



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 59/14 REPORT ON EXTERNAL RELATIONS

Statement in the House of Commons February 26, 1959,
by Mr. Sidney E. Smith, Secretary of State for
External Affairs.

I welcome this opportunity to ... place before the House the views of the Government with respect to several matters that concern Canada directly at this time.

Before I proceed to do so, however, I should like to express in a personal vein, indeed in an official vein, my gratitude for the hospitality that was extended to me in Brazil when I paid an official visit of two weeks' duration to that country last November, and also for the hospitality accorded to me in Mexico where I had the honour last December 1 to represent Canada at the installation of the new president, Lopez Mateos. From discussions with leaders in those two countries I learned much, and I saw at close hand the dynamic growth not only of these two countries but of Latin America as a whole. I returned to Canada convinced that through ease of communication, through trade and by virtue of common interests our relations with Latin America can and must grow.

Following the practice I have adopted in the past I will not engage in a global survey this afternoon but will attempt to explain, as I said a few moments ago, the Government's attitude on a number of specific issues.

Germany and Berlin

I was about to say, and perhaps I should say, that the most important and urgent of the problems facing Canada and her NATO allies lies in the field of East-West relations. I approach this subject gravely but not despondently. When I presented my estimates in July of last year, I believe, I spoke of the need to maintain our defences and at the same time to endeavour to make some advance in establishing mutual trust and confidence and in coming to some understanding with the Soviet Union. The Communist leaders, as we all know, have

professed their desire to promote the objectives of easing tension and of a reduction of the cold war. These professions, however, are certainly difficult to reconcile with the demands made by the Soviet Government on November 27, 1958 when it abruptly declared that existing agreements on Berlin were null and void.

Whatever the basic Russian objectives may have been, I am bound to observe that these tactics do not convey an image of a state bent on a lessening of international tension. On the contrary, the Soviet Union deliberately chose to create a crisis where none had recently existed, and thereby to plunge the whole world into a new period of deep anxiety that will not abate until there is some sort of meeting of minds in negotiation between East and West, and some agreement has been reached on the German question.

The Berlin situation was the critical issue before the NATO Council Meeting held in Paris last December. I, along with my colleagues the Ministers of Finance, Defence and Defence Production, had the honour to represent Canada at that meeting. Members will recall that before the formal meeting of the NATO Council began on December 16 there was a meeting on Sunday, December 14 at which were present representatives of the three occupying powers from the West, the United Kingdom, the United States and France. At that meeting, held, as I said a moment ago, prior to the meeting of the Council, there were also present representatives of West Germany. Willie Brandt, who honoured this country by a visit recently, also attended that meeting in his capacity as Mayor of West Berlin. Out of that meeting of the three occupying powers and West Germany came a statement in which they publicly rejected the Soviet proposals and reaffirmed their determination to maintain their position and rights in the city, including the right of free access to Berlin.

When this issue came before the NATO Council the Canadian Delegation took an active part - I say without immodesty that we did take an active part - in pressing for a full discussion of the Berlin situation in the Council with emphasis on maintaining an appropriate blend of firmness in the face of threats, and constant readiness to examine serious Soviet proposals. The position adopted by the Council two days later was entirely consonant with the Canadian position. The Council, in associating itself with the position taken by the four Western powers, adopted the view that the Berlin question could be satisfactorily settled only in the context of a consideration of the problem of Germany as a whole. The Council referred to the notes that had been sent by the Western powers to the U.S.S.R., in which they offered to negotiate on the situation with respect to Germany as a whole. That offer

was reaffirmed in the communiqué issued at the termination of the NATO Council meeting. Then, coupled with the consideration of the problem of Germany as a whole, they indicated their urgent willingness and desire to have discussions on the related issues of European security and disarmament.

In addition to supporting the position taken by the Western occupying powers, members of the Council - and I refer you to the communiqué I have mentioned - reiterated the stand of the occupying powers that NATO is a defensive organization. They also said, Mr. Speaker, that in respect of Berlin they desired to leave no doubt as to the determination of the Alliance to stand fast and to employ its defensive capacity in the event of aggression against Berlin or any interference with the arrangements that had been duly entered into between the occupying powers and the U.S.S.R. in a series of meetings culminating in 1949.

In giving this undertaking in respect of Berlin, neither the Council nor its individual members was assuming obligations that were new. Indeed, the NATO partners have been bound in respect of the defence of Berlin since October 22, 1954. This obligation was undertaken by the NATO Council on the occasion of West Germany joining the North Atlantic Treaty Organization, when all the other members of the Alliance formally associated themselves with the provisions declared earlier, in the month of October, 1954 that the three occupying powers would remain in Berlin so long as their responsibilities so required. The text of the obligation assumed by Canada, as a member of NATO, is, and I quote:

"to treat any attack against Berlin from any quarter as an attack upon their forces and themselves."

Members of the House, Mr. Speaker, may recall that on December 31 - that was after the termination of the meeting of the NATO Council - the United States, the United Kingdom and France sent replies to the Soviet note of November 27, 1958. In these replies, which had been discussed in the NATO Council, the three occupying powers reaffirmed their right to be in Berlin, and they condemned the Soviet Union's unilateral denunciation of the agreements relating to Berlin to which I referred. In these notes of December 31, 1958 the occupying powers stated that they could not accept the repudiation by the Soviet Union of these obligations in this way, and that they could not consider proposals which would jeopardize the freedom of the West Berlin population.

Speaking in geographical terms, Mr. Speaker, I may say that here is a community, West Berlin, of 2.5 million people, which is 110 miles east of the West German border. This little

island is isolated in the midst of Soviet-controlled territory, East Germany. I must say that Canada's view is, and I state this very firmly, that we will not countenance the swallowing up or absorption of 2.5 million of our friends in West Berlin into the Soviet complex which surrounds the City of Berlin.

In the notes of December 31 the United Kingdom, the United States and France also said they would not jeopardize in any way, by negotiation or otherwise, the West Berlin population. Then again in these notes there was a reiteration of the offer, which had been made over several years and which was restated and made manifest in the communique issued after the NATO meeting in December, to negotiate the question of Berlin in relation to the whole German situation as well as in relation to the problem of European security.

Subsequent events, Mr. Speaker, have tended to confirm the wisdom of the firm but flexible position that was taken in these notes and in the meetings of the NATO Council. On January 10 of this year the Soviet Union sent notes to all the powers on the Western side which had fought against Germany in the Second World War. I have reported to the House on that note, and indeed I have tabled it here, accompanied as it was by a draft peace treaty relating to the whole of Germany.

In that note it was suggested that there should be held a conference of the representatives of these countries - 28, I think there are - on the Western and Eastern side which had fought against Germany. The conference would discuss this draft peace treaty. In that note there was, in tone if not in content, the idea that the U.S.S.R. would be ready to consider the problem of Berlin in relation to Germany as a whole. Recent public statements - perhaps we can take some comfort from them - by U.S.S.R. leaders indicate that they do not regard the note of November 27, 1958 to the three occupying powers in Berlin as an ultimatum.

I tabled in this House on February 17 the Canadian reply to the Soviet note of January 10. Briefly, as I stated at the time, our position is this. It would not be useful to have a large peace treaty conference until some aspects of the German question have been examined by representatives of the four states, the United States, the United Kingdom, France and the U.S.S.R., those countries that have a special responsibility in Berlin. The Canadian reply did not, and I do not now, try to lay down a blueprint for the solution of the German problem. There will be general agreement, however - I hope there will be. I will put it that way - that this is not the time for Canada, or any other NATO country which has been a party to the preliminary discussion of this problem of Berlin in relation to Germany as a whole and also in relation to European security,

to put forward proposals in public. However, I assert and affirm that this is no time for anything other than positive policies. We should not, in the days and months ahead - and they may be critical ones - refuse to consider any proposal that is put forward by any country in the West, or any proposals that may be put forward by the Soviet Union.

Among the types of proposals which could be considered - and I am not going to give a long list; I am going to give a partial list - are those which envisage some form of mutual limitation on nuclear weapons, and by that I mean a mutual limitation under supervision. There also might be considered agreed arrangements for gradual and mutual armed force reductions and comprehensive security guarantees for the countries of both Eastern and Western Europe. This is not to say, of course, when I give this partial catalogue, that Canada has taken a firm position or a fixed position on any specific measure as yet. They could be considered as general objectives. I would hope that these and others would be considered at a ministerial meeting of some NATO powers or the occupying NATO powers to be held about the middle of March. I repeat, and I say it seriously, that we should not have a negative approach, but at the same time we should have clear objectives in respect of a settlement of these topics to which I have referred. Every proposal, however, must be considered in the light of certain aims and objectives which are basic to Western interests. Among these I mention again the freedom of the two and a half million people in Berlin. We cannot compromise their situation. We must look toward attaining, with safeguards, and with some advances in terms of European security, the restoration of a free Germany in a free and untrammelled Europe. No proposal, Mr. Speaker, should be accepted which would have the effect of changing the balance of military security to the disadvantage of the West.

At this part of my contribution to this debate I must say quite frankly that it is distressing that John Foster Dulles, the United States Secretary of State, should have been stricken by illness. All members of the House will join with me in wishing for him a speedy and complete recovery. I salute him as a man who has devoted his public career, in that high office of Secretary of State of the United States, to the pursuit of an honourable agreement between the East and West. I express my own admiration of his qualities of fortitude and courage. I can report to the House, Mr. Speaker, that his recent visit to London, Paris and Bonn, just before he was taken to hospital, helped materially in co-ordinating the Western views, in identifying basic Western interests to be protected, and in making clear the objectives to be pursued in any negotiations with the Soviet Union.

Having mentioned Mr. Dulles, it is not by way of formality but out of the depth of sincerity that I must say that we applaud the current visit of Mr. Macmillan, the Prime Minister of the United Kingdom, to the Soviet Union. It might appear that he has had something of a mixed reception, but for us his visit could be a most significant development, providing as it does a timely opportunity for Mr. Macmillan to make it clear to the Soviet leaders that the Western countries are genuinely interested in a search for common ground but that they do not intend to be intimidated by the belligerence which often characterizes statements coming from the U.S.S.R.

Prime Minister Macmillan has made it clear in the United Kingdom and to his NATO allies that he is not in Russia for the purpose of negotiating, but that he is there rather to exchange views and to work toward a better understanding on both sides of opposing points of view. I am sure all members of the House are confident of his ability to do that and perhaps more. He carries with him today our best wishes for the success of his visit.

That sense of well-wishing, for me anyway, has been intensified recently - indeed on February 24 - by reason of a speech made by Mr. Khrushchev to a political gathering in the Kremlin. I have studied the press reports of the speech, and that is all I have at the moment. I have studied them carefully and at least I can say this. I recognize in that speech the standard Soviet position on questions relating to Germany and Berlin. Although this speech may be discouraging - and I do not think I am running the risk of being Pollyanna-ish - I still want to see what will be the formal reply by the U.S.S.R. to the notes that were recently sent to Moscow. I am thinking of the series of notes which I identify by the date of our own note, namely February 17. I think the Western powers should be guided more by whatever the tenor of that formal response may be than by the remarks made by Mr. Khrushchev at a political gathering.

As the Western powers approach - and I say this very definitely - what could be a fateful new effort at negotiation with the Soviet Union, it is opportune to look at other fields of endeavour where we have been negotiating with the U.S.S.R. on important matters. I speak of two conferences. One of the conferences had to do with the cessation of nuclear tests; the other had to do with setting up some machinery or technique against surprise attack.

Nuclear Tests

For a moment let us look at the question of the cessation of nuclear tests. That is an objective for which the whole of mankind must pray. The Disarmament Commission,

and under it the Disarmament Sub-Committee, which was set up by the United Nations, really came to an end at the end of 1957. The Soviet leaders said they would not participate in any further discussions in the Disarmament Commission or in its Sub-Committee. So there came about direct negotiations between the United States, the United Kingdom, and the U.S.S.R. with respect to the cessation of nuclear tests.

Last July and August Canada participated in a meeting of experts held in Geneva to study this whole question of the identification and detection of nuclear tests. Canada had a strong team at that meeting. Indeed, it may be a sad commentary that the scientists could agree where the diplomats and the politicians could not agree. But the fact is that out of that conference of experts there came a unanimously adopted report on effective methods for the detection of nuclear testing.

Then on October 31, 1958 there was assembled in Geneva a group of men, at the non-technical level, to draft a treaty which would provide for the cessation of nuclear tests, and would also provide for the machinery whereby that treaty could be fully implemented. We were rather encouraged about a month ago that progress in that conference had been made to the extent that four articles of that treaty had been agreed upon and settled. However, we realized that many complex questions were still to be settled. The question with respect to the composition - that is, the nationality - of personnel in control stations, and the composition of personnel in mobile units had to be decided, and above all the methods of procedure which would be provided in the treaty for the organization - the control commission, or whatever it might be called - whereby they would conduct their business.

Sir, without going into any of the details I am bound to report that the old question of veto arose again in those discussions. The U.S.S.R. wanted, and want at the moment, to have a veto with respect to certain inspections that might be proposed in that country. Mr. Khrushchev in his recent statement of February 24 said they were not going to have spies and intelligence officers from the West discovering what is their military strength and potential. Well, Mr. Speaker, I am bound to observe this, that any machinery set up under a treaty for the cessation of nuclear tests which does not provide for inspection and control would be misleading and deceptive, and dangerous to the West.

Then I must observe, despite some foreshadowing of an adjournment of those talks which is to be found in the press only this morning, that we do hope and pray that that question of machinery for detection, and so forth, may be satisfactorily settled. As I said a moment ago, and I repeat, mankind everywhere, I am sure, must pray for at least one step to be taken

toward cessation of nuclear testing; and from that step let us pray that it will be continued into other parts of the galaxy of nuclear arms.

Surprise Attack

With respect to surprise attack the story is less comforting, indeed. Last summer Canada contributed to the panel from the West at a meeting in Geneva for the study by experts, as in the other case for the cessation of nuclear tests, of methods whereby surprise attacks might be identified and anticipated. This concerned a larger group: Canada, France, Italy, the United Kingdom and the United States on the Western side; from the Soviet bloc the U.S.S.R., Czechoslovakia, Poland, Roumania and Albania. They began their deliberations on November 10 of last year, and just before Christmas they adjourned, it might appear sine die but this was not so stated.

There was a conflict. The proposal really came out of an exchange of notes last winter with respect to the holding of a summit conference. In one of those notes Mr. Eisenhower, the President of the United States, proposed there should be such a conference with respect to surprise attacks; and to us it seemed abundantly clear that what the President of the United States of America was suggesting was the holding of a conference of experts. But when those representatives from the five countries of the West met with the Soviet side, they realized that what had appeared to us to be consent on the part of the U.S.S.R. to a discussion at the expert level turned out to be an intention to discuss political matters, such as bases and so on, and the minds of the two sides did not meet. We are now in consultation with other representatives of the West who participated in the conference of last November and December to the end that we might review the scope of the agenda and the possibility of a resumption of the conference.

Outer Space

There is another matter relating to negotiations and dealings with the U.S.S.R., and that has to do with outer space. The year 1958 was a most significant year in the exploration of outer space, in connection with the International Geophysical Year. I must pay tribute to the participation of Soviet scientists in the successes of that Year. That was not on the government level but was an association of scientists throughout the world. Just let us reflect for a moment. In the recent period, or in 1958 to centre on that year, there have been launched objects which have overcome, most astonishingly, gravitational forces; objects or vehicles which can circumnavigate the moon and which can circle the globe in a few minutes or so. And now a vehicle has been placed in orbit about the sun.

I must interpolate here that it is an awesome thought that vehicles can be launched and within a few moments go thousands of miles with an aim that is remarkably accurate. This in itself is a challenge to the statesmanship of the world. At the same time there is an equal challenge to statesmen throughout the world, and that is outer space. It seems presumptuous for us to be talking about outer space, but its use is coming within man's grasp. We should not translate to outer space the national rivalries to be found on this globe.

Last autumn the United Nations established a committee for the study of the control and use of outer space, and Canada was happy to be elected to that committee. The U.S.S.R. has refused to attend any meetings of that committee, of which it is also a member. They complain about the composition of the committee. They complain that they did not receive parity in the selection of the committee. That is most regrettable, and efforts are being made within the United Nations, under the umbrella of which this outer space committee has been established, to break this deadlock.

I have been talking about the European scene. I said in this House last August with some confidence that the tenseness of the Middle East situation had somewhat abated, and I stated that in that pause there was some ground for gratification. Since then from the Middle East the pendulum has swung to the Far East and now it has come back to Europe, which has been in a period of relative quiescence in recent years.

Austrian State Treaty

I have one item to report with respect to the European scene which will bring satisfaction. I announce that it is the intention of the Government to present a resolution to the House for approval, and I expect this resolution will be welcomed by all hon. members. The Government will request Parliament to adopt a resolution approving the accession of Canada to the Austrian State Treaty of 1955. This is the treaty which terminated a 10-year occupation of Austria, and it marked the re-emergence of Austria as a free and independent nation. The treaty was negotiated between Austria and the four occupying powers at that time, the United States, United Kingdom, France and the U.S.S.R. Under the treaty of 1955 provision was made for the accession of any country which had fought against Nazi Germany. Accession by Canada, I can assure the House, will not increase our rights, neither will it increase the responsibility which we have undertaken under the Charter of the United Nations. Canada's accession, when it takes place, will be at the request of the Austrian Government, and it is an action which we take willingly as a mark of friendship and sympathy for a country whose achievements we admire. In particular we take this

action as a gesture of gratitude to Austria for the humane welcome given to Hungarian refugees during the tragic events in Hungary in 1956. We are indeed pleased to learn that a sister nation of the Commonwealth, New Zealand, is also planning to exercise the right to accede to the treaty.

Middle East Situation

Turning now from the European scene, it is perhaps appropriate that I should deal briefly with an area to which I referred a few moments ago, namely the Middle East. When I reported at length on my return from the Special Emergency Session of the United Nations at which the Middle East situation was considered, I told this House of a resolution passed by the General Assembly under which the Secretary-General was given power to see what he could do in the name of United Nations to meet the difficulties which existed at that time. Developments since then warrant my saying that we can look upon the situation at the moment with cautious satisfaction, and a great deal of credit for this is due to the Secretary-General, Mr. Hammarskjöld, who carried out so very successfully the task of undertaking the "practical arrangements", to use the words contained in the resolution.

It has been possible, under that resolution and through the activities of the Secretary-General, for the United Kingdom and the United States to withdraw their troops from Jordan and Lebanon respectively. That was done by November with the consent of all the powers concerned. The improved situation in Lebanon has enabled the Secretary-General to return to their national homes the units which made up UNOGIL.

On the other hand, on the Arab-Israeli front, there have been most regrettable incidents which indicate a certain amount of unrest between those two countries, and I am thinking not of the UNEF front but more particularly of the boundary between the Syrian region of the United Arab Republic and Israel. Nevertheless I think we can be reasonably confident that if Canada and other countries give continued support to the United Nations activities, and if there is shown a continued willingness on the part of all concerned to resort to United Nations machinery, no general deterioration should ensue.

The moderately encouraging developments to which I have referred have given us an opportunity to take stock and do some careful thinking about what should be our future attitude to events in the region as a whole. I am thinking of Canada in this context. We must, of course, realize that the relationship of the Middle East countries to one another and to the outside world is undergoing a very rapid transformation. The trends of thinking which we loosely describe as nationalism and neutralism are spreading widely and rapidly. In these countries these trends are there to stay.

No country could resist an evolving nationalism any more than Canada could. We must recognize these forces which animate the leaders of the present in that particular area. These powerful tendencies may not always manifest themselves in a way that we would welcome, but we must accept the fact that they will continue to animate the new leaders who have arisen, and will therefore inevitably dominate the Middle East scene for some time to come. We cannot, of course, oppose this evolutionary process of change but there is an international responsibility to see that if change comes, it comes peacefully, with the consent of those concerned and without menace to the security of others.

Yet if we are justified, as I am sure we are, in our efforts to ensure that change is peaceful, we must recognize for our part that one of the chief causes of instability in the area as a whole has been a profound lack of confidence of each country in its neighbours, and a mutual lack of confidence between the countries of the area and those lying outside of it. Western countries may be able to help in establishing a basis on which that confidence can grow, though this will require restraint, patience, impartiality and a willingness to approach the countries of the area on a footing of equality and respect. It may be that, as in other areas, the United Nations can offer the best medium through which adjustment to the new order of relationships can take place; for this adjustment must be accomplished without sacrifice of principle and without too close involvement in the regional tensions which political, economic and social forces still at work in the area are bound to engender.

Canada's own policy continues, as in the past, to be one of firm support of United Nations institutions in the area. We were, for example, one of the main contributors to UNOGIL - that is, the United Nations Observation Group in Lebanon - and Canadian officers continue to serve with the United Nations Truce Supervision Organization in Palestine. Support for Palestine relief and rehabilitation is also to be maintained this year, subject to Parliamentary approval, at our annual rate of \$500,000. Finally, we can derive great satisfaction from the contribution that Canada continues to make to the United Nations Emergency Force in the form of a large Canadian contingent. It is, I think, a remarkable tribute to the success of this unique United Nations peace-keeping activity that the Secretary-General was able to refer in his 1958 report on UNEF's activities to the "virtually unbroken quiet" which had prevailed "along the entire line between Egypt and Israel" during the period covered by the report.

Mention of the Secretary-General prompts me to pay once again the highest tribute to the selfless and tireless personal contribution that Dag Hammarskjold has made to the cause of peace throughout the world, and nowhere more successfully than in the Middle East.

This brings me, Mr. Speaker, to some brief comments on the last regular session of the United Nations General Assembly, at which I had the honour to head the Canadian Delegation. As there are many important matters to be considered during today's debate, I shall confine myself to one or two items and impressions of special concern to Canada.

UN Stand-by Peace Force

Having just referred to UNEF, it is appropriate that I report at this point on the related question of a United Nations stand-by force. Hon. members may be aware that at the 13th Session of the General Assembly the Secretary-General presented a summary study of the operation of UNEF, out of which he drew a number of observations and principles for consideration as a guide to future United Nations action in preserving peace through its own instrumentalities. The Secretary-General's conclusions reflected the tenor of the discussions concerning a United Nations peace force at both the Special Emergency Session of the Assembly in August, 1958 and at the 13th regular session in September, 1958.

In these discussions attention shifted from the possibility previously considered of establishing a permanent stand-by force as such, or earmarking national units for service with such a force; rather it was directed toward, first, the desirability of developing arrangements and planning procedures which would enable the United Nations to meet swiftly a wide variety of possible situations and, second, the need for agreement on a set of basic principles to govern the operation of whatever United Nations instrumentality might be created. In supporting this approach, the need for flexibility in the planning of stand-by arrangements was particularly emphasized by the Canadian Delegation at both sessions.

In the course of the meetings of the External Affairs Committee last summer, I had occasion to review the history of attempts to establish an effective United Nations stand-by peace force. Opposition has been based on many grounds and the problems and difficulties have been legion. They relate primarily to the concern with which a number of countries regard the implications of such a force for their national sovereignty. Others have been reluctant to contemplate the financial burden which the support of a permanent force would entail. Still others have been dubious of the feasibility of creating a permanent force capable of meeting the various and unpredictable situations that could possibly arise. These are legitimate apprehensions and practical problems which may prove difficult to dispel and resolve completely.

It is my impression that although there was apparent a new note of concern in the approach of a large number of nations toward the concept of an armed stand-by peace force, awareness continues to grow amongst the United Nations membership, despite the opposition of the Soviet bloc, of the overriding need for machinery of some sort to permit quick and effective United Nations action to prevent the development of conditions which could result in armed conflict and the needless sacrifice of human lives. As I said, there seems to be developing in the General Assembly a growing general awareness that the United Nations must be provided with instrumentalities for quick and collective action that would prevent the outbreak or the extension of hostilities.

Just think of the great variety of agencies for the preservation of peace that the United Nations has had under its supervision, ranging from armed units, with respect to which I have spoken proudly as far as Canada is concerned, right down through observer groups to the mere token presence of the United Nations evidenced by only one person. It does seem to me that in this age, when we are likely to have indirect aggression, that the United Nations may be called upon to a greater degree to make provision for procedures of investigation. The Secretary-General is continuing his study and I can assure the House that Canada will be interested in his study and his further recommendations when we have some clear idea of what they may be.

I know that the Thirteenth Session of the General Assembly has been dubbed an unspectacular one but in that regard I make the observation that dramatic quality is not a criterion of success. It is also not the sole test of the success of a session of the General Assembly to ask the question, how many final agreements were reached on any particular set of subjects at a particular time? I was not able to attend the session of the General Assembly for longer than seven weeks but I did sense a spirit of compromise, a seeking for solutions, a climate of reconciliation of conflicting interests. True, as I have already stated, no final agreement was reached with respect to disarmament. No final agreement was reached with respect to Cyprus but this is an example of what I had in mind when I said that dramatic quality is not the criterion of success.

Undoubtedly the reasonable discussions that took place in the Thirteenth Session of the Assembly provided a climate - to use the word I invoked a moment ago - of compromise, that outside of the United Nations came to fruition. I am sure we all join in congratulating the statesmen of the United Kingdom, Turkey and Greece on the solution of that problem which was of special concern to the NATO allies.

I have sent, as I know the Prime Minister (Mr. Diefenbaker) has, congratulatory messages to the prime ministers and foreign ministers of these three countries, and it is our wish and our hope that the spirit of reconciliation will continue in that island which has been so unhappy.

Aid to Underdeveloped Countries

Perhaps the most significant discussions at the Thirteenth Session of the Assembly had to do with matters in the economic and social fields. There was manifested to an encouraging degree a willingness on the part of the industrially developed countries to assist in the development of the economic and social potential of their less-developed fellow members. I think it is opportune for me to mention at this stage what Canada is seeking to do in the way of helping underdeveloped countries, particularly our partners in the Commonwealth, to solve their problems of economic development.

The problem, of course, can be stated in very simple terms. It is astonishing, it is distressing to realize that close to three-quarters of the human race live in conditions where poverty, hunger, disease and illiteracy are endemic. Many of these countries have emerged recently from colonial status. They now have their political independence and they are seeking, quite properly, not selfishly but in terms of the development of their own countries, to bring the standards of living of their people closer to those of the industrially and technologically advanced countries. Translated into economic terms this means that these underdeveloped countries must invest enough of their resources year by year to reach the point where economic growth can begin to sustain itself. It can be done in either of two ways. It can be done by their relying on their own savings, but when they are beset by impoverishment, illiteracy, disease and hunger how can they do that? They might do it under some leader who would adopt totalitarian processes and would seek to take whatever savings they had. We would not be happy about that type of government growing up in these new nations. The alternative is for the West to help invest in this great human endeavour. Otherwise these underdeveloped countries which have recently gained their independence may be prone to accept blandishments and offers from other parts of the world. Surely Canada is justified in making contributions to assist these countries. Indeed, to do otherwise would make it difficult for us to reconcile our actions with the principles for which we in the free world stand. I also suggest that it would be difficult to reconcile with the concept of the partnership of the British Commonwealth as a community of free and independent nations.

I am glad to say over the past year the Government has endeavoured to play an increasing part in helping underdeveloped countries. We have undertaken, subject to the approval of Parliament, to increase our contribution to the Colombo Plan from \$35 million to \$50 million a year for a period of three years beginning with the next fiscal year. We have also recognized the needs of emergent nations and territories in the Commonwealth which are not eligible for assistance under the Colombo Plan. I am thinking particularly of the African area. We are proposing to extend the benefits of our technical assistance programme to Commonwealth areas in that region.

We have embarked on a five-year programme of aid to the West Indies. This does not come under the Colombo Plan programme. A major part of our contribution of \$10 million will be used in the building of two steamships in Canada for inter-island service. These ships should represent to the West Indies what the building of the railroad meant to Canada in helping our nation to become more united.

I recall to the House that on July 25 last year the Prime Minister advocated that there should be an increase in the capital of the International Bank and the International Monetary Fund. That has come about and proposals will be placed before Parliament respecting Canada's subscriptions to these institutions which are allied with the United Nations for the purpose of helping underdeveloped countries.

There was established last year by the United Nations General Assembly a special fund to which Canada has promised to contribute \$2 million, subject to the approval of Parliament. The objective of the special fund will be to provide for surveys of natural resources, manpower, skills and industrial potentials, to the end that there can be established in many countries of the world a sound basis for economic growth.

There is one factor that I mention, not in a selfish mood, but when Canada makes a contribution of this kind, in a large measure the contribution in money is translated into Canadian goods and services which these countries need, for which they have asked. There is in this way a mutuality of interest, because our friends can be helped and our own economy sustained.

Relations With Communist China

I have been discussing the Colombo Plan, Mr. Speaker, which forms one of the particularly productive bridges of friendship between Canada and our friends in South and South-East Asia. It is a trend of thought which inevitably brings me to the less happy and less satisfactory relationships which

exist between Canada and the millions of Asians living on the Chinese mainland. In view of the lively interest that is shown by the Canadian people in the future of our relations with the Chinese people, I feel sure that the House will expect me on this occasion to discuss in some detail the Government's attitude toward the recognition of the government of the Chinese People's Republic. As this House knows this Government as did the government which we succeeded, has been giving continued consideration to the advisability or otherwise of extending recognition to the Chinese Communist Government. We are aware of the arguments in favour of such a step. It seems to me, however, that in discussing this question we must make a clear distinction between the legal factors which apply when Canada extends recognition to any new government, and the national and international considerations.

Let me deal with the legal aspects of the question first. It is true that recognition is usually extended to a government when that government exercises effective control over the territory of the country concerned, and when that government has a reasonable prospect of stability. Then, there is a second legal factor. The government of that country should indicate its willingness to assume international obligations inherited from its predecessor. So far as China is concerned, there is some doubt about the Peking Government's willingness to assume the obligations and responsibilities of its predecessor. The Peking Government made known, in September, 1949, that it would in effect, regard as binding only those obligations which it considered to be in its own interest. There is little doubt, however, that the Peking Government commands the obedience of the bulk of the population. It must be admitted, therefore, that most of the legal requirements for recognition have been fulfilled by the government of the People's Republic. In any event, I say this: the Peking Government has fulfilled its obligation to at least the same extent as some governments which we do recognize now, and about whose political systems we have the same kind of reservations.

I have just mentioned the legal factors, the legal conditions for recognition. This does not mean however, that any government which has fulfilled these legal requirements is automatically entitled to recognition. This is a decision that should only be taken on the basis of national and international interests. It is to such considerations that I now address myself. It is stated that if Canada recognized China, greater opportunities for trading with the Chinese mainland would be created. There would almost inevitably follow an era of renewed friendly relations with that country. By this argument diplomatic recognition is made the key to trading relations with China. I must say, however, that I know of nothing to suggest that recognition would bring increased trade.

In so far as some Western countries that have recognized China are concerned, no benefits in the matter of trading have accrued from that act. On the other hand, others, without recognizing Communist China, have seen their trade grow substantially. It is true that on occasion Peking has used the question of trade as a special weapon. I would draw to the attention of the House the fact that the Peking Government has used trade as a political weapon. I am thinking of the action in 1958 when that government cut off trade with Japan and later with Malaya and Singapore because the governments of those states acted in a certain way, within their own jurisdiction and within their own prerogatives as sovereign governments, but which the Communists considered unsatisfactory. I do not regard trade, in that context, as being an argument in favour of recognition. Indeed there are dangers inherent in trading with Communist China.

There are, however, other arguments in favour of recognition. It is undeniable that, unless the government which has effective control of the mainland of China is represented at international meetings, there will be less possibility of settling issues that create tensions and endanger the peace of the world today. This is in no way to say, however, that we cannot deal at all with Communist China. The West has done so at Geneva when discussions took place on topics relating to Korea and Indochina. The United States is doing that very thing now in the ambassadorial talks in Warsaw. It does not follow, either, that if we and other friendly governments were to recognize Communist China all the problems which beset us in the Far East would immediately be solved. This is to say that non-recognition of Communist China is a symptom and not a cause of the tensions which endanger peace in the Far East.

What really is required, fundamentally, is a desire on the part of the Chinese to settle the outstanding problems. I mean to say that the pronouncements of the Peking Government on international affairs in the past year which is under review give few grounds for believing that they are actually interested in removing those causes of discord separating them from the west.

It remains true, however that the present exclusion of China - and I come back to this point - from the United Nations and other councils of the world, except in isolated instances, makes international diplomacy more difficult to carry on. Disarmament is a case which I have in mind. What would be the use of an agreement or a treaty with respect to the cessation of nuclear tests - and I give this just by way of an example - if mainland China was not somehow involved in the working out and implementation of such a treaty? I must observe also, Mr. Speaker, that the authority and prestige of the United Nations has been weakened to some extent because many important international negotiations, such as those on Korea and Indochina, have not taken place within that organization.

I trust - and I say this very carefully - that I am not being unfair if I say that some of the arguments in favour of immediate recognition of Communist China seem to me to overlook, to a certain extent, the complex nature of the problem. The problem of relations with Communist China is an extraordinarily delicate one, for however much we may wish to develop an acceptable basis for relations with this increasingly important Asian state, it is by no means clear that recognition would accomplish this end. Indeed, we could contemplate that it would give rise to fresh problems.

The attitude that I commend to the House is one of prudence based on an appreciation of the realities of the situation. This Government has taken a positive attitude with respect to trade. My colleague the Minister of Trade and Commerce (Mr. Churchill) this afternoon in the House mentioned one aspect of that trade. I remind the House that in 1957 - and these figures have been presented already this session to the House - our exports to China amounted to \$1½ million. In the first eleven months of 1958 this figure rose to \$7.7 million. In the difficult question of exports by Canadian subsidiaries of United States firms, as a result of the Prime Minister's discussions with President Eisenhower in July of last year we have an understanding with the Government of the United States which aims to protect the interests of Canadian producers and provides greater scope for trade. Despite the considerations to which I referred we hope to increase our trade with China in the coming years.

Many Canadians visited China last year and that fact is responsible for increased interest in this topic. We are not unhappy that they have gone there. The reports of their impressions published in the Canadian press have been a source of information to the Canadian public. We hope that more personal contacts can be built up on the basis of these individual visits. In this way, by developing friendly relations in limited sectors, we may break down some of the political distrust which unavoidably exists between Canada - and indeed, the whole Western world - and the Peking Government.

On the specific issue of the establishment of diplomatic relations as opposed to relations confined to cultural and trade matters and the like, I realize that there are weighty considerations on both sides. As I have mentioned already, there is an opinion that friendly relations will flow from recognition. We believe that we should proceed prudently while we discover to what extent relations with Communist China can be improved. We do not see much point in extending recognition to Communist China if the result of such an act will be to put us in a position similar to that of other countries which have recognized China and then have been berated and extravagantly

attacked because they have not always backed Communist China pursuant to what the Peking Government feels was an obligation arising out of recognition.

I ask three questions, Mr. Speaker. The first one is this. Should we recognize mainland China until we have reason to believe that our act will not result in deterioration of relations other than the opposite? My second question is this. Should we recognize mainland China if our act will give rise to misinterpretation of our attitude in the countries of Asia; that is, if those countries were to say that since Canada and other Western powers have recognized Communist China, there is no point in their resisting the growing influence of the Peking Government not only in international affairs but in domestic affairs as well. My third question is this. Should we not also bear in mind the effect of recognition by Canada and by other countries on Peking's position among the overseas Chinese in South-East Asia? They might take out of that act of recognition the view that they would be free to undermine the national interest of those countries by being willing then to transfer their loyalties wholly to the Peking regime.

These are questions which we are weighing extremely carefully. It is, moreover, a matter of some concern that in the past year Communist China has given us little warrant to believe that it has much conception of its responsibility for the maintenance of world peace. As a result of Mr. Dulles' visit to Taiwan in October last, a joint communique was issued by Chiang Kai-Shek and Mr. Dulles to the effect that the Nationalist Government would not resort to force as the means of returning to the mainland. It is disturbing to find, however, that no similar renunciation of force has been made by the Government of Communist China in respect of their intentions towards Formosa and the offshore islands. I am not discussing at this moment the place of the offshore islands but I am merely saying that there is on the part of the Peking Government no manifestation of intention corresponding to that which was given by the Nationalist Government. That is their right. The mere fact that they have not done that is not necessarily an indication that we should not recognize China. But we are equally free to judge that in such circumstances recognition might be of little value and advance none of our interests.

It is for these reasons that it is the view of this Government that we must go carefully. We should take the initiative in limited fields - in fields of trade and in other ways to which I have referred - and we should take every opportunity that presents itself to overcome the causes of discord between the West and Peking China. We must be patient. We should not be hasty. Otherwise we may undo the good work that has already been accomplished in laying the basis for progress towards the goal of removing the occasions for misunderstanding now existing between Canada and Communist China.

Whether this process will be followed by recognition is to be seen; but I say this emphatically, that it will depend upon the success that we have in improving our relations in limited fields, and our assessment of the advantage to be gained by such an act. We have never stated that we will never recognize the Peking Government. In the Prime Minister's words:

"The question of the recognition of Red China is one that has been receiving consideration for the last several years and the question is continually and continuously before members of the Government."

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In conclusion, to return to the Berlin and German situations, I would hope that we may develop and extend the areas of understanding in East-West relations through the same technique of improvement, in limited fields. I am bound to say that there is little, if any, agreement on surprise attack. There have been protracted discussions on the cessation of nuclear tests. There has been a road block in the way of reaching agreement on machinery for the use of outer space. There is not much comfort to be gained from the difficult starting point from which discussions on Berlin and Germany may begin. But, Mr. Speaker, I do think that there is some evidence that the international climate may be improving. The U.S.S.R. wants to discuss with us many problems. Certainly it should be evident to all sane men that there is a great interest in avoiding the mutual destruction of mankind in a nuclear conflict. May the desire for discussions on the part of Mr. Khrushchev and his comrades be a genuine readiness to negotiate in this particular instance of Berlin and Germany, rather than an attempt to impose their will on the three occupying powers and the two and a half million people in West Berlin to whose security we have pledged ourselves.

I conclude by saying that we wish and hope, as I am sure does every member of this House, that a meeting or meetings between the West and the Soviet bloc will provide a greater mutual trust and confidence, even if that desideratum be reached only gradually.

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