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Statement by Mr. L.B. Pearson, Secretary of State
for External Affairs, in the House of Commons on
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International Economic Developments

...In April, 1948, when the last comprehensive survey of world affairs was given in this house, the Marshall Plan had just been accepted in principle by the United States congress and was beginning to be put into effect. Over the next twelve months the world made rapid progress. Production climbed; prices levelled off, and inflation was brought largely under control. Everywhere overseas the financial balance was being restored, though it proved to be rather precarious. Meanwhile United States prosperity and United States imports continued to climb.

Canada, of course, is always influenced by what happens abroad, and naturally we shared in the general revival, to which I think our own policies made a modest contribution. Our reserves of gold and United States dollars were at a very low ebb, as hon. members know, at the beginning of 1948; but during that year the tide turned, and by the end of the year our reserves were approximately twice as high as they had been at the beginning. Therefore our emergency import restrictions, introduced in November, 1947, could be slightly relaxed. During the same period we began to benefit from new tariff rates agreed to at Geneva. These came into force on January 1, 1948, and our exports to the United States rose to new heights.

Unfortunately the financial balance overseas proved to be pretty precarious, as I have suggested; and it was upset. In April of this year the trading position of the sterling area began to get worse for a variety of reasons which I need not go into here, though one of them was the generally disturbed international political situation. The central reserves of gold and dollars in London began to drop sharply, and by the end of June the losses in such reserves had become very serious. So three international conferences were called in quick succession to check the recession and to make advances toward recovery and prosperity.

Canada was invited to all three conferences, the only country to attend them all apart from the United Kingdom, which of course was at the very centre of the crisis. My colleague the Minister of Finance (Mr. Abbott) was at all these conferences. First was the preliminary tripartite discussions in London during July between the United Kingdom, the United States and ourselves; second was the conference of commonwealth finance ministers held in London later in the same month, and third was the tripartite conference held in Washington in September. The United Kingdom crisis was, of course, financial, and has been described as the sterling crisis or the sterling-dollar crisis, although it had very grave international political and economic implications. The commonwealth countries other than Canada found themselves so short of dollars that they felt they had to cut down further their imports from Canada and the United States. At the London Commonwealth meeting late in July they agreed to aim at a cut of 25 per cent, which came on top of substantial reductions previously made. There

was a real danger that the commonwealth countries other than Canada might end up by virtually cutting off their trade with North America; and if this had happened, or if it were to happen now, then the trading world would be split in two economically and commercially. That in its turn--and this is what I wish to emphasize as Secretary of State for External Affairs--would obviously entail severe political strain. So I feel sure the three countries concerned will do everything possible in their trade and financial policies to avoid such strain. No one can gain from it except those who wish to break up the unity and stability of the whole democratic world.

If a definite split ever took place--and I am not suggesting for a moment that it will take place--it would be disastrous for Canada and for all that we have worked for since the war. We depend on trade with the sterling as well as the dollar area. Wide sections of this country have been largely developed to serve the United Kingdom market, and those sections of Canada would have great difficulty in finding another outlet for many of their products. They would face grave difficulties if the sterling area and the dollar area were cut off from each other. Equally disastrous would be the results in the field of defence. The North Atlantic treaty would be quickly undermined if the United States and the United Kingdom were steering divergent economic courses, each pulling a large part of the trading world with it.

Possibly the most important achievement of the tripartite conference in Washington, it seems to me, was the united front presented to these problems by the United States, the United Kingdom and Canada. The crisis was not regarded as a United Kingdom crisis or a sterling area crisis; it was regarded as a common crisis in which all three countries were concerned and which could be solved only by common action. There were no recriminations. We worked together as a team and agreed on the general direction in which we should all move.

The Commonwealth

So much, then, Mr. Speaker, for international economic questions at this time. Next, if I may, I should like to give a review of some of the areas of the world as far as our international relations with those areas are concerned and a review of the policies of some countries as far as they affect our own country; and in these days most of them do affect our country.

It is proper, I think, that I should first turn to our greatly valued association, as close and friendly as ever, with the nations of our commonwealth. In an uneasy and uncertain world that association remains firm and enduring, a model for free states to follow. Economic and financial difficulties on which I have touched, which at times threaten--but only threaten--to divide us are the only shadows over the commonwealth relationship at this time. During the last two months we have had the pleasure of welcoming in Ottawa the Prime Minister of India, the foreign ministers of Great Britain and Pakistan, and the secretary of state for commonwealth relations in the United Kingdom. It has been a great honour for us to have had with us Pandit Nehru, Mr. Bevin, Sir Mohammed Zafrulla Khan, and Mr. Noel Baker. In a little more than a year there have been three important meetings of the commonwealth ministers and two of the commonwealth prime ministers, one in October, 1948, and in April of this year. There has been the one meeting of commonwealth finance ministers which I have already mentioned. At those meetings, the three new independent member nations of the commonwealth, India, Pakistan and Ceylon have been represented for the first time, an event of historical importance not only for the commonwealth but for the world.

The meeting of prime ministers this April was solely concerned with the important constitutional issues arising from India's decision to adopt a republican form of constitution, and its desire to continue membership in the commonwealth. These two issues were important and were difficult. But I feel sure all members of this house and the great majority of the Canadian people will be glad to learn they were satisfactorily resolved in London by the adoption of that kind of compromise which, on more than one occasion, has not only prevented the commonwealth from dissolving but has actually strengthened it. I hope that this will prove to be true in this case also.

In the new commonwealth those of us who wish to retain allegiance to His Majesty can do so with such allegiance unimpaired. At the same time it has proved possible for a republic to remain within the group by the acceptance of the King as the symbol of the free association of the members of our commonwealth of nations, and as such the head of the commonwealth. In this connection, possibly it would not be inappropriate to refer to a former member of the commonwealth which has adopted the republican form of government and which has followed a course opposite to that chosen by India. I refer, of course, to Ireland, a country which gave the ultimate proof of the independence and freedom which exists in the commonwealth by exercising its right to leave it. Inasmuch as the members of the commonwealth recognize the full sovereignty of each other and the authority of each to conduct its policy in both its domestic and external affairs in the manner of any other foreign state, no member of the commonwealth would, I think, seek to criticize in any way the action taken by the government of the Republic of Ireland. At the same time, Mr. Speaker, I think most Canadians were disappointed at the decision that the Irish government found it necessary to take to break those special formal ties which Ireland had with Canada and with the other members of the commonwealth. There is, of course, no need for us to assure the Irish people of the continuing warmth of the friendship the Canadian people have for them to assure the Irish government of the desire of the government of Canada to co-operate with it in any useful manner.

The changes that have now taken place within the commonwealth naturally give rise to questions concerning their effect on its future. To the citizens of other countries, Mr. Speaker, it must often seem difficult to appreciate the organization or what might more accurately be called the lack of formal organization of the commonwealth. Certainly, the commonwealth of today is vastly different from the British empire of not so many years ago. I believe most people feel the difference is an improvement. Political and economic factors have produced many changes which, in my own opinion, have not only been to the advantage of the individual members but of the commonwealth as a whole. For example, no longer can there be any suggestion that the public opinion of the vast sub-continent of India is denied full expression in our commonwealth. Now, each Asian member of the commonwealth, and there are three, speaks through its own independent, democratically chosen government. In this way alone, not only has the composition of the commonwealth changed, but so has the nature, if you will, of its institutions, and the very nature of its being in a sense. But the change has provided a bridge between the east and the west and has given an opportunity of being of great service to the world.

Once again, the commonwealth has proven its ability to adapt itself to these changing conditions, something I venture to think--there may be disagreement over this--it could not have done if it had, in earlier times, decided to organize its activities in a fixed, formal and centralized manner.

Now, Mr. Speaker, may I leave the commonwealth and say a word or two about our relations with the United States.

The United States

...In so far as our relations with the United States are concerned, it is, of course, Mr. Speaker, obvious that two great and active nations like Canada and the United States cannot live together without being confronted each other with new problems in their relationship. The way and the spirit in which we set about the solution of our mutual problems must continue to stand as an example of the way in which relations should be conducted between free states. That example would be spoiled if we were to admit failure to find mutually acceptable solutions to our own problems. To avoid such failure, careful and constant attention, respect, and informed understanding on both sides are necessary. Relations between states, like marriages and friendships, do not survive on neglect.

Canada and the United States, I suggest, cannot take their relations with each other too much for granted. Both must continue to direct intelligence and good will towards the solution of any problem. We in Canada must not, I think, be oversensitive in our relations with the United States. We must also

recognize her great preponderance of responsibilities and her tremendous exertion as the leader of the western democratic powers in a struggle against forces which if they prevailed, would end the Canadian as well as the American free way of life. The United States, on its part, must I think recognize that we wish to play our own part in international development, make our own contribution, and that we can do this effectively as a co-operating partner but not as a camp follower.

I mention these principles, Mr. Speaker, not because they are being ignored but because if we did not keep them in mind they might be ignored. One example of a difficult Canadian-United States question which can only be solved in a co-operative way is the St. Lawrence seaway and power project. It has been made abundantly clear that the two countries are able through their joint efforts to undertake this vast international project on their common frontier. Because of recent work the project itself will be enabled to get under way quickly as soon as the necessary legislative approval has been secured. I am sure all of us hope that the Congress in Washington will be in a position to deal with it shortly. Viewed against the background of the present international situation, the St. Lawrence seaway and power project assumes increasing importance. It would have great defensive, strategic implications and would simplify the logistical problem of supplying Europe with arms and food. By removing any doubts anyone might still have as to the economic feasibility of the Labrador iron ore development, the seaway project would ensure the peaceful development of a dependable source of iron ore, capable of rapid expansion in time of war or emergency. It would thus fulfil one of the main requirements of continental defence. That is why I venture to express the hope that the necessary legislative and congressional action on this matter can be taken without much further delay.

Another example of United States-Canadian relations is the record of the International Joint Commission which continues its long-established record of dealing successfully with boundary water questions. There is no doubt that all the projects which the joint commission is now considering, and it is considering several, when carried out will add greatly to our economic strength.

Among the bilateral air agreements, Canada signed last year was one with the United States which gave us a number of rights which we have been seeking for some time. In return--and this seems at times to be forgotten by some of our friends below the border--Canada granted such reciprocal concessions as full traffic rights at Gander airport in Newfoundland, an important international stage post taken over by Canada, along with other aviation facilities, when Newfoundland and Canada became one. The grant to Canada of one of the new routes, the route between Montreal and New York, was delayed by certain legal proceedings in the United States. It is because of these unresolved difficulties that we have not granted permanent licences to United States carriers to exercise certain traffic rights in Newfoundland but have issued only temporary permits. It will be appreciated of course that temporary arrangements of this nature cannot be continued indefinitely. The United States government has been co-operating to the best of its ability to help bring the matter to a satisfactory conclusion, and we hope and expect that the treaty may shortly become fully effective on both sides.

I want to turn now for a moment to another specific problem in our relations with the United States. Negotiations with the government of that country have been in progress for some time regarding the rights and privileges presently enjoyed by United States forces in Newfoundland, a matter which has attracted considerable amount of public attention in this country. The Canadian government does not of course for one moment challenge the rights established with respect to areas in Newfoundland leased to the United States under the bases agreement of 1941, but it considers that they should be brought more closely into line with the principles enunciated by Mr. King and President Truman in their joint declaration of February 12, 1947. This calls for co-operative arrangements to be made, and I quote from it, "without impairment of the control of either country over all activities in its territory". I need not say any more on this subject at this time. I am confident that a way will shortly be found to reconcile United States treaty rights, and strategic requirements which we

understand, with Canada's real concern about jurisdiction exercised by even the most friendly country over civilian and military activities on Canadian soil.

Recently, Mr. Speaker, there have also been some difficulties over that unguarded boundary which is the delight of every after dinner speaker on Canadian-United States relations. Last year our joint border was crossed by new record crowds of United States tourists, and many Canadians went to the United States though the number was restricted by foreign exchange conditions. A few Canadians, however, did not manage to get across. We can understand, Mr. Speaker, our neighbour's legitimate desire to strengthen its border regulations in order to hinder the tourist and convention activities of communist agents. We accept of course its complete right to admit or refuse to admit persons into its country. That is a right which we ourselves maintain. But we consider it unfortunate when innocent citizens are inconvenienced and embarrassed by security delays, and when others are prevented from visiting the United States because of alleged activities which could, even if true, hardly constitute a threat to the security of that great and powerful state. We are at present discussing this whole question on a very friendly basis, as we always do, with the competent United States officials and we hope soon to arrange a solution for a problem which has understandably aroused anxiety in this country lest it cast a shadow, even a small one, over the easy and friendly intercourse between our two peoples.

Our relations with the United States are more complex and continuous than with any other nation in the world, both between governments and between private organizations and individuals in our two countries. All of us in Canada of course attach enormous importance to these relations. It is our great good fortune that the power and influence of the United States is wielded by a friendly and peaceful people through a friendly and peaceful government of their choosing. In a world where some states stand in daily fear of a great neighbour, we appreciate the fact that our border marches with that of a powerful state that shares our ideals of freedom and our abhorrence of war, and that conducts its relations with smaller states on a basis of friendly understanding. Conversely, and I hope I will not be thought immodest in saying this, we consider it is the good fortune of the United States to have in us a neighbour which, though much less powerful has shown itself competent in the management of its own affairs, united in the face of external danger, and strong in the resources and the will necessary to meet danger when it arises. We share a common political background and our social and ethical ideals spring from similar origins. There is therefore a solid basis for the co-operative effort which characterizes our relations and enriches the life we lead together on this continent.

Latin America

May I say just a word about our relations with Latin America. Since the exchange of diplomatic missions with several of these Latin American republics and also through our increasingly friendly contacts with their representatives at United Nations meetings, there has been a welcome growth in our knowledge of each other's affairs. Broadly speaking, we have found, as we have come to know each other better, that we have a similar point of view on most, if not all, important international questions and a common desire to promote the security and welfare of our peoples. The cordial nature of our relations with the twenty Latin American republics has been given tangible expression in a variety of ways. In the face of present world economic difficulties, there has been since 1939 a tenfold increase in the total value of our trade with the nations of this area of the world. Not only do we continue to export to Latin America commodities such as wheat and newsprint which have always been of importance to our foreign trade in that part of the world, but we have extended the list to include other items such as, for example, ships and machinery. We have also co-operated on matters of mutual interest and concern in the United Nations and its specialized agencies.

For instance, Mr. Speaker, at the current meeting of the general assembly we were associated with Bolivia and the United States in presenting a resolution concerning human rights in the Balkan countries. In addition, we have continued

to participate in the work of certain inter-American organizations dealing with technical matters which are of interest to us. The government--and I am sure all hon. members--feel that whatever our formal relationship may be with any particular inter-American agency we should broaden and deepen our association with the Latin republics of this hemisphere, and that such a process will be of great material advantage to our economic and political development.

The Pacific Area

If I may, I should like to take a long jump across the Pacific and say a few words about the situation in the Far East. Because of the historical and continuing intermingling of the North American and western European societies there has been a natural tendency for Canada to be particularly preoccupied with finding solutions to the critical economic, political and security problems with which the destruction of the second world war confronted the European and north Atlantic communities. We have made some progress in dealing with these problems. Meanwhile, on the other side of our country scant progress has been made in coping with the great post-war problems of the Pacific area.

Failure to reach an agreement on procedure for drawing up the Japanese peace treaty is merely one indication of the underlying tensions in East Asia today. Unloosed amid the social and political turmoil and economic dislocation attending the collapse of Japanese power on the continent of Asia, communist forces have overrun virtually all of northeast Asia, that part nearest to Canada. They menace now the United Nations sponsored government in south Korea. They have seized the greater part of China. Farther to the south in the countries of southeast Asia the situation is even more confused. There the communists have tried to ride to power on the nationalist movements which have been struggling for independence from colonial powers, all of which have been prepared in varying degree to assist the indigenous populations to secure that independence. Unless the great political problems of this area are resolved there can be no real peace and stability in Asia. Without such stability there can be no economic reconstruction and development, to give the 750 million people of this area a better way of living, which would contribute so largely to an expansion of international commerce and the preservation of world peace.

Canada, a country which borders on the Pacific ocean, would be foolish to try to isolate itself from the political and economic problems of Asia. That continent is now close to us. The vast expanses of the Pacific have shrunk as the result of air transport. You can now travel from Vancouver to Tokyo and Hong Kong by air in less time than it takes to travel from Vancouver to Ottawa by rail. Edmonton and Vancouver now rival San Francisco as North American air gateways to Asia. In fact in this air age the Far East is neither far nor east. Therefore Canadians must learn to look, as they are of course learning to look, northwest to Asia. I think that the economic development in western Canada would certainly be greatly stimulated by the restoration and development of trans-pacific trade. That trade will increase proportionately with the rise in the standard of living in the countries of the Far East, which cannot take place under disturbed and confused international political conditions.

In the Pacific, then, serious problems continue to exist, and I should like to mention just one or two of them in detail. First, the Japanese peace treaty; a peace treaty with Japan will not of course automatically adjust Japanese relations with its Pacific neighbours. It will, in fact, at the beginning introduce new and uncertain factors into far eastern international relations. Nevertheless the absence of such a treaty is one of the causes of uncertainty in the Far East. Much as the United States occupation of Japan has done for that country, I myself am inclined to think that military occupations as a rule quickly reach a point of diminishing returns, and if suitable arrangements can be made should be terminated as quickly as possible.

The Prime Minister (Mr. St. Laurent), then Secretary of State for External Affairs, stated in this house on December 19, 1947, and again on April 13, 1948, the views of the Canadian government in respect of the procedure that should be followed in negotiating a peace treaty with Japan. Our views remain

essentially unaltered since that time. The Japanese have to make their peace with the neighbours, the people she wronged, and with whom she will have to live in the future. The Canadian government believes that the settlement with Japan, which must inevitably be of great consequence to all Pacific and Asian nations, should be one that embodies the views of all the countries particularly interested, which includes Canada, and should be the product of the work of a representative conference.

There are of course very great difficulties to be overcome in convening such a conference, and one of the greatest of them is the emergence of a communist government in China and the effect of this on Japan. We also recognize of course the heavy responsibility that the United States bears in this matter. Nevertheless I think there may be greater dangers in an indefinite postponement of this peace conference, than in making another effort to push forward with it.

This brings me to the present situation in China, a matter which is of course of very great interest, I am sure, to all hon. members. I do not try to minimize the gravity or the magnitude of the recent events in China. A small revolutionary party there, espousing an alien philosophy, looking to the Soviet Union as the author and interpreter of that philosophy and as a guide in international relations, has seized military and governmental power throughout the greater part of China. It has done so, I believe, by riding in on the crest of a wave of a peasant revolt begun more than a hundred years ago in the great Tai-ping rebellion; by building a tough peasant army during the war of resistance to Japan; by exploiting the failures of the national government and by shrewd political manoeuvring in the Chinese manner. The "Central Government of the People's Republic of China", as it is called, was proclaimed in Peking on October 1, 1949. Other co-operating parties and individuals are represented in that government, but effective control is held by the Chinese communist party. The new regime has invited recognition from foreign governments on a basis of equality, friendship, respect for territorial integrity and withdrawal of recognition from the national government. The Soviet government and its satellites promptly accorded recognition on this basis. No other state has yet done so.

What should be our attitude in the face of these profound changes in China? Well, it is not an easy matter to talk about. One must speak of it with a certain amount of hesitation and with I think reservation, as conditions change, and may change again, quickly in that part of the world. But I suggest to you, Mr. Speaker, that the first thing we should do is to try to understand what has happened. We must understand that today China is under the control of a communist party, which professes Marxist-Leninism as its social philosophy, and which has patterned its government on that of the new "popular democracies" of eastern Europe. It will set about, I assume, the introduction in China as soon as it can, of what it will call socialism. This kind of socialism will not be, however, the liberal democratic socialism of western tradition, but the kind called for in communist doctrine.

China, as the greatest eastern country to come under communist control, has become significant as a testing ground for the adaptation of Marxist-Leninist principles to the Asian scene and as a base for further pressures against the rest of Asia. Of course we in Canada reject completely the Marxist-Leninist principles espoused by the Chinese communists, but we cannot reject the fact of China and its 450 million people. For seventy-five years Canadians have been in direct contact with the Chinese people. We respect their ancient and humanitarian culture. We admire the cheerful industry of the Chinese peasant. We accept the Chinese as good neighbours across the Pacific with whom we would live on terms of friendship and respect. We are interested in the welfare of the Chinese people as an end in itself and not as a means to somebody else's end. We know that the problems and sorrows of China cannot be confined within the borders of that ancient land.

There is also the continuing friendship by the people of Canada for the people of China which has been expressed in a variety of ways for so many years. We have been asked to recognize the new communist government in Peking which does in fact control a large part of that country. Recognition, of course, does not

imply or signify moral approval, it is simply an acknowledgment of a state of affairs that exists. If the fact of communist control of China is demonstrated and an independent--I stress the word "independent"--Chinese government, able to discharge its international obligations, is established there, which is accepted by the Chinese people, then in due course and after consultation with other friendly governments...we will...have to recognize the facts which confront us. If we indicate, in the future, recognition of the Chinese government, that will not indicate approval of communism in China any more than our recognition of the communist states of eastern Europe indicated approval of their form of government. It should, however, safeguard the maintenance of contact between the Canadian and Chinese people, of which I have spoken already.

I think it would be inappropriate to leave this subject without saying something about the national government of China, sometimes called the nationalist government--although I hope that all Chinese governments will continue to be nationalist in the broadest and best sense of that word. It is a fact of political life, either domestic or international, that the loser is often made the scapegoat. Whatever the shortcomings of the national government of China may have been, whatever were the inadequacies of individual officials to shoulder the grave burdens, and they were grave, that were thrust upon them, we would be wanting in common decency if we did not acknowledge that that government stood strongly by us as allies in the last war and that they have professed and proclaimed the ideals of our own democratic way of life.

Europe

If I may I should like to come back across the Pacific in this rather mixed-up geographical tour and say a few words about the situation in Europe. During the past few months we have been delighted to welcome to this country the foreign ministers of Great Britain and of three continental powers. The visits of Mr. Bevin, Mr. Van Zeeland of Belgium, Mr. Schuman of France and Count Sforza of Italy have been in some degree a measure of the greater external responsibilities of this country. They also gave us a pleasant opportunity to introduce these distinguished guests to at least a part of Canada and to allow them to renew their acquaintance with our people.

It seems to me that there are two potent forces at work in Europe in which we in this country are or should be profoundly interested. The first is the tremendous thrust in every country in Europe toward economic revival and social betterment of every kind, and the second is the equally compelling drive by Soviet Russia to assert its supremacy or potential domination.

We welcome for our own sake as much as for any other reason the efforts of the people of the countries of Europe to rebuild, not only their homes and their cities but their businesses, their commercial and industrial contacts abroad, their welfare, their self respect and their pride. Our Canadian way of life is so closely linked to the great civilization of western Europe that any change in this area, whether for better or for worse, cannot help but affect us.

Therefore we are greatly encouraged by the fact that in recent months there have been changes for the better. The economic union of Belgium, Luxembourg and The Netherlands is making steady progress and is a forceful example for the rest of the world. France and Italy have put away old grievances and have negotiated a trade treaty which it is intended in due course will lead to a customs union between those two great countries. There has also been a fuller realization of the necessity for greater economic co-operation among members of the OEEC, the Organization for European Economic Co-operation. The signatories to the treaty of Brussels in March, 1948 have moved rapidly toward the co-ordination of their political, economic and military plans. Finally, in August of this year the council of Europe met for the first time at Strasbourg and made a good beginning in carrying out a difficult task.

Membership in the council of Europe is open to all democratic European states. If this council is to play its part in the preservation of peace and the advancement of material prosperity in Europe, the admission of

German representatives is I think acknowledged as necessary. It only remains to be seen whether the German government can satisfy the people of Europe of its ability to qualify for such membership, to satisfy them that it will co-operate in a democratic and responsible manner and that it will renounce the national aspirations and ideas which in recent years have been in conflict with the interests of Europe, and for that matter with the interests of the world as a whole.

The outside judges of Germany's fitness to enter European society must be primarily Germany's European neighbours who have suffered so much in the past from German aggression. Nevertheless I think it is clear that before this judgment can be given Germany must have a democratic and responsible government composed of representatives of the German people qualified to speak for them in the council of Europe. The Canadian government welcomes the establishment of a democratic Federal Republic of Germany whose mandate we hope will soon run over a united Germany. The participation of such a democratic republic in the European community I think is fundamental to the rehabilitation of that community.

In both France and Italy the large communist parties have suffered very serious set-backs in recent months in political prestige. Among the workers the use of the strike as primarily a political weapon for the furtherance of Soviet aims was demonstrated in the attempt a year ago to bring down the French government in Paris. The strikes failed as did similar strikes attempting to upset the government of Italy.

In Finland the communists have also attempted to use strikes as a weapon to bring down the Finnish government, but that government has refused to be provoked or intimidated. The result was a complete defeat of the communists after a great deal of economic damage had been done to the country. We can only admire and respect the firm equanimity with which the government and the people of Finland have dealt with this threat to their institutions.

In Norway the communists have recently received a severe defeat in the elections of that country. In Greece conciliation with its northern neighbours has so far failed. Having sat in on a conciliation group of four for twenty-six meetings recently at Lake Success, I have some understanding of the reasons why that conciliation of Greece with its northern neighbours has failed and I can assure the house that it was not due to the Greek government or its representatives at the United Nations. Nevertheless, in spite of that failure, the national army of Greece has, in a period far shorter than we would have expected even a few months ago, driven out the guerilla bands and brought a new instalment of peace to that unhappy land so long split by civil strife. We sincerely hope that this improvement in the situation will make possible the strengthening of stable and progressive democracy in Greece, and the improvement of economic conditions there.

The mere recital of these events indicates, I think, that the nations of western Europe are exerting good will and energy in their own reconstruction and in co-operative relations with their neighbours. But they are democracies in which the conditions of freedom must be respected. Each of them has its own traditional methods of thought, and its own established way of life. Therefore, in the arduous search for a basis of international agreement on economic, political and strategic European problems, they must, I assume, remain free to put forward their own claims and free to accept the necessary compromises. Democracy in international as in national affairs is government by agreement, not by verdict, and agreement between nations, however well disposed towards one another, must always take time. I venture to suggest therefore that we should not be unduly impatient if they have not made greater progress towards the consolidation of Europe than has in fact been the case in the last year.

There are still many obstacles in the way of further progress towards western European unity. Fear and uncertainty are probably the most conspicuous, fear of war and uncertainty about the economic future. These disintegrating elements lie at the root of most of the conflicts and stubborn differences of policy that retard progress towards European unity, but nevertheless a very real

advance has been made in that direction. There is another difficulty which is retarding the essential advance towards European unity. When Prime Minister Nehru spoke in New York in October last on the causes of war he named as one of these the desire of one nation to dominate another. Nowhere are his words more clearly to be tested and proven than in Europe itself. For some time now it has been quite obvious that Soviet Russia is inflexibly set upon imposing its will by force and fear upon a wider and wider area totally regardless of the sovereign rights, the religious traditions or the social organization of the peoples involved. This unswerving purpose poisons and distorts the aspirations of those who seek for a peaceful way of life everywhere.

In Yugoslavia, for instance, it has been made quite clear by recent exchanges of notes between that government and the government of the U.S.S.R. that Russia is exerting every effort, short of actual war, to bring the government of Yugoslavia to heel, and to extract from it the kind of unquestioning and slavish obedience that the Kremlin demands. In Bulgaria, Hungary and Czechoslovakia and in Poland where a Russian marshal has recently been made minister of national defence, communist pressure to liquidate every element of national independence, and every trace of opinion or feeling which is not abjectly subordinate to Soviet Russia, has, during recent months, been much accelerated.

Finally in the Russian zone of Germany the Soviet military authority in October last brought into being by a sort of ukase a state and government whose only claim to popular support was the carefully managed election of last May when, however, the communists, in spite of careful management, did not do very well. The constitution of this puppet regime was submitted for ratification not to the German people but to the Soviet government.

From all this the only conclusion we can draw is that the purpose of Soviet Russia is to expand its power by increasing the number of Soviet republics, and this evolution of policy since the days of Yalta now seems quite clear. At the Yalta conference Russia insisted merely that, to use the words of the declaration, "friendly governments" should be established on her frontiers. Two years later, when the new democracies were renamed peoples' democracies, all non-communist parties were rooted out or placed under communist leaders.

In the latest phase of this development the emphasis has now changed from the creation of "socialist" or communist regimes, in which there may still linger tendencies to independent or nationalist thought, to complete identification of these states with the Soviet Union. As a Moscow journal has recently pointed out, and it is a significant quotation:

"Deep devotion to the cause of socialism and communism is inseparable from an equally profound devotion to the Soviet Union."

These systematic measures for installing completely servile governments in the satellite states have been accompanied by less tangible but an insidious and menacing trespass on the sanctity of human rights. A regular feature of Russian totalitarianism is the purge, collective and individual, by which society is reminded of the ruthlessness and power of its government from which there is no appeal. Innocent and guilty alike live in fear of the informer, of the knock on the door in the small hours, of the sudden unexplained accusation of some alleged political crime.

Then there is another stage in the subjugation of states by soviet communism. Not only must their party rulers, their constitution and their legislation conform to the ways of Moscow, but even the minds and thoughts and actions of their individual citizens, their humble men and women, must be harshly disciplined into the narrow groove from which no deviation is permitted.

As one of their spokesman has warned:

"Anyone who has deviated, however slightly, from Marxism-Leninism is bound to be dragged into the capitalist camp."

This camp of course is the hell fire of communist theology.

I do not believe that in the long run this dark practice of government through tyranny and ignorance can prevail even within the shadow of the iron curtain. I am confident that the resources of the human spirit, which for a thousand years have made western and eastern Europe the fountainhead of light and progress, are strong enough to withstand this seige. In one after another of the intellectual and cultural centres of Europe, the light of freedom has temporarily disappeared, and now it shows only in the western lands which are beyond the reach of the Russian soldier. But even though we cannot see it I know that that light still burns, and that eventually it will help lift the darkness that now surrounds it.

The United Nations

May I now turn for a moment or two, Mr. Speaker, on a subject which has been of very immediate interest to me in recent weeks; that is, the United Nations. If we take a round view of the United Nations I think there is reason to believe that it has been strengthened rather than weakened during the past year; and in spite of some discouragements and difficulties my experience with this United Nations assembly confirms me in that view. There is no need for me to point out here that it has failed to solve all major problems that confront us. It has not healed the breach between east and west. It has not produced a solution for the control of atomic energy, or an agreed plan for disarmament. Because it has not provided us with world wide security we have had to have recourse to supplementary and, if you like, "second best" arrangements, such as the North Atlantic treaty. Nevertheless the United Nations has important accomplishments to its credit in political, economic and social matters.

These, I think, have at least helped to reduce international tension. I think we ought not to exaggerate what has been accomplished, and we must look squarely at the problems that remain to be faced; nevertheless I think we should recognize what has been achieved because it is on this that we must build, and we must go on building.

First let us examine the successes the United Nations has had in the political field. I think we can look back with some pride upon the accomplishments of the security council during the two years Canada has been a member of that council, because Canada has made a very respectable contribution to those accomplishments. The work of the security council of course has been uneven and imperfect. No one knows that better than I; but it has I think prevented serious disorders in many places from spreading into wars which could have involved the whole world. Furthermore, and this is something that should be understood if we are trying to assess the value of the security council, the responsibility for dealing with these situations has fallen upon it during three most difficult and dangerous years, when the problems of the world have been complicated by the unrest which always follows in the wake of a major war.

I should like to mention just three of those achievements. The first was Kashmir, where the situation might very well have exploded into tragic events, but where at least it has been contained. The United Nations commission is on the spot helping bring about a peaceful solution. Then Palestine, where of course the United Nations was not able to prevent an unhappy conflict, but where I think the United Nations actually did limit that conflict and help prevent it from spreading over a much wider area. The United Nations is still labouring there to bring about a final solution, I think with great hope of success. Even more important was the success of the security council in the Indonesian matter, a particularly difficult and complicated problem which at one time seemed as though it could not be solved by international action. In this case I think we have some reason to be proud in Canada. To a very considerable extent it was as the result of a Canadian resolution, which was attacked from both sides, that the machinery finally was set up by the security council which now, happily, in a conference at The Hague has brought about a peaceful and satisfactory solution, one which I think will stick, in respect of this complicated and dangerous Indonesian problem.

Though I have been talking about political matters, partly because we have been on the security council for the last two years, I do not want to overlook

the economic and social achievements of the United Nations. We shall be more concerned with the economic and social side for the next three years, because we have now been elected to the economic and social council. I hope that during our term of service on that council we may play a respectable part in furthering the activities of the United Nations in that field. In the long run, of course, international political activity in maintaining peaceful conditions and removing causes of war will not succeed unless it can be founded on good economic and social conditions. That is where we can make a contribution in the economic and social council.

So we are glad to note that the post-war specialized agencies of the United Nations--in none of which the U.S.S.R., that apostle of international co-operation, participates--are developing their activities along highly constructive lines. A very important development took place a few weeks ago in the present assembly when it adopted a resolution supporting a programme of technical assistance in the economic development of under-developed countries. This action grew out of what is called point four of Mr. Truman's statement to Congress nearly a year ago. A sound scheme of this kind appears to us to be an effective method of helping the less fortunate peoples of the world to help themselves. It is, I think, of particular importance at a time when the peoples of Asia and Africa are stirring and should be encouraged to help themselves along the lines of sound economic development. It is also very important, I think, that the initiative shown by the United States in this matter, followed by support from so many governments, has been taken in and through the United Nations.

As one of the countries of the world with highly developed technical skill and facilities for training technicians, I believe we in Canada should play our part in this development. It is a long-range investment which may turn out to be very valuable to us.

The North Atlantic Community

However, if the United Nations has important accomplishments to its credit, it has, as I have said--for reasons I need not go into now but which I think are familiar to all hon. members of this house--been unable to solve the paramount question of collective security. So we have had to fall back on the North Atlantic Treaty, and I should like to say a few words about that.

It was the hope of the western democratic powers that such a treaty would not be necessary, but it turned out to be necessary and I believe that in the future the signing of that treaty--which does not by-pass the United Nations or evade the spirit of the charter--will turn out to be the cornerstone in the structure of general collective security we are still trying to erect.

In meeting the obvious aggressive intentions of Soviet Russia, the western world up to the present time has been faced with two difficulties. In the first place there was the difficulty created by the failure of the U.S.S.R. to disarm after the war, which put the forces of that country proportionately in a so much stronger position than those of the western European democracies which were in particular opposed to it. The second difficulty was the lack of any specific assurance that in the event of aggression the North Atlantic nations would be willing to act together. Well, Mr. Speaker, under the terms of the North Atlantic Pact we now have that assurance. Since the signing of that pact we have made encouraging progress in setting up the necessary organizations for the purpose of carrying out its provisions. I believe the various agencies that have been set up as a result of the meetings we have held have been explained to hon. members, and I do not think I need go further into that matter at this time. We have now, I think we can say, completed the second stage in the organization of our common defence. The first was working out the text of the treaty; the second was the establishment of the working organizations under that text. But I would not wish to leave the impression, of course, that our task under the North Atlantic arrangement is completed. In fact, it has only begun. The nations of the north Atlantic now face the problem of implementing their pledges. The parties to the treaty have undertaken to strengthen their individual and common defence by integrating their defence forces and resources. That means that each nation taking part will be expected to furnish to the common pool that

which it can most suitably and effectively contribute. We may then anticipate, I think, some division of responsibility in the military field and some division of labour in production and supply.

In broad terms, we are committed to provide such aid as we can reasonably be expected to contribute, in the form in which we can most effectively furnish it. Until, however, plans are worked out and problems of co-ordination investigated--we will be working out plans before long--it is impossible at this particular moment to predict what our proper contribution will be.

We know, of course, that Canada can produce economically much greater quantities of certain types of arms and ammunition than we need ourselves either in peace or in war. Some of our military requirements, on the other hand, can be produced most economically in other countries. Our ability to purchase in those countries must depend to a very large extent on the willingness and ability of our partners in the North Atlantic defence system to purchase in Canada those items which we are able to produce economically. This principle of integration in military production and supply will, we trust, be considered as an essential governing factor in planning our common defence under the North Atlantic Treaty.

As far as Canada is concerned, the implementation of this principle and with it our ability to make the maximum contribution to the achievement of collective security, will depend to a considerable extent on our financial and exchange position vis-a-vis our neighbour. One way of improving that position--and it needs improvement--would be for the United States to remove some of the obstacles which now prevent the purchase of military supplies in this country.

There is another aspect of the Atlantic pact, the social and economic, which should not be forgotten in our anxiety over defence considerations. That point was emphasized as you will remember, Mr. Speaker, in the speech from the throne. The principle is embodied in article 2 of the pact itself which I need not read again at this time.

The north Atlantic council is given powers under the treaty to consider matters concerning the implementation of this article 2. During the course of the discussions which led up to the signing of the treaty, the Canadian delegation consistently urged that that article should be included in the pact. Now that it has been included, we urge that as soon as possible steps should be taken towards its implementation. For it is not only true that the north Atlantic nations cannot be strong militarily unless they are strong economically; it is also true that the whole basis of confidence and mutual trust, the sense of community, on which the alliance is founded would be undermined if the members of the alliance should, as the result of failure to proceed with the implementation of article 2, become divided into two groups with the European members attempting to build up trade among themselves behind a barrier of restrictions against the North American members of the alliance.

We have taken, I think, the first steps towards the widest possible military integration of the north Atlantic community. What we must do now, I suggest, is to take as many steps as possible, as quickly as possible, towards the widest possible economic collaboration between the north Atlantic nations. In article 2 of our pact we have the means for doing that.

Just as Canada and the United States cannot solve their defence problems in isolation from the United Kingdom and the other countries of western Europe, so also we in North America cannot solve our economic problems in isolation from western Europe. The same is true of the United Kingdom and of the other European members of the north Atlantic alliance; they cannot solve their economic problems or their defence problems apart from us in North America.

There is much to be said, in establishing a new institution such as the north Atlantic alliance, for a policy of going slowly to begin with. In ordinary times that certainly would be good advice. But these are not ordinary times. Events are moving fast today and our international economic and political institutions should not lag too far behind.

The house will, I know, not expect me to be more specific today. The first thing is for the north Atlantic council at its next meeting to consider what machinery should be set up for study and discussion and negotiation on this whole question of how best to implement the obligations of all members of the community under the treaty to promote conditions of stability and well-being, to seek to eliminate conflict in their international economic policies and to encourage economic collaboration between them. The important thing is to get the machinery going so that we can get a better idea of just what is involved in a process of increasing social and economic collaboration amongst the north Atlantic nations, how fast we are likely to be able to go in the course of the next few years, and what difficulties we are likely to meet.

We have before us a task which will call forth all our reserves of intelligence, good will and imagination. It is not the negative, though vitally important, task of containing Russian imperialism. It is the positive task of creating a free community of free states, strong not only in its military resources, but in the prosperity of its people and the power of its free, progressive institutions.

Before coming to my final paragraphs, Mr. Speaker, and I apologize for trespassing on the patience of the house for so long, I should like to say a few words in closing this survey on a subject upon which I have already touched. I believe, however, that it is so important it needs further mention. It colours all these specific problems about which I have talked. It is the subject of communism and Russian imperialism and its relationship to these problems. I think it is important to understand what we are fighting against in the cold war. We of the free democracies are not fighting progress or social reform; we are not seeking to restore or to perpetuate feudal regimes or outworn dogmas. We recognize the need for change in Asia, Africa, and other parts of the world. We do not, however, want the underprivileged of the world to follow the paths which the unhappy people of Russia and of the satellite states have been forced to follow by their masters in the Kremlin.

It is the Russian state, under the control of these masters, which practises at home and exports abroad the reactionary system of society which I have attempted to describe, while pretending at "peace congresses" and in the United Nations that it alone is ready to disarm; it alone is ready to prohibit the atomic bomb and that it alone is the true champion of world peace. The record does not support any such pretension.

I should like for a few moments to point to one very important chapter in that record which will show how far Russia's pretensions depart from Russia's performance. I am referring to the efforts which we are now making to control the use of atomic energy so it will never be used for anything but peaceful purposes. There is no question before the world today in any way comparable with this one in its importance. The Russians admit this. They talk loudly, especially at Lake Success--and I have had to listen to their talks a great deal in the last six weeks --about immediate and unqualified outlawing of the atom bomb, but they refuse to participate in any scheme in which international control and inspection would be effective and adequate for that purpose. Without such control, pledges and protocols would, in the present atmosphere of international suspicion and mistrust, be worse than useless. They would be dangerous, by providing a false facade of security behind which the aggressor could develop his evil plans. We had some experience of this in the 1930's.

The Russian delegates at the United Nations meetings keep on saying; we accept international inspection and adequate control; we agree that international inspectors should be able to visit declared Russian production facilities "periodically" and be granted permission to make "special" searches if the inspectors could show that there were grounds for suspecting either the presence of an undeclared plant in their territories or the diversion from one of the declared plants of clandestine production while the inspectors were away. But what they did not say and what they would not explain to us in answer to specific questions, was how the rest of the world was to find out anything more about atomic plants inside Russia than the Russians chose to tell us, or how inspectors

were to have grounds for suspicion if they did not have access to vast areas of the Soviet hinterland.

But, it may be said, all this is very fine; we know about the hypocrisy of Russia, both in its use of international communism and in its toying with the hopes of all people for peace, security, justice and freedom--but all the same, we must somehow reach agreement with the Russians on the international control of atomic energy before we are all blown to bits by it.

I agree that we must never give up trying. We must not get into an atomic groove or refuse to examine any proposal from any quarter which may be put forward. However, it takes two to make an agreement and two to make the necessary compromises on which agreement can be based. Until the Russians give some indication of their readiness to accept genuine, not spurious, international control and inspection, it is hard to see at the moment where progress can be made.

The basic difficulty is of course, the Soviet fear of any contact with the west--a fear which is almost pathological. The Soviet leaders also stubbornly maintain that they cannot possibly accept any limitations of their sovereignty. We maintain, on the contrary, that we cannot afford to cling to an ancient concept of sovereignty when what we are seeking is a chance for survival. We shall never get anywhere, in our view, if we insist on talking about national sovereignty as if, in atomic matters, it were more important than national and international security, or if we consider that, by using our national sovereignty for joint action, we are losing it.

Whether we are talking about atomic or conventional weapons, we must have some means of knowing, not in any absolute sense, because that is quite impossible but within reasonable limits of certainty that no country is in a position to bamboozle the rest of the world as to the number of atom bombs or battleships or bombers or battalions that it possesses. If we cannot agree on a system for controlling the vast and conspicuous facilities necessary for the production of nuclear fuels, then we shall not reach agreement on the rest of our armaments industries which can more readily be camouflaged as factories for peaceful production or indeed may be hidden underground.

The cold fact in the cold war is that we do not trust the Russians enough to agree to destroy our atomic weapons and facilities for making them until we are in a position to satisfy ourselves, by international inspection and control of their facilities, that they do not secretly stockpile atomic bombs. The Russians, for their part, are not willing to entrust to an international atomic development authority, which they claim would be under Anglo-American domination, adequate functions of control, agreed beforehand and embodied in a treaty. This is merely another way of saying, Mr. Speaker, that the problem of peace is much broader than the problem of agreeing on the clauses of a treaty to prohibit the use of the atom bomb. It is the problem of establishing sufficient mutual confidence to tackle not only disarmament and the bomb but the whole range of major friction points--political, strategic and economic--which are witnesses today of the tragic division between the two worlds.

In conclusion, I come back to what our Prime Minister, then Secretary of State of External Affairs (Mr. St. Laurent) said eighteen months ago in this House. He spoke then of the "tragic inability of the western democracies and the eastern totalitarian states, led by the U.S.S.R., to establish any basis for cooperation or even any basis for mutual toleration." He went on to say: "We had hoped for mutual toleration founded on a genuine desire to live and let live. It seems now that we shall have to be content with toleration based on what I hope will be a healthy respect for the determination of each of us to prevent encroachment and resist domination by the others."

Since that statement of the Prime Minister, the democratic world has made good progress toward the limited but practicable goal which he outlined. For that progress along the road to at least limited collective security, we can be thankful.

Much, however, remains to be done, and no one can be very optimistic about the future. I say that without intending to be unduly panicky about the future. But no one can be unreasonably optimistic about the future as long as the free democratic and the Russian communist worlds face each other in fear, misunderstanding and mistrust.

In these international questions which I have been surveying, I fear, in a haphazard and inadequate way, Canada has made a good and effective contribution to the cause of good international relations and the achievement of real peace. Our prestige stands high among the nations; and I know that all Canadians will do their best to keep that position high.

At the same time, no Canadian government is ever likely to forget that the roots of a successful foreign policy must be deep in the knowledge and understanding of the people, in an enlightened awareness of what is in the best interests of our people. As I say, there should be no contradiction between our international and our national interests. In the difficult days ahead, while Canadian foreign policy must stand on its own feet, it must also march whenever possible, in step with those who are or who will become our friends. It must be based on the true interest of Canada but of a Canada which could not, even if it desired to do so, remain isolated or insulated from the community of all peoples which now inhabit our small atomic world.

Conclusion

The debate I am now closing has been, as I think all hon. members will agree, illuminating, constructive and helpful, and also conducted on a very high level of non-partisanship. During the debate some generous things have been said about the department over which I have the honour to preside at present, and about myself. So far as I am concerned, though I am a comparatively new member of the house, I am very fortunate in the friends that I have here, and I thank them for what they were good enough to say about my work.

I am fortunate also in the fact that the external policy of Canada, in its principles and objectives, to the extent that any policy can be in a parliamentary system of government is non-partisan in character; and of course I am the beneficiary of that happy circumstance. I think it makes my job, at least so far as parliament is concerned, much easier than that of any of my colleagues.

As far as the department is concerned I should like to echo the good things which have been said about it. I agree also with the hon. member for Peel (Mr. Graydon) when he remarked that we should not get too complacent, that, if we have accomplished anything, we should cultivate the healing virtue of humility. I agree also that in the growth of our international activities through the department we should not make the mistake, as the hon. member for Peel put it, of trying to keep up with the "international Joneses". I can assure him, if assurance is needed, that we do not do that; in our department we merely try to keep up with our international responsibilities. That, I think, is as far as the Department of External Affairs should ever want to go. In that sense we have expanded in recent years. The hon. member for Peel referred to our "mushroom growth". That is true, in the sense that we have grown quickly. We now have thirty-three diplomatic missions in other countries; but I would point out that there are more than forty diplomatic missions in this country, so I do not think we have expanded beyond our responsibilities. The hon. member for Peel also suggested that we must not run wild on expenses, and I quite agree. We are trying to run our department on a businesslike basis, and at the present time are making changes in our organization that we hope will make it more efficient, more businesslike, and of greater service to the people of our country. If we ever had any temptation to run wild on expenses, the appearance of our representatives before the committee on external affairs would always be a salutary check in that regard, to say nothing about our own Department of Finance and the treasury board.

In addition to the question of growth the hon. member for Peel also mentioned the question of recruitment, the type of people we are getting in the

department. Well, we have tried to recruit our officers from all groups in Canada. It may be that at the present time we have not as many representatives of certain occupations as we should have, but I would point out to him, and to other hon. members, that we take young men into our department after competitive examinations. Whether they come from agricultural colleges or arts colleges or any other kind of colleges, we do not mind. We do not examine into their background in that sense. We have been fortunate, I think, in the type of men we have been able to secure, and I should like to pay tribute to them. Of course in the development of a young service it takes time for the young men to reach the top positions, so it is true that at the present time some of our missions are headed not by career men but by men we have brought in from outside, very often at considerable sacrifice to themselves.

In what I thought was a very constructive speech this morning the hon. member for Eglinton (Mr. Fleming) expressed the hope that we would recognize our career men by giving them top posts in the service. We do that. Of our present missions, sixteen are headed by career men who have risen through the ranks in the Department of External Affairs and four by men who have joined our department from other branches of the public service. It may be of some interest to hon. members if, as an example of our desire to recruit our officers from all parts of Canada, I say that of the twenty-four most senior posts in our service, ten are filled by men whose mother tongue is French. We try to build up our service not only as representative but as bilingual.

During the course of his remarks the hon. member for Peel mentioned the representation of other parties on Canadian delegations at international conferences. He has himself been a very effective representative of Canada at more than one such conference. I agree that we should do what we can to keep our foreign policy as much as possible on a non-partisan basis; but under a parliamentary system of responsible government, in our actual representation at international conferences it is not easy to reconcile that kind of government with the inclusion of representatives from opposition parties. The difficulty, of course, is that full membership on delegations by representatives of other parties might limit their complete freedom of action, by placing them in a position where they would have to share responsibility for decisions taken. I am not sure, however, that we cannot accomplish the purpose we have in mind by attaching representatives of other parties to our Canadian delegations, on suitable occasions, as parliamentary advisers. We have done that in the past, and it has worked out quite well. Possibly in the future it may be well to try it again.

Insofar as the growth of our External service is concerned, and some reference has been made to that by various speakers, I should like to mention that during the last year the number of people in our department at home and abroad has increased only from 1,213 to 1,248. We are doing our best to keep our numbers and our expenses within limits.

During this debate the member for Peel (Mr. Graydon), as well as other members have mentioned the desirability of providing the people of Canada with all possible information as to our external policy--what we are doing and why we are doing it. I agree with them entirely as to the importance of this responsibility. In a democracy foreign policy must be based on intelligent public opinion. Public opinion will not be intelligent unless it is informed. It will not be informed if the government does not take the people into its confidence in this field to the greatest possible extent.

I noted in his statement--I hope I am not doing him an injustice--a feeling that we were not doing as much as we should in this regard. To support that feeling the hon. member made reference to an article by a prominent newspaperman which was critical of the information activities of this department. I agree that not very long ago it may well have been that the information activities of our department and our facilities for informing the people of Canada on external affairs were not as extensive as they should have been. I would however inform the House, Mr. Speaker, that it was not very long ago that we wound up the Canadian information service and initiated the establishment of an information division in

the department of External Affairs. It was inadequate for the job it was supposed to do, not in quality but certainly in quantity. We cut down to the very bone, so we were not able to do all the things we would have liked to have done. We are building up on that foundation and have reached a point, I think, where we are doing a better job than we were a few years ago.

I would not plead guilty--I am not suggesting any charge has been levelled--to the charge that we have defaulted in this obligation to keep the people informed as to what the government is doing in the field of external affairs. I have in my hand a report of the documents that are issued by the department in an effort to inform those who are interested in what we are doing. The annual report of the Department of External Affairs is now a comprehensive document. The annual report of the United Nations' activities is also a comprehensive and useful document outlining government policy. In addition to that the department has commenced the publication of a monthly bulletin on external affairs which includes articles, memoranda and other information explaining the policy of the government in this field. I have no doubt some hon. members have had an opportunity of reading that bulletin. In the recent issues we have attempted to explain not only what we have been doing but why we have done it.

That is one thing, but it is quite another thing, Mr. Speaker, to indulge in what I may call house-top diplomacy. There is a danger in prematurely making public the difficult, delicate and confidential negotiations between our government and other governments. I believe a good example of how that sort of thing should be conducted can be found in the negotiations leading up to the signing of the Atlantic pact. Long before that important pact was signed the government took various steps, through public statements of one kind or another, to inform the people of this country of the purposes and principles of government policy in respect to this matter. This was done while the discussions were under way in Washington. As I see it, however, it was neither necessary nor desirable to keep the public informed on the day to day details of those negotiations. There has to be a certain flexibility in these matters, and that flexibility would be lost if the press knew every detail of the negotiations every day.

Quite often one has to take a position in the morning which may have to be abandoned the next day. As I have said before, it is difficult to abandon a headline, and anything that is made public in the morning becomes a headline in the afternoon. The type of diplomacy, if I may put it this way, of publicity for the principles and objectives, publicity for the policies in broad outline without making public the confidential details of the negotiations, seems to me to be best designed to reconcile the efficient conduct of diplomatic business with the desirability, indeed the necessity of the people knowing what is happening when it is happening. I hope that in the future the Department of External Affairs will be able to discharge that responsibility to the public and to parliament.

There have been a good many questions raised in this debate, Mr. Speaker, and it is my duty to do my best to answer them. If I may, I shall answer them more or less in the order in which they were submitted. An extremely important matter was touched upon by the member for Peel and the leader of the opposition in their references to the use of atomic energy for peaceful purposes in this country. It was suggested that possibly the industries of this country were not being given the same facilities, the same information or the same assistance by the government in regard to atomic energy as the industries in the United States. That is an understandable preoccupation, but I can set it at rest because I am in a position to state that there is no agreement or understanding between the Canadian and United States governments which limits the information available to Canadian industry to any greater extent than it is limited in the case of United States' industry.

It is true that we do consult with the United States and United Kingdom governments on the release of information, and discuss with them the maximum extent to which information can be made available in the three countries

consistent with joint security. The necessity for secrecy which was mentioned in the statement made the other day by the president of the research council, Dr. MacKenzie, to which reference was made by the member for Peel, arises of course from the fact that the material of atomic energy is the same whether it is used for peaceful or warlike purposes. Naturally, that factor has to be taken into account by all governments in their release of information to industrial concerns, but the secrecy requirements in this regard are the same in all three countries. While it is true that the United States has turned over to private industry the operation of certain of its atomic energy plants which are operated on a commercial scale, the information gained from the operation of these plants is not more widely disseminated to industry in the United States than it is to industry in Canada. The Canadian government has already called industry together to point out the commercial uses of radioisotopes that are now available from Chalk River. It has offered to train men from industry in the use of such isotopes and for a period of one year has offered to supply radioisotopes to industry without cost. Several Canadian industrial firms are already taking advantage of this offer.

During the debate a good deal of attention has been devoted to questions which concern the Far East and the Pacific. We have had some interesting statements devoted to that part of the world. I was particularly interested in listening to the statement of the hon. member for Lambton-Kent (Mr. MacKenzie), with whom I was once associated in UNRRA activities. I can assure those members who have expressed some concern at our alleged lack of interest in Pacific problems as compared with our absorbing interest in north Atlantic and European problems--and I am thinking more particularly of the hon. member for Vancouver-Quadra (Mr. Green)--that there is on the part of the government no such lack of interest in the Pacific.

In his remarks the hon. member for Vancouver-Quadra and, I think, another member as well, referred to certain talks that the press had reported as having recently been held in Canberra. They both expressed some interest in the fact that Canada had not been represented at those talks.

There was one reference to recent talks in Canberra. The Singapore talks took place some months ago. The Canberra talks to which the hon. member made reference took place only a few days ago. The reason we were not at those talks is, of course, that we were not invited to them. That statement is not as drastic as it may sound because our information is that the talks were informal ones arranged in Canberra by the Australian minister for external affairs with the New Zealand deputy minister of external affairs and an under secretary from the United Kingdom foreign office in charge of Far Eastern affairs who happened to be in Canberra at that time. No formal conference of any kind as far as we know took place.

The hon. member for Vancouver-Quadra also asked the government whether they proposed to take part in the conference of commonwealth external affairs ministers which has been called to meet in Colombo, Ceylon, in January. I had already intended to speak on this matter because it was only today that it was agreed among the governments concerned that publicity could be given to it. I am in a position to tell the house that we have received from the prime minister of Ceylon an invitation to attend the conference in question.

It will be recalled that about a year ago, in the report of the meeting of prime ministers in London, reference was made to the desirability of having meetings of commonwealth ministers of external affairs from time to time when the situation seemed to warrant such meetings. The government of Ceylon has called this meeting, and the government of Canada is, of course, happy to accept the invitation to participate in it; it is particularly happy because of the fact that the meeting will be held in the newest of the independent nations that make up the commonwealth. We are particularly glad that this meeting will take place in an Asian dominion and that in that sense it will reflect the importance of the new Asiatic members of the commonwealth.

The government will be represented by a minister. It has been suggested that that minister should be the Secretary of State for External Affairs. But

that particular minister has been away a good deal in the last two or three months; and although there is nothing he would like better than to spend the month of January amidst the balmy breezes of Colombo, I am not quite certain at this time who will be the representative of the government. I may not be allowed to go.

The conference in question, as I understand it, will deal with external affairs of general interest to the Commonwealth and will not confine its activities to Pacific or Far Eastern questions. Nevertheless, a Canadian representative at this meeting will be willing and anxious to participate in that part of the agenda because we appreciate the importance of Pacific questions, especially at this time.

The hon. member for Peel (Mr. Graydon) said that the puzzled and confusing Chinese picture should be unveiled. It may be that we shall be in a slightly better position to unveil that picture after the conversations that we shall be having in Colombo. I can assure him, Mr. Speaker, although I do not think the assurance is necessary, that it is a puzzled and confusing picture, and it is difficult indeed to unveil it at the present moment so that any recognizable features appear. In my statement yesterday I attempted to underline some of the principles that governed our policy in regard to that part of the world, and I do not know that I can go much further at this time than I went yesterday. I should like to mention one thing, though, because reference was made to it in debate. I can assure the house that no pressure of any kind from any quarter has been brought to bear on the Canadian government to recognize or not to recognize the communist government of China.

Reference has been made to the possibility of a Pacific pact to parallel the Atlantic pact, and I was asked if I could express the policy of the government in this respect. I can only say, as I believe has been said already, that it is not possible to draw an exact parallel between the two situations. The countries of the north Atlantic were ready for a security pact. All the countries concerned, with the possible exception of one--and reference has been made to that this afternoon--were all anxious to join such a pact and there was no difference of opinion in regard to the principles of such a pact. But that is certainly not the situation in the Pacific at the present time. Those countries which are at least as concerned as we are in Pacific matters--and I am thinking of Australia, India and the United States--have all stated, through their responsible representatives, that it would be premature at this time to attempt to negotiate a Pacific pact. That being the case, I think we would be making a mistake if we tried to press ahead with the matter at this moment.

Questions were also asked as to our policy in regard to Japanese political developments and trade with China. With regard to the former, as I said yesterday, I think that the governments concerned should press ahead with the Japanese peace pact and that all of us, individually and collectively, should do all that we can to strengthen the building up in Japan of a democratic government that will be a centre of peace and stability in that area. But there are times when I feel--and I have attempted to express this opinion before--that we should be careful to recall that it was not so long ago when the menace from Japan seemed almost as terrible as the menace from other quarters in the Far East seems at the present time. And we should not lose sight of what might be an ultimate danger because of the immediate danger that is ahead of us. Therefore when we are encouraging the rehabilitation and reconstruction of Japan let us make sure that we are helping to build up a democratic peace-loving Japan.

As far as trade with China is concerned, Mr. Speaker, there is no argument on that score. Nothing can be more important to Canada than building up trade with the far east, including China; but one essential element in the development of trade with the areas over which the writ of the communist government now runs is to establish some kind of contact with that government. So naturally the promotion of trade is part of the problem of our relationship with the communist government in China, and the two cannot be separated.

In some of the statements that have been made in this debate, Mr. Speaker, reference has been made to the European situation and certain questions have been asked of me in that regard. Some of these speeches have filled the gaps in my own statement of yesterday morning and have added, I think, very materially to the information of the house with respect to European problems. The hon. member for Peel (Mr. Graydon) said that in my statement it would have been helpful if I had said more about the situation in western Germany and western Europe. I agree it would have been helpful if I could have said more. Although I spoke for quite a long time, I admit, Mr. Speaker--and in fact I stated at the beginning--that there were serious omissions in my statement. I did not say very much about western Germany or indeed about western Europe. I did say, however, and I should like to repeat it, that we welcome the establishment of a federal democratic government in western Germany. We hope that it will soon be able to extend its jurisdiction over a united Germany. The development that has taken place already has a bearing, of course, on the German peace conference. It looks now as if the possibility of holding a peace conference for the whole of Germany is more remote than it was a year ago. This is of course due to the split in Germany itself, and the difficulties at the present time of establishing a modus vivendi with the Russians which would make possible the healing of that division. Meanwhile we have the western federal state of Germany which has become a going concern. We are recognizing that development by planning to establish very shortly a mission to represent Canada at the capital of the state, which is Bonn. We will for that purpose be appointing, as head of our mission to Bonn, the official who is now the head of our military mission in Berlin. This change in the situation in Germany will make it possible to reduce the mission in Berlin to the status of one or two officers.

Reference was made also by certain speakers to the position in regard to the German and Austrian peace treaties. I have mentioned the German peace treaty. So far as the Austrian peace treaty is concerned it looked a few weeks ago as if substantial progress had been made and that an Austrian peace treaty might soon be worked out by the four great powers. But there are still difficulties in the way, and these difficulties seem to revolve around the impossibility of the U.S.S.R. on the one hand and the other three states on the other hand getting together over the difficult question of reparations.

A more important point, I think, was mentioned by the leader of the opposition (Mr. Drew) this afternoon, and was touched on by other hon. members in other statements, when I was asked to clear up the question of our commitments under the north Atlantic pact. I stated in my remarks yesterday that we did have such commitments, and I repeat that statement now. However, it was pointed out this afternoon that my colleague, the Minister of National Defence (Mr. Claxton), in a statement in this house the other day had said that we had no commitments under the north Atlantic treaty. There might, therefore, seem to be some contradiction in these two statements; but I submit, Mr. Speaker, that there is no such contradiction. When the Minister of National Defence was speaking in the debate to which reference has been made it was quite clear at least to my mind after reading his statement, that he was referring to the military aid commitments which result from the implementation of the treaty. That seems to me to be clear from a reading of the paragraph in question. If I am in order, Mr. Speaker, I should like to repeat what the Minister of National Defence said at that time. He said, as reported at page 1698 of Hansard:

It is perfectly clear that we have no commitments whatever under the north Atlantic treaty. The organization under the treaty has just been set up. The regional groups have been organized and the appropriate officers and representatives of the various governments concerned are considering what should be the various strategical plans and requirements.

This is expressly dealt with in paragraph 12 of the statement I gave, in which I said:

"It is still too early to spell out the consequences of the pact in terms of men and dollars."

What I was referring to when I said we had commitments was the political commitment which we undertook in signing this pact and that commitment, of course, stands and is accepted not only by the government but I think by hon. members. That political commitment is to come to the help of any member of the alliance if that member is the victim of aggression. We accept that commitment. It is a commitment for the defence of Canada, by coming to the help of our partners in the alliance if those partners should be attacked. That is a political commitment which we undertake. How that commitment shall be worked out, though, is another matter.

Yesterday when the hon. member for Peel was speaking he mentioned the fact that no details had been given the house or the country in regard to that particular commitment. But I would point out to him and to the house, Mr. Speaker, that it took us nearly a year to work out the political commitment which I have mentioned, and we have only just begun to work out the plans which constitute a military commitment under the treaty. We have signed the treaty; we have laid the basis of the organizations required under the treaty. There remains to be worked out the contributions which each government shall make in carrying out these political pledges, these contributions to be effective once the aggression has taken place and is recognized as such by the members of the alliance, including Canada. This development of the treaty has just begun, and it will take some time to work it out. Therefore it will not be possible to know exactly what are our military undertakings and our military commitments until that development is completed. I think that if it is clearly understood, Mr. Speaker, that I was talking about the ultimate political commitment in the treaty and the Minister of National Defence was talking about the military undertakings which we may have to take in order to discharge our political commitment, it will be clear that there is no contradiction in the two statements.

Many references, Mr. Speaker, were made during the debate to the United Nations and our policy in regard to the United Nations. I would merely like to repeat in that regard that our adherence to this organization remains the cornerstone of our external policy.

We are having difficult times at Lake Success. It is not easy to make the United Nations the effective organization for peace we all hoped it would be. One evidence of these difficulties is that we have had to work out regional arrangements not outside of, but supplementary to the United Nations. Nevertheless I would like to emphasize again that these regional arrangements, whether they be political such as the north Atlantic pact or whether they are financial, along the lines of the talks we have had to have with our friends from the United Kingdom and the United States, or of whatever nature they may be--these regional arrangements remain secondary and supplementary to our adherence to our world organization which we hope will some day make all such limited arrangements unnecessary.

That is not possible today. The reason is, of course, as I need hardly repeat, the split in the world between west and east, which reflects itself in practically every undertaking of the United Nations. So long as that split remains it is absurd to think, and we would be only deceiving ourselves if we did think, that the United Nations as a universal organization can discharge the function of preserving peace which it was set up to discharge and which some day we hope it will discharge. But before that can be done we have to bridge the gap between the communist east and the democratic west. Though that problem at the present time seems almost insuperable, we must keep working toward its solution.

This afternoon the leader of the opposition (Mr. Drew) said that the best hope for that solution was by somehow getting to the people of the communist countries. If we could pierce the iron curtain and get to the hearts and souls of the people behind it I am sure, just as he was sure, that we would find they are as peace-loving as the rest of us. If we could sweep away that mistrust and hatred that has been caused by the tyrannical masters of the Russian communist people, if we could sweep that away and get our own message across to those people, then that split would be healed and we would have a world

organization which would be universal indeed; which would do the job it was meant to do at San Francisco, and which some day it will do.

Reference has also been made in this debate by more than one speaker to the prestige Canada now has in the councils of the world. I think it is true that we have such prestige. If we do have it, then it is due to the exertions, to the intelligence and to the sacrifices of the Canadian people. It is upon this that our prestige has been built; especially on the achievements and sacrifices of the Canadian people in time of war. Those of us who have particular jobs to do which take us into the world of international affairs can add a little to or detract a little from that prestige. But it has a deeper foundation than the work of any individual of any government or of any party; the foundation of our prestige is in the character, the hearts and the achievements of our Canadian people. And that is why, Mr. Speaker, I am so encouraged by the debate we have had in the last two days on external affairs. I believe in this debate we have had a fine reflection of the feelings of the people and their constructive approach to these questions of external affairs.

It has been made abundantly clear in the debate that the objectives we have in mind are shared by all of us. We have the same objective. We are all striving to get to the same goal--at times probably by different routes--and that goal is the establishment in this world by international action of conditions in which every man, every woman and every child in any country of the world can live out his life in stability and security and peace.

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