

The President would announce that he had authorized the Secretary of Defense to exceed the budgetted strength of the three services; to use the selective service system to the extent required; and to call into active service such National Guard units and members of the Reserve Forces as necessary. Appropriations for the U.S. forces would be increased by about \$10 billion and this would be followed by a further request for assistance to the North Atlantic allies and other countries. Legislative measures would be proposed later to authorize the establishment where necessary of priorities and allocations of materials, to limit the use of materials for non-essential purposes and to requisition supplies for defence if necessary. He would recommend a sharp increase in Federal revenues through new taxation in accordance with the programme to be submitted to Congress later. A number of other recommendations were made and it was likely that new legislation would repeal the "Buy America" Act. In effect, the President's statement indicated partial mobilization in the United States.

(Telegram, Canadian Ambassador, Washington, to the Secretary of State for External Affairs, July 19, 1950 - WA-1560)

6. Mr. Pearson suggested that if any statement were to be made on immediate Canadian action resulting from the international situation, it should emphasize that Korea was but one sector in a much larger struggle and that any steps taken to accelerate Canada's defence programme made a contribution to the solution of the general problem. It was also suggested that it might be desirable to indicate that the Government would give sympathetic consideration to a Canadian volunteer contingent participating in any international force under the United Nations, if such were formed. This sort of participation appeared to be preferable to a contribution to a Commonwealth force and it might be helpful if we indicated support of it now so as to avoid any pressure that would probably come later for involvement in a Commonwealth force.

7. Mr. St-Laurent said that if Canada were to contribute to an international force it would probably be necessary to call Parliament.

8. The Minister of Finance suggested that there were dangers to seating Communist China in the Security Council in return for the Russians

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