

ity. It is thought, however, that the report may indicate no ships presently operational could be properly spared, and that while a small combat air unit could be organized and despatched promptly, the U.S. military authorities would not consider such a force very useful. The Government may however wish to give consideration to the offer of such a force if no offer of ground forces can be made.

(2) Transportation assistance:

(a) *Airlift*

The U.S. has chartered some 60 commercial planes belonging to various companies for the air lift, but it is understood that more transport aircraft are seriously needed. The Government may wish to consider offering R.C.A.F. transport aircraft. (It is understood the report from National Defence will consider this possibility.)

It might also be possible for the Government to charter planes from commercial operators and place them at the disposal of the U.S. authorities. Canadian Pacific Air Lines have intimated that if the Australian flights were temporarily suspended, they could probably provide four round trips a week to Tokyo. These planes carry 36 passengers and are "pressurized", and would be specially useful for carrying personnel. It is possible that TCA may also be able to provide a few planes, although we have no information on this point.

(b) *Shipping*

The shipping needs of supplying U.S. troops in Korea (and perhaps for evacuating refugees) will obviously be substantial. It is not known whether the U.S. has sufficient shipping immediately available, although they probably can assemble sufficient shipping on reasonably short notice. I am informally advised however that there is abundant Canadian-owned shipping, either under Canadian or U.K. registry, and that Canadian ship owners would be delighted to get dollar cargoes. It is thought, therefore, that the Canadian Government might wish to offer shipping, although this would raise problems of war risk insurance and additional compensation to crews, both of which would probably have to be met by the Canadian Government.

6. An offer of aid by means other than ground combat units is, however, scarcely likely to forestall serious criticism in certain quarters in Canada of the Government's defence policy. It is suggested, therefore, that the reply to the Secretary-General (which presumably will be published) should indicate that while the request for ground forces cannot be complied with *at present*, in view of our responsibility for the direct defence of Canada and our obligations under the North Atlantic Treaty, the Government is urgently re-examining its defence policy in the light of the current international situation. It would, of course be desirable from the standpoint of allaying public criticism if the Government were prepared to specify what it proposes to do in this regard; e.g., raise the present ceiling on personnel of the three services, step up re-equipment of the services, etc. It is thought that some such measures could be taken without calling Parliament.

In conclusion it is suggested that due weight should be given to the probable reaction in the United States and in United Nations circles if we have to reply that no further combat forces can be made available. There is no doubt the American