing to the growth and stability and healthy economic development of that part of the world which is so important to us. In addition, an increase in our trade with the countries of Asia would serve in our case a dual purpose. To the extent that imports into Canada from the countries of Asia could be alternative to imports otherwise made from the United States, that would assist us to balance our trade with the United States and would provide those countries of Asia with exchange for the financing of additional Canadian imports.

On this aspect of our journey I hope my colleague the Minister of Fisheries will report later in this debate in more detail. On our journey every effort was taken to explore the possibility of increasing and expanding Canadian trade with the countries visited. without exception, wherever we went we found not only a great friendship but a lively interest in achieving that objective of greater trade. In Tokyo, for instance, we had one discussion with General MacArthur devoted exclusively to trade matters, and he expressed his great desire to do what he could to increase Canadian-Japanese trade. He added - and this is an addition which will be of particular interest to my colleague the Minister of National Revenue (Mr. Mc Cann) - that there was no desire in Japan to indulge in commercial chicanery of the kind that disturbed us in Canada so much in the years before the war. He went on to say, and I hope he is correct, that we now had a guarantee against dumping by Japan in the removal of government subsidies on the one hand and the building up of the trade union rovement, with protected wages, on the other. Therefore he considered that Canada need not fear in the future the menace of apanese trade of the pre-war variety, but could rather look forward to trade built on a sound basis of mutual benefit. I told him that was the kind of trade, and indeed the only kind, in which we were interested.

....I should like to say just a word about one or two of the countries we visited on the way back; and the political situation we found there. After the conference, we first visited Pakistan. We were all very much impressed by the drive and energy of the essentially frontier, desert town of Karachi, where the capital of a new nation is being constructed in a hurry and in the face of terrific obstacles. The achievements of two years in that country of Pakistan have been notable, to say the least. The difficulties facing Pakistan are very great, but they are being met in a spirit of eager and deep patriotism. In fact, to those people Pakistan seemed almost as much of a religion as a state. I know that all hon. members will be glad to know that the Prime Minister of Pakistan, who is one of the great statesmen of that part of the world, on his trip to this continent will before long be visiting Canada as a guest of the Canadian government.

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We left Pakistan after an all-too-short visit, and our next stop was India. He is indeed a brash person who attempts to say anything about India on the basis of a visit of two or three days; but it was impossible not to be impressed by the potentialities as well as the problems of that great country. We stayed at New Delhi, but we had the opportunity also of seeing something of Indian village life, where life goes on as it did centuries ago, though even there the people have been stirred. We spent in New Delhi the last three days of the old era of India under the crown and we left New Delhi the day the republic was proclaimed.

My colleague and I had the privilege of attending in New Delhi the last state dinner given, in the state dining room of the viceroy's palace, to the last governor general of India under the crown; to Mr. Rajagopalachari, the colleague and disciple of Gandhi for so many years. It was difficult to visualize in him the last in a long line of succession from Warren Hastings, with whom indeed he had little in common. I think all of us felt that the atmosphere that night was heavy with history. Yet it was good to know that the break with the monarchy which was occurring the next day was not a break between peoples; in fact, the relations between the Indian people and the other nations of the Commonwealth ere probably on a friendlier and stronger basis now than they have been for generations. Mr. Nehru, that great man and great prime minister, was presiding that night at this dinner. He had himself been the King's guest at Buckingham palace and in various of His hajesty's jails; and when he rose and proposed the King's health, we felt that it was no empty gesture. I am sure, that we in this house and in this country wish the people of India well; we wish for them good fortune and great success as they face, as a republic, the great opportunities and the difficult problems which lie ahead for them.

There was, however, one shadow which fell across our proceedings in Ceylon and our visit to Pakistan and India; that

was our knowledge of the existence of a number of serious and stubborn disputes between the governments of those two countries. These questions were not, of course, included in the agenda of the conference; and none of us considered it his business to attempt to intervene in them. There were, however, occasions to discuss these questions privately and informally at the conference, and later in Karachi and New Delhi. I myself was reassured by the frankness with which both Indian and Pakistani leaders talked about them, and by their insistence that sconer or later they must find peaceful and just solutions for them. But I could not help being distressed by the intensity and bitterness of feeling on both sides in regard to these questions, and by the wide and serious differences which must be bridged before there is reconciliation.

I was distressed also, as I think any visitor would be, by the serious consequences which flow from the continuation of these disputes, which are spreading enmity between the people at a time when they should be concentrating on the many things they have in common. The disputes are also, I am afraid, destroying the natural economic links which exist between these two countries; they are causing the sacrifice of valuable markets in North America, and they are jeopardizing the solvency of the sterling area as a whole.

Our concern for these problems as Canadians is direct and urgent, because these countries are both friends and associates of ours in the Commonwealth, and because we know that the dangers to peace and welfare in the Indian subcontinent are also dangers to the peace and welfare of the whole world. The governments of India and Pakistan themselves must, of course, find a means of settling their disputes over Kashmir and other questions. If, however, there is any way in which we can assist them in finding a solution - and I think we in Canada have given an earnest of our good intentions in this regard - we in the government shall certainly be glad to do what we can. We have already, through our participation in discussions in the Security Council of the United Nations, where our representative, General McNaughton, played such an active and constructive part in attempting to solve this problem, made one effort to assist; and we regret that it did not prove to be more successful. We must hope, however, that the fine qualities of statesmanship which the leaders of both India and Pakistan have already displayed will make it possible for these two great countries to work out, by accommodation and adjustment, solutions to the disputes which now so unhappily divide them, and that they will therefore be able to continue to make an important and progressive contribution to the political life of Asia and the world.

When we left India we were on our homeward journey from Burma, which is an unhappy country today; to Malaya; to Hong Kong, where on a few square miles around a rock are clustered more people than inhabit the dominion of New Zealand; from Hong Kong to Tokyo; and from Tokyo home.

In conclusion, I should like, in a word, to attempt to give you a general impression which I am afraid will be almost as confused as this statement has been. I feel certain, however, of one thing - and I am more certain of it now than I was before I left Ottawa on January 2 - namely, that a great tide is moving in the affairs of more than one-half of the population of the world who live in Asia; a great tide which can lead to progress, peace and good things, but which also, if it sweeps in the wrong direction, can lead to chaos, reaction and destruction. But whatever the result, our own country, Canada, which once may have seeme to be so remote from these matters, and which now stands on the threshold of such great developments, will be deeply and directly affected by the outcome of what is now going on in Asia.

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