

some quarters, largely from the Indians, had come the suggestion that a solution might be found by getting the nationalists to withdraw from Quemoy and Matsu. However, at Geneva the Communists had made no difference between these islands and Formosa proper. Nehru had not mentioned this suggestion when Mr. Dulles saw him, and it was not included in the memorandum Nehru had sent him through the Indian Ambassador. What was needed was a lull in the area. The US would not be on strong ground to press the nationalists to withdraw from the islands. China was one of a number of divided countries in Asia. Nothing would be gained by withdrawing anywhere in response to Communist pressure as the repercussions would be serious in Vietnam, Korea, the Philippines and other places in the area. He had been impressed by the fact that the Governor General of Ceylon was very worried lest there be any withdrawal before the Communists in Asia. At the President's request he told us that Prime Minister Hatoyama said to him that the first assumption of Japanese foreign policy was that the US would remain strong and not withdraw before Communist pressure. Hatoyama had asked him bluntly if the Japanese were justified in this assumption, and Dulles had assured him that they were.

17. The President then said that everyone in the free world wished that Quemoy and Matsu did not exist, but there they were. Chiang Kai-shek put the whole basis of the defence of Formosa in terms of morale and Quemoy and Matsu had been built up, perhaps erroneously, into a symbol. The defence of Formosa was absolutely vital. Mr. Dulles then likened Quemoy and Matsu to Berlin for the moral significance which that had acquired.

18. In conclusion there was a brief and somewhat pointless discussion of problems of Communist subversions in our countries.

[J.W.] HOLMES

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TELEGRAM 603

Washington, March 28, 1956

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RIVERS FLOWING ACROSS THE INTERNATIONAL BOUNDARY — DISCUSSIONS AT
WHITE SULPHUR SPRINGS

During the Prime Minister's private talk with President Eisenhower yesterday afternoon, at which Secretary Dulles and I were present, Mr. St. Laurent referred to the proposal for diplomatic discussions between Canada and the US concerning rivers that flow across the international boundary.⁵ Mr. St. Laurent said that what we were aiming at was an agreement on the principles which would govern the development of these rivers. The excellent work of the International Joint Commission was extremely valuable to both countries, but the questions which Canada proposed to discuss did not appear particularly susceptible of solution by the Commission. We hoped that there would be diplomatic discussions between the two governments which would fill in the gaps that had been found in

⁵ Voir/See Document 272.