



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 52/15 REVIEW OF THE INTERNATIONAL SITUATION
(Part I)

Statement by the Secretary of State for External Affairs, Mr. L.B. Pearson, made in the House of Commons on March 21, 1952

...I shall omit from consideration this afternoon any questions arising out of the Japanese Peace Treaty, because we shall have a separate discussion on that measure shortly. I shall leave to my Parliamentary Assistant on external affairs (Mr. Lesage) the responsibility of discussing the work of the United Nations Assembly, though I may be able to touch on it briefly. He will deal also with questions of international economic assistance, such as the Colombo Plan, which looms so large in our international relations these days.

There are two matters, however, with which I should like to deal specifically. One is the situation in the Far East, more particularly the situation in Korea and United Nations action there. The other is the recent meeting of the North Atlantic Council at Lisbon.

In so far as that latter question is concerned, I should say at once that the Government supports the decisions reached by the North Atlantic Council at Lisbon. In so far as Korea and related questions are concerned, the Government will continue to support United Nations action in Korea. We do not support, however, any policy or any action which would extend that war to China without the assurance that such policy or such action would end it in Korea, unless the proposals in question are required by immediate military necessity and in order to ensure the safety of the United Nations forces in Korea, which include Canadian forces. On this question, the policy of the Government is clear. I hope that before this debate is finished the position of the official opposition, and of the other opposition parties, will also be made clear. We should know where we stand on these matters, and I hope that it will be shown that at least on essentials, and on principles, we stand together.

I shall deal with the Far Eastern questions first.

At the very beginning I think I should refer to some observations made by the Leader of the Opposition (Mr. Drew) concerning a statement which I made in New York on March 7, and which he said involved a question of privilege affecting every member of this House. Presumably he based that statement on his assumption that I had announced in New York new policies of the Government on which, and I quote him, "this House has not passed." Even if that were

an accurate statement, I am not sure that that is a question of privilege. The Executive, of course, announces policy, in the House of Commons when possible, but wherever it may be announced Parliament decides whether or not to adopt that policy and make it effective. The fact is that on this particular occasion no new policy of any kind was announced.

The argument of the Leader of the official Opposition is based on a paragraph from that New York statement which he has quoted in the House, and which had in it four suggestions. He proceeded to put an interpretation on those suggestions, which I claim to be a wrong interpretation, and drew from it the conclusion that I had announced new policy. Let us see what those suggestions or proposals were. The first is, and I am quoting from my statement:

"...we-- "

That is the United Nations peoples and governments who are defeating aggression in Korea.

" --should let the Peking government know that they must expect Communist aggression to be met by collective resistance; ..."

The Leader of the Opposition says that by that statement I am in some form proposing a Pacific pact, and that that is new policy and contrary to the statements made previously by me about a Pacific pact. I suggest that that is as inaccurate an inference to draw from that statement as it would be to suggest, for instance, that the Foreign Minister of the United Kingdom, Mr. Eden, was proposing a Pacific security pact when he said in New York in January that if there were further aggression in South-eastern Asia,-- he was thinking particularly of aggression against Indo-China--it should be met by the solid resistance of the United Nations. All that could have been meant by the statement I made in New York on this matter was that aggression anywhere should be met by collective resistance. Of course, the form of such resistance, and the machinery through which it should operate, would vary according to the means at our disposal and the nature of the aggression.

This is already our obligation under the United Nations Charter. How we are to discharge it may, as we know already from experience, have to depend on circumstances. There is nothing new in this. I have said the same thing many times in this House. We accepted this obligation of collective resistance to aggression when we signed the Charter, especially in Articles 1, 39, 42, 48 and 49. We also accepted this obligation when we accepted the resolution of the United Nations Assembly a year and a half ago, the resolution to unite for peace.. Paragraph 1 of which states that if the Security Council is unable to do its duty the Assembly will become the agency for collective security.

The second point which it was suggested meant that new policy had been laid down is found in the words which I used, and I quote:

"...no government in Peking committing such aggression can hope to be accepted into the community of nations; --"

I have certainly said that before inside and outside this House. Indeed, on May 7, 1951, in the external affairs debate in this House, I said this--and I quote from my statement at that time as reported at page 2756 of Hansard:

"The same, I think, applies to recognition of that régime in Peking. There can be no question even of considering it while the Chinese defy the United Nations in Korea and fight against our forces there."

So far as membership in the United Nations is concerned I have said the same thing, to the effect that the Chinese Communists cannot shoot their way into the United Nations.

The third point to which exception was taken as stating new policy outside the House is found in the following words:

"...on the other hand, --"

This is from my New York statement.

"--as we ourselves did not intervene in Korea, or, indeed, in Formosa in order to overthrow by force the government in Peking. I think also that we should make it clear that while Formosa cannot be allowed to fall into Chinese Communist hands while aggressive war is going on in Korea, we do not intend to use our own forces to restore to China the régime which is now in Formosa after being driven off the mainland."

It was suggested by the Leader of the Opposition that in those words I gave the impression that we were now engaged in the defence of Formosa, something which he said he was unaware of. In reply to that I would only say that the United States Government has stated more than once that, arising out of United Nations operations in Korea and for the safety and success of those operations, the United States navy will prevent Chinese Communists from attacking Formosa. There is nothing new in our association with that policy, because we have accepted it. I have said previously in the House, and no exception was taken to it, that we should neutralize Formosa while the fighting was going on in Korea.

The fourth point which is supposed to embody new policy is in the following words:

"...we should make it clear, --"

I said in New York.

"--that we do not intend to use our own forces to restore to China the régime which is now in Formosa after being driven off the mainland."

According to the Leader of the Opposition, that means that if aggression should stop in Korea, then this policy of keeping the Chinese Communists by force off Formosa would change. In fact, I said exactly the same thing on May 7, 1951, in this House when I made quite a long statement on Formosa, and during which I included these words, as reported at Page 2756 of Hansard:

"I believe that this island should be neutralized while fighting is going on in Korea."

I then went on to say this:

"It does not follow, however, that if and when the Korean conflict can be ended satisfactorily, we should refuse to discuss the future of Formosa within the context of international agreements that have already been reached concerning it, and indeed within the context of the United Nations Charter."

There was therefore certainly nothing new in that part of the statement I made in New York. Indeed, there was nothing new in that statement at all in so far as Canadian foreign policy is concerned.

The hon. member for Peel (Mr. Graydon), speaking immediately after me in that discussion on external affairs in May 1951, did not take exception to any of these statements. In fact, I believe he did not even mention Formosa in that discussion. I therefore think that I now have the right to ask the spokesman of his party what their policy is with regard to these matters. Do they disagree with what I have said in this House on these matters to which I have just referred, things which I have said more than once and which indeed I repeated in New York? Or do they on the other hand, take their stand on the concrete statement made in this House on May 7, 1951, in the course of the debate on external affairs, by the hon. member for Vancouver-Quadra, who during that debate said--and there is nothing ambiguous about this or about some other parts of his statement--as reported at Page 2785 of Hansard:

"Then I believe we should insist that Formosa must not be turned over to the Chinese Communists."

And he made no qualification of that statement. That is an arguable position but we on this side of the House consider it to be an unwise position. I would therefore be interested in learning--and I am sure we shall do so later in this discussion--whether his party agree with that position, that notwithstanding previous declarations in regard to Formosa, that island should not be permitted to become part of China so long as a Communist Chinese Government is in power in Peking, irrespective of whether that government is committing aggression in Korea or elsewhere.

I would say at once that that is not the position of the Government, and we think it would be rash to adopt such a rigid policy in a world of such rapid change. We think it to be wiser to hold open the question as to what will be the best solution for Formosa when the aggression ends in Korea. In that respect we subscribe to the principle laid down by the United States Secretary of State before a Congressional committee on June 1, 1951, when Mr. Acheson said:

"The President has stated that we are not prejudicing the future of Formosa. That is a matter which should be decided, he said, either in connection with the Japanese Peace Treaty--"

Where, incidentally, it was not decided.

" --or by the United Nations, and the view which has been taken more recently is that the United Nations is the appropriate place where it should ultimately be decided."

I then also said in the House last October--and I quote from my statement then as reported at page 254 of Hansard:

" However--and this is important--before we can proceed to any of these further Asian matters which are dealt with in the United Nations resolution of last February, which I think is still valid, the aggression in Korea must first be brought to an end. That is the immediate danger, and that is our immediate purpose, to end that war on honourable terms. If and when that can be done we will not refuse to discuss any other Asian questions relevant to the situation out there."

I think the policy of the Government on this matter has been made quite clear in this House.

Now, what is the situation at the moment in Korea? In a military sense it seems to be pretty well stabilized except in the air, and the stabilization has taken place along a line which is roughly the 38th Parallel, some part being above that Parallel and a small sector below it. But while the military situation in that sense is somewhat stabilized, the armistice talks which are going on are stabilized only in the sense that it is exceedingly difficult to detect much progress in them. They take the form of offensives and counter-offensives, attacks and counter-attacks, and it is impossible to be either optimistic or pessimistic about an eventual satisfactory conclusion. Certainly we must all agree, that they are being conducted by the United States negotiators on behalf of the United Nations with persistence and with patience.

Speaking the other day in this House, the hon. member for Rosetown-Biggan expressed the view that as the military armistice talks had bogged down in non-military discussions, the Canadian Government might take the initiative in suggesting that a political conference might be called without waiting for the conclusion of an armistice. I think that was the burden of his observations on this point at that time. If that suggestion were adopted it might lay Canada open to the kind of criticism which is sometimes levelled against some schools of thought in the United States; we might be accused of seeking to submerge the problems of a military armistice into the larger problems of a political conference, just as some want to submerge the military problem of Korea into the much larger and more difficult problem of a war with China.

The supplementary report of the United Nations group on cease-fire in Korea, which was made public on January 11, 1951, clearly proposed that the Far Eastern situation should be dealt with in three stages. The first, cease-fire in Korea; the second, the settlement of the Korean question, and the third, the settlement of other Far Eastern questions. All Western dealings with the enemy in Korea have been based on this three-stage programme, and we cannot now reasonably expect to ask our allies, particularly the United States, to abandon this procedure. Therefore I suggest we must continue to try to get the armistice first and then political talks afterwards.

On the point which was made by the hon. member for Rosetown-Biggarr that the armistice talks have already strayed into the political and non-political field, I would merely point out that the three main points still in dispute are, first, prisoners of war--a complicated and a very difficult question--the second, airfield construction and repair, and third, supervision of the armistice. The exchange of prisoners of war is a legitimate subject to discuss in military armistice talks, and indeed was one subject which the United Nations Command insisted should be included in the military agenda. It would be hard now to accept the argument that the subject is non-military.

Points two and three are plainly within the military field. Indeed, the only really political subject on the agenda of the armistice talks is point five, recommendations to the governments concerned on both sides, which has been settled quickly and effectively, and which has resulted in agreement, at least in principle, that political discussions should take place over the Korean political settlement.

Certainly, all governments, and that includes the Canadian Government, with forces in Korea, agree as to the desirability of bringing that war to an end as quickly as possible; but, as I have said before, on honourable terms which do not betray the purpose we had in intervening there in the first place. That purpose was--and remains--to defeat aggression there, nothing more. And we have not done that yet.

It is for that reason that the Government supports as a possible first step to peace and the defeat of aggression, the armistice negotiations now being carried on. But also, we must realize that if these negotiations fail, or if the armistice is successfully concluded and then a further aggression is committed by the Communists, a new and possibly a very dangerous situation will arise.

I said in this House last April that if there were massive air attacks from Manchurian bases, retaliatory action might be required against those bases in order to safeguard our forces in Korea. But I then went on to say--and this remains our position--that the decision to authorize such action would have to balance very carefully local military considerations against the risk of precipitating a further extension of the war, with all its grim and incalculable consequences. We are not convinced in this Government that general retaliatory measures such as blockading of the Chinese coast, which was advocated by the hon. member for Vancouver-Quadra last May, or helping Chiang Kai-shek back on the continent, would be as effective in ending the war in Korea as they would likely be of extending it to China. We feel this way because the best advice that we can get leads us to the conclusion that such measures as that might bring us to the position where, in the words of General Bradley, we find ourselves fighting the wrong war in the wrong place at the wrong time and with the wrong enemy.

War of course may be forced on us by the Chinese Communists. That is another question. We shall have to take cognizance of that situation if and when it arises. Meanwhile, we should do nothing to extend the war that we can avoid doing. Meanwhile, also, discussions are going on between the governments most concerned--that is, the governments with

forces in Korea--as to the best course which could be followed in preventing or in meeting a new aggression in Korea if that should occur, and also how to organize and carry on political talks through the United Nations if the fighting can be ended there.

I think, however, it is worth while emphasizing once again that United Nations policies are designed to end this aggression in Korea, not to extend it, and not primarily to overthrow by force the Communist régime in Peking. Like other democratic governments, the Canadian Government and the Canadian people detest Communism in Asia or in any place else. We will do what we can and what we should, not only to eliminate it from our own country, but also to protect ourselves and to protect others from this aggressive and subversive poison from abroad.

But as a doctrine, Communism in Asia--especially in Asia--will not be destroyed by guns, though guns have to be used when Communist violence and banditry occur. It would, I think, be a great tragedy if the policies of the free world, especially those of the United States and the nations of the Commonwealth, should diverge on this Asian question. It is as important to work together in the Pacific as it is in the Atlantic, and with understanding of each other's problems. By complete and frank exchanges of views, we can do so. But let us not deceive ourselves; the problem of Asia may subject our coalition of peace-loving free states to difficult tests in the days ahead.

I now want to say something about the recent North Atlantic Treaty Council meeting in Lisbon. But before I come to that I should like to repeat what has already been said so many times, namely, that our North Atlantic Treaty Organization is not intended to replace the United Nations, but is complementary to, and indeed should be subsidiary to, the United Nations. It is easy today to be cynical and defeatist about the United Nations. Certainly the last session of the General Assembly--and I am not going into in any detail--was not able to do much to relieve the tension between the East and the West, between the free world and the Soviet bloc, or to reach satisfactory political settlements of differences by conciliation or peaceful negotiations. That does not mean, however, that the next session of the Assembly, or the session after that, will be equally unproductive. We must keep on trying, and certainly this Government intends to keep on trying to make the United Nations work effectively.

The General Assembly of the United Nations and the Security Council of the United Nations, among other things, serve to remind the free world continuously that the purpose of its present policy of increasing its defence forces is merely to persuade aggressors to negotiate fairly and honourably. The United Nations exists to assist the free world to seize every possible opportunity for negotiation and settlement. The United Nations and its Specialized Agencies also provide the framework for social, economic and technical co-operation between all the countries of the free world. Through the United Nations and its Specialized Agencies the free world has already co-operated to promote general welfare, in particular by its assistance programmes to under-developed countries, through the United Nations itself--through the World Health Organization, through the Food and Agriculture Organization and through the International Labour Office.

It is true that the Soviet bloc is refusing to take part and to co-operate in this great endeavour. But the United Nations is still an indispensable piece of political machinery and cannot be replaced by any international organization on a more limited basis. These other organizations, however, under Article 51 of the covenant have their value; and I suggest that the North Atlantic Treaty Organization is the most important of them.

The Council of the North Atlantic Treaty Organization has recently met at Lisbon, and I should like to give, in as great detail as possible, the results of that meeting. Those results, in the form in which they have already appeared, do not seem at present to command the acceptance of all members of the House. Indeed, it would be, I suppose, surprising if they did.

The hon. member for Middlesex East (Mr. White) the other night thought that at the recent Council meeting--and I quote his words--we were "overemphasizing the military aspect." The hon. member for Peel has been quoted as saying that at the NATO Council meeting at Lisbon we acted too small and talked too big; while the hon. member for Rosetown-Biggar seems to think that we might have acted too big.

Let us have a sober look at what NATO has been doing. It is of course possible, indeed it is easy, to exaggerate the results of the Council meeting at Lisbon. It was the most effective and successful meeting we have had, in the sense that we reached unanimous decisions on matters which had been before us at previous meetings, but which we were not able to settle then.

At the same time we should not, I think, exaggerate the importance of what, after all, are only decisions which are yet to be converted into action. The prestige of NATO must not be based upon illusions. One easy and tempting illusion these days is that a resolution at an international conference is always the same as the result. A resolution is a decision to act; but it is action which produces results. Yet it remains true that if we had not taken these decisions at Lisbon--the ones we did take--the parliamentary and popular decisions which we now expect, and which will lead to action, would not have been possible.

Now, what were these decisions? The first, and the one that has commanded the most attention, deals with the military or defence programme which we accepted there. The collective military goal for NATO, in the sense of total figures, had never been announced by NATO in any concrete form prior to Lisbon, although our own Canadian contribution to NATO had been put very definitely before this House last October, and accepted by the House; and the general NATO policy has, I think, been pretty fully explained in the House--certainly explained as fully as in the legislatures of any of the other members of the Organization.

But the hon. member for Winnipeg North Centre (Mr. Knowles), speaking on this subject the other night, seemed a little uneasy because not enough information was being given out. He made this statement:

"We now come to the situation this year--"

That is, 1952.

" --and when we question the advisability of the figure of \$300 billion that is NATO's proposed military expenditure, he-- "

Referring to myself.

" --asks us where we got that figure."

And he went on to say:

"He knows that we got it from responsible newspapers who are being permitted to suggest that figure as the NATO goal. He questions it, yet he will not tell us what the precise goal is."

That is the end of the quotation from the speech of the hon. member. Now, anyone reading that paragraph, in relation to the programme for this year, might get the very mistaken impression, which was not intended, that our goal was \$300 billion even this year. Of course that is not true. Nor is there any foundation or any validity for any press statement that NATO has given out either officially or unofficially at any time a figure of \$300 billion as representing, in financial terms, the military goal to be achieved by NATO.

It is quite impossible, even in terms of the physical programme we are trying to work out, to know how much this programme will cost the fourteen countries concerned--or the twelve countries, if you leave out Turkey and Greece for the moment. But I have never seen speculation, or in any of our exchanges of views any figure, which approaches that of \$300 billion for the three years in question.

But the hon. member for Winnipeg North Centre said: "Give us the details with respect to your programme, so we can make up our own minds. What are our commitments?"

Break through the secrecy." So far as the Canadian programme is concerned, there is no secrecy. The Minister of National Defence (Mr. Claxton) was quite specific about our commitments, when he spoke in the House on October 22 last, at which time he gave figures of our contribution to the Integrated Force as one brigade and eleven squadrons. Those figures were before the House, and were not objected to by the House.

Then, on February 26 last, upon his return from Lisbon, he announced then that we would ask that the number of RCAF squadrons to be committed to NATO by this country would be increased from eleven to twelve. That is the only additional forces commitment, and it has already been announced, that arose from the Lisbon conference, so far as Canada is concerned.

The estimates which were tabled the other day indicate that our mutual aid figure, our payment for assistance, goes up to \$324 million in the next year. But the hon. member for Winnipeg North Centre wants details of the total NATO military programme, and, presumably, details of the programmes of other members. All I can say to him is that it is quite impossible to give those details ...

It seems to me the reason is quite obvious, and must commend itself to members of the House. Quite apart from the question of security--and I think it would be a breach of security if we placed those figures on record in the form in which he would like to have them--quite apart from that, it would not be appropriate in this House for a representative of the Canadian Government to give in detail the military programmes of other governments represented in the North Atlantic Treaty Organization--and certainly not appropriate without their consent.

But I will say this--and I tried to say it briefly the other day--that when we went to Lisbon we were confronted with new figures for military programmes. Those figures, those programmes, resulted from a very exhaustive examination of previous military programmes by the Temporary Council Committee which had been set up in Ottawa, the executive committee of which was known as the "Three Wise Men." The very procedure of that committee, and its executive committee, shows how closely we co-operate in NATO. Such an inquisition, and I do not think it is an exaggeration to call it that, of the military budgets of one state by three representatives of other states, under which the ministers of a state were asked to explain their defence budgets, was a procedure which would have been quite impossible before the war.

Following that procedure the Temporary Council Committee approved its final report and submitted that report to us in Lisbon. The resolution adopting that report was put before us and agreed to by us there. That resolution had in it--it is a secret document still--much besides the military goals and the military programmes. I can assure you that in it economic matters were not overlooked, nor were they overlooked in the report. As a matter of fact the press statement, to which so much attention has been devoted, itself spent most of its time dealing with economic apart from military matters.....

I was chairman of the Council, and naturally as chairman I took full responsibility for any document or statement issued officially in the name of the Council. I may say that that statement was cleared with the representatives of the United States, the United Kingdom and France by special individual clearances. One paragraph of the resolution adopting the TCC report stated in very clear terms that the realization of adequate defensive strength and its continued support by the governments and peoples of the North Atlantic Treaty countries required sound economic and social foundations which could be developed only by a satisfactory rate of general economic expansion.

As I have said already in this House, these military goals, which we adopted at Lisbon were goals adjusted downward from those to which we had been previously working in so far as 1952 was concerned, and indeed in so far as the three-year programme was concerned. That adjustment downward was the result of this civilian examination and designed to take into account the economic, financial and social situations of the member states, especially the European member states.

May I put the position in the terms of a simple illustration. You are building a house and you are presented, as is often the case, with architect's plans which

turn out to be too elaborate and expensive. You ask your architect in the interests of economy to modify his more ambitious plans. At the same time it may be possible by ingenuity and by rearrangement of space and facilities to have a house which incorporates all the essential features. In the meanwhile the builders are going on with the construction of the house and you hope soon to have a roof over your head. That is what happened at Lisbon. We modified our plans but we got on with the building.

What actually did we decide in getting on with that building? I should like to quote a paragraph from this well-known press statement which has been quoted already in this House and which deals with our programme for 1952. It reads:

"The NATO nations agreed to provide approximately fifty divisions in appropriate conditions of combat readiness and 4,000 operational aircraft in western Europe, as well as strong naval forces."

Those are the only figures that have been authorized. The programme authorized in those figures represented, as stated in our resolution at Lisbon accepting it, the targets to be adopted as forming the goals for 1952, whereas we adopted only provisional goals for 1953 and goals to be used for planning purposes in 1954. Each country represented at Lisbon is pledged to do its utmost to implement these recommendations....

The vagueness of this paragraph has been criticized. It is obvious the paragraph is vague. I admitted that the other day in the House and of course I admit it now. Conscious of that fact, efforts were made almost at once to clarify what that paragraph meant. In the House the other day I repeated statements of clarification from the foreign secretary of the United Kingdom and from the Defence secretary of the United States. Within twenty-four hours of the issuing of that statement there was also a broadcast over the CBC, from which I quote as follows:

"The TCC report calls for approximately fifty divisions by the end of the year, the first time that official use of such a figure has been made in public. It was explained, however that this does not refer to fifty divisions maintained in combat readiness. Some will be in combat readiness, others outfitted and equipped and capable of being brought into combat readiness in short order...."

There was no Canadian press service represented at Lisbon during our Council meetings. As I said the other day, there were statements issued in London and Washington. Last week, in Washington, Mr. Lovett referred to the earlier statements and I should like to read a couple of paragraphs from his presentation to Congress in connection with the mutual aid programme which was before Congress at that time. ... Mr. Lovett spoke as follows:

"I have previously stated that somewhat more than half of these divisions will be combat ready, while the remainder will be reserve divisions. A reserve division on the continental pattern differs from our American concept of the nature of a reserve division. The continental reserve division has its organization complete,

although most of its personnel continue in normal civilian jobs. The reservists live in the vicinity of their unit assembly points. Each man has his mobilization assignment. He knows exactly where to go to draw his individual equipment and just where to take his place in a gun squad, tank crew, or rifle platoon. It is the place he has already been trained to fill. Long-term officers and technicians maintain the equipment and the units have periodic training exercises.

A division of this type, which can be mobilized in twenty-four to seventy-two hours, is almost as ready for action as is the front-line division maintained at full strength. Some reserve divisions will not be ready that quickly. They will require a little more time for unit training. But in every case, a reserve division must have most of the major equipment available, as well as a reservoir of trained combat soldiers and specialists."

So much for our programme for 1952, which I submit is now reasonably clear in our minds. As for the subsequent years, figures were talked about at Lisbon which have not been made public. These were, as I have said, for planning purposes only. We agreed at Lisbon that they should be reviewed periodically by NATO agencies to make sure that they were realistic in the light of prevailing conditions; that if they could be safely reduced they would be; and that if they had to be increased recognition could be given to that fact. For that purpose we resolved at Lisbon that an appropriate NATO agency, not an ad hoc committee but an appropriate permanent agency of NATO--perhaps part of the Secretariat, but that is to be worked out--should continuously review the requirements for building adequate defensive strength, and try to reconcile the military needs of the countries concerned with their political and economic capabilities. Surely that does not look as though the military are running away with our planning in NATO, or as though NATO has fallen completely under their control or under any sinister influence of any kind. That is all I want to say about that aspect of our work at Lisbon.

The second subject we discussed there, and a very important matter indeed, was the association of Germany with Western defence. When we got to Lisbon, the atmosphere with respect to this matter was not very propitious. There had been difficulties in some of the European capitals, where the legislatures had been discussing these questions, and no one felt unduly optimistic that we would be able to reach agreed decisions at Lisbon with respect to this matter of German association with Western defence. In fact, we were successful in reaching such agreed decisions. One resolution approved on behalf of NATO of the principles of the treaty establishing a European Defence Community, which treaty included provision for a German defence contribution, and also provisions for certain security regulations after the peace contract takes the place of the occupation statute. We also agreed at Lisbon on principles governing the relationship between the European Defence Community, if and when it comes into being, and NATO itself. Our decision here was to this effect. We agreed that there should be two closely related organizations, one working--as far as the common objective of the defence of the Atlantic area was concerned--within the framework of and reinforcing the other.

I think we all felt before we went to Lisbon that there was a very real danger of the European Defence Community developing a separate existence from NATO itself, if and when the Community was set up; and I think most of us felt that it would be disastrous to get away from the Atlantic concept even to achieve such a desirable objective as a European army. This resolution was to guard against the danger of that development. More important even than that, I think, was our agreement that each of the organizations should give reciprocal security undertakings to the other, so that by virtue of these undertakings the whole area of both organizations would be covered by a security guarantee.

The significance of this, if it is carried into effect, if the legislatures of the countries concerned agree, including the Canadian legislature, is that the area of guarantee will cover Western Germany--that is to say if the Defence Community comes into being and if in the treaty establishing that organization there is a reciprocal guarantee on the part of that European Defence Community covering our present NATO territory. I do not think it is easy to exaggerate the importance of that decision. So far as guarantees and security are concerned it does bring Western Germany into very close association with NATO.

Then finally under this heading we agreed on a procedure by which there can be joint meetings of both organizations, a matter which caused a good deal of difference of opinion in the six months or so before the Lisbon meeting. These joint meetings can be called on the initiative of either organization and indeed, in certain circumstances, they can be called on the initiative of any one member of either organization.

I think all this is of very considerable importance in the development not only of European unity but of the North Atlantic concept; but none of these decisions can take effect until the treaty establishing the European Defence Community is ratified. I think we might reserve our most enthusiastic plaudits against that day, because there are obvious difficulties in the way of such legislative action, difficulties in Bonn, difficulties in Paris, and possibly difficulties in other capitals. In Bonn we know what those difficulties are: the German insistence that in the substitution of a peace contract for the occupation statute there should be a recognition of their equality of status with other members of the European Community; the German insistence on unity between East and West, with all that implies in terms of boundaries and other things. ...

Even under the draft treaty which is now being discussed with a view to the setting up of a European Defence Community there is no provisions which would obligate any member of the Community or any member of any North Atlantic Treaty Organization associated with the European Community to go to the help of any country which takes any offensive or aggressive action of any kind. It is purely defensive in character; the reciprocal undertaking is to help each other if attacked, and on no other occasion.

This question of Germany, which loomed so large in our minds at Lisbon and must continue to loom large in our minds in all the free countries, is very difficult, complicated and indeed explosive. There are two extreme trends which

might develop dangerously in Germany at the present time. On the one hand there is the revival of militarism, Nazi militarism; and there is the other extreme, the rejection of all defence responsibilities by the Germans and the creation of a power vacuum in the centre of Europe. We know what happens when a vacuum of that kind is created. We have a pretty good idea who would try to move into that vacuum in present circumstances. Nevertheless the fact remains that Germany, as I see it, is bound to become stronger and is bound to become united ultimately. Surely it is better that this should be done in association with the Atlantic powers than in isolation, or on a purely nationalistic basis, or in association with the Communist East which would have no scruples about a Germany armed to the teeth, with Nazi leaders back in harness, provided that was done by a Communist government under Moscow orders.

There are also difficulties in the way of the ratification of these treaties in Paris. There is the financial difficulty facing any French Government; and that was made very clear to us at Lisbon. There is the difficulty of the war in Indo-China, with its inevitable drain on the French economy and on France's human resources. There is the fear, which is still strong and still understandable in France, of a resurgent and remilitarized Germany against which there must be guarantees, which are being worked out. Then also in France today there is a hesitation in certain quarters over the whole European Defence Community concept. But, I think we can be reasonably optimistic that as a result of our Lisbon decision, which makes this progress possible, Germany will be satisfactorily associated with Western defence and in that way with the North Atlantic Treaty Organization before very long.

Another matter with which we dealt at Lisbon is called, and I hate to use this horrible word, the "infrastructure" problem. I disclaim any responsibility for the word. In fact, everyone who speaks about it now disclaims any responsibility for it, but it must have started somewhere. You may be even more shocked when I tell you that once, at Lisbon, we solemnly discussed a subject which was referred to on the agenda as "the solution of the hard core of the third slice of infrastructure." In plain English terms "infrastructure" means collective facilities. We were faced with the problem of deciding how many of these facilities were required for the 1952 programme. It is not much use going ahead with a programme, especially an air programme, if we have not the facilities, such as airfields, with which to carry it out. We were confronted with the problem of finding out how many of these facilities were absolutely necessary in 1952, and how the cost could be fairly divided between member countries. We came to agreement on that point, and the Canadian proportion of that total figure for 1952 for the infrastructure programme appeared in the estimates the other day as \$27 million.

Then finally at Lisbon we completed our consideration of the problem of the association of Greece and Turkey with NATO. The Greek and Turkish representatives took their places there for the first time as full members of the Organization. We began at Lisbon the consideration of the military planning which is required to bring them into the military organization. We agreed that the land forces of these two valuable defence allies would be brought directly under the Supreme Commander of NATO for Europe, and the naval arrangements are to be worked out.

I apologize for detaining the House so long, but at Lisbon we considered other than military questions and I should report on them. The first and most immediately important of those questions was that of the reorganization of NATO or, as I would prefer to call it, the adapting of the NATO organization to its new functions and its new responsibilities. Probably the most important decision under this head was that, instead of having the Council meet two, three or four times a year with Deputies meeting in between the Council would be established in permanent session with the ministers attending when required. There were to be representatives of the ministers and the governments acting for them in between ministerial meetings. These permanent representatives are now being appointed by the various governments, and the Canadian representative was nominated the other day. I hope that, among other things, this will reduce the necessity for so many ministerial meetings.

In connection with this reorganization we approved the abolition of the existing civilian agencies, such as the Finance and Economic Board, the Defence Production Board and the Maritime Shipping Board. These will now become committees of the Council. After a great deal of discussion we also agreed that the permanent headquarters of NATO should be located in an area in which other international agencies were located whose work is important to or closely related with NATO, and with whom co-operation is essential. This brought us to Paris. We agreed also that there should be, as the senior permanent official of the Organization, a Secretary-General who would be not only a Secretary-General in the usual sense of that office but a member of the Council and, indeed, the Vice-Chairman of the Council. As you know, Lord Ismay has been appointed to that office, a man of wisdom, tact, experience and modesty. The North Atlantic Treaty Organization is very fortunate in securing him.

Finally, under this head, we discussed non-military co-operation. The Committee of Five, which was set up as the House knows some months ago, made its report on this subject. Just to remove any doubt in this House that we were only concerned with military matters, I should like to read some paragraphs from this report.

"... The Committee wishes to emphasize that the process of achieving cohesive relationships among the countries of the North Atlantic community is necessarily a slow one, and that it would be a mistake to expect rapid or spectacular achievements. In this field it is necessary to build carefully on a solid foundation. The immediate and urgent aim of the North Atlantic Treaty is the common defence. The degree of success which is attained in defence co-operation will in large part determine the progress which can be made in strengthening the Atlantic community in its wider aspects. The sense of community, the experience, and the habits of co-operation which the development of collective defence has engendered form the essential basis for the growth of collaboration in fields other than defence."

The report went on:

"The enduring nature of the North Atlantic community must rest on something broader and deeper than military co-operation alone. Indeed, this is explicit in the Atlantic Pact itself, through Article 2, and is reflected in the growing habit of consultation and feeling of community within the group. This concept of the "North Atlantic community" cannot easily be defined. Nor does it necessarily have to express itself always and immediately in institutional terms. But the idea itself is of vital importance and advantage should be taken of every opportunity to transform it into reality.

The Committee feels, however, that this transformation, though essential, will not be easy, indeed, it may not even be possible if economic collaboration does not develop and increase; if the members of the North Atlantic community do not take early and concrete steps to liberalize and expand trade between them and with other friendly countries. They must give their peoples the hope of greater human welfare by increased production and exchange of goods on an easier and wider basis than is now possible."

The report also made certain concrete suggestions to avoid duplication and overlapping in this economic field, especially with the Organization for European Economic Co-operation. We also discussed in this report co-ordination and consultation on our separate foreign policies, and the desirability--we have emphasized this before at NATO--of no one member of the Organization taking a far-reaching decision on foreign policy without at least some consultation with the other members of the Organization whenever possible. There was also a section in the report by the Committee of Five dealing with the movement of labour and manpower, subjects that are of very great importance to some European members of the Organization. Certain proposals for social and cultural co-operation were made, such as the exchange of students, the encouragement of travel, the exchange of teachers, as well as other proposals for making NATO, its ideals and its purposes, better known.

Finally in this report we recommended our own disappearance as a Committee of Five. We felt that this subject of non-military co-operation could not be dealt with effectively on any basis smaller than that of the full membership of the Council, and as the Council will be in permanent session now it should take over the work of developing this field. That is what will happen. ...

I cannot give any information in concrete terms as to what has been done in the field to which I just referred. Indeed, very little has been done in the field of non-military co-operation. I admit that, and I think we must all be disappointed that more has not been done. But we have laid the foundation for a growing feeling of community in these matters, and I think if we are patient we shall find that results will be achieved. Some progress has been made, for instance, in the field of migration, but that is of more concern to the European countries than our own. Then there is the question of the exchange of labour between European countries. On this occasion in our report we did make to the Council certain concrete and specific suggestions for action. It is not however, appropriate for me to tell exactly what they are until the Council decides what action it can take in regard to them. ...

There was a discussion of budgetary arrangements for NATO generally and there was an estimate made by the experts who worked with us on this committee as to how much these proposals would cost. They will cost a considerable amount. They include such items as exchanges of students and that kind of thing. But I am not in a position to give exact figures in that regard at the present time. They will not cost much in relation I might add, to our total defence programme. ...

That is the survey which I was anxious to make of our results at Lisbon. That is what we tried to do at that meeting. Summing up, I would merely say that our military goals in NATO must remain--and we all agree on this--the minimum necessary for defence; and they must be reached, if possible, in such a way as not to prejudice the economic and social stability of those countries which are not yet strong enough to sustain the high costs that would be entailed by too large a military programme--costs which might have been much lower before the war and much easier for them to undertake then. I am thinking now particularly of the European countries.

We must not sacrifice and we are not sacrificing our social, political and economic objectives to an exaggerated and false emphasis on armaments. I believe that there is nothing exaggerated, false, militaristic or provocative in our plans or our programmes. The burden of carrying out these programmes and these plans has, I think, been quite fairly distributed. But we must also remember that in attacking NATO the Communists have concentrated on two things, and they are the enemies of NATO. They have concentrated on the danger of German rearmament and the unnecessary militarization of the West, with its consequential unnecessary tax burden, which they allege is being forced on the rest of us by United States power policy. By this propaganda they hope to isolate Germany from the West and, far more important, they hope to isolate the rest of us from the United States. I suggest that we in this country, as elsewhere, must be on our guard against these divisive and dangerous tactics and must do our best to defeat them.

This Government feels strongly that we must continue building up steadily and unprovocatively in NATO, and in accordance with realistic programmes, the strength necessary to neutralize and to defeat, if we are forced to fight it, Russian Communist aggression. We think that this policy remains the best deterrent to war, and we are not weakening in our support of it. We also recognize, however, that the menace is more than military. It might also express itself in economic and social strains which will at once be exploited by the Communist conspiracy--a conspiracy with agents in every land and designed to undermine and to destroy our Western Christian civilization which is based on human freedom, co-operation and tolerance and then to replace it by totalitarianism, autocracy, and a brutal police state.

I believe that we made good progress at Lisbon in the organization of collective security. I think the decisions we took there were wise and realistic. I hope that we shall all be able to agree in this Parliament to support these decisions and to move steadily ahead to achieve our objective of a peace which will mean something more than merely the absence of war. A NATO policy based on a programme of adequate but no more than adequate defence, on the desirability

of doing everything possible to develop a sense of community and partnership, and which also takes into account the necessity of acting effectively to promote greater human welfare is, I believe, one that should and will command the support of all parties in this House and of the great majority of the Canadian people, in the future as it has in the past.

s/c