Government was trying to do in Indo-China and said that he was certain it would be appreciated by his Government.

A.R. MENZIES

1063.

DEA/50052-40

Note du chef par intérim, direction des États-Unis et de l'Extrême-Orient Memorandum by Acting Head, American and Far Eastern Division

SECRET

[Ottawa], October 26, 1949

NOTES FOR INCLUSION IN MINUTES OF MEETING OF HEADS OF DIVISIONS OF OCTOBER 25, 1949

Indo-China

Mr. Menzies reported that on August 31 the Charge D'Affaires of the French Embassy had left a Note giving us the text of an exchange of letters between Monsieur Vincent Auriol, President of the French Republic and of the French Union and Emperor Bao Dai, providing for the establishment of Viet Nam (Tonkin, Annam and Cochin-China) as an associate state in the French Union. Mr. Menzies recalled that when he was in Washington a month ago, he had had an opportunity to discuss Indo-China with officers in the State Department and Mr. [Osler] Dening, Under-Secretary in the United Kingdom Foreign Office in charge of the Far Eastern Departments. While they felt that the French had shown themselves inept in their handling of the problem, were not too confident about Bao Dai and his associates and recognized that Ho Chi-Minh had about him many genuine Nationalists, they considered that the alternative to support for Bao Dai was Communist domination of Indo-China. After consultation with our Embassy in Paris, the Minister had approved an oral statement being made to the French Ambassador at the time our non-committal written reply was handed him. The Under-Secretary had told the Ambassador that we had been concerned about the long continuation of the disturbances in Indo-China and regarded a settlement there as important as it would help to prevent possible Communist domination of all East Asia, would ultimately promote conditions in which mutually beneficial trade could be resumed, would facilitate the activities of Canadian missionaries in Indo-China and lessen the present drain on the resources of metropolitan France. Mr. Heeney had indicated that we were sympathetic to the legitimate aspirations of the Annamese for self-government. We also recognized that France might still make a considerable contribution for the reconstruction and development of Indo-China. We hoped that the relationship described in the exchange of notes would be adequate to present day circumstances in East Asia. We ourselves have insufficient information to permit us to comment on the details of the Agreement. Mr. Heeney emphasized that the implementation of the Agreement would require continuing understanding statesmanship on both sides. The Ambassador had also been informed that we doubted whether under this new arrangement, the new state of Viet Nam would have a sufficient degree of independence to warrant Canadian support for any application it might make for membership in the United Nations. It was suggested that the French