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## TELEGRAM

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From THE SECRETARY OF STATE FOR DOMINION AFFAIRS
TO THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

-9- LONDON,

ready. We have made great progress in these counter preparations at the present time and if we must expect a renewed and more severe attack at a later stage we have every reason to believe that our arrangements will be adequate to meet it. Let it be noted that in the late war one third of the damage done to British and Neutral commerce one third of the whole vast catalogue of damage from U-Boat attack was due to twentyfive experienced professional U-Boat Captains belonging to the old submarine service of Germany. It would seem from this that it will be much easier for our enemies who seek our destruction to build more U-Boats than it will be to replace the highly skilled limited class of professional officers and crews who are now being captured or destroyed. Moreover if we are losing tonnage we are also taking steps to replace it on a far larger scale. Old ships which were laid up are being refitted and prepared for sea. An enormous building programme of new ships of a simple character capable of being very rapidly built is already in full career in fulfillment of the action taken and of the plans made before the war by my Right Honourable Friend the President of the Board of Trade. We therefore hope to have a much larger margin in the future to meet new forms of attack or new scales of attack.

The House will observe that I have confined myself this afternoon entirely to this topic of U-Boat warfare. I am not attempting now to deal with any of

W.L.M. King Papers, Memoranda and Notes, 1940-1950, MG 26 J 4, Volume 404, pages C284277-C285029