

tion of tactics might mean a turn. The Russians had released forces which we could use for our own purposes. The problem was as much one of Russian power as of Communist policy. We must pay careful attention as to what is going on in the Soviet Union in order to make use of whatever opportunities it presented.

13. Mr. Pearson went on to speak of three problems in particular. The first one was the question of economic assistance. He was sure that the answer to the Soviet challenge was not to be found in trying to match Communist promises but rather to make more effective and even extend what we were doing for our own reasons.³ What we did we must do in the right way without political strings attached. The manner in which we gave our assistance was highly important. He spoke of the approval with which President Eisenhower's proposals on disarmament to Marshal Bulganin had met in Canada. He wondered if a similar approach might be applied in the economic field. Might we not propose to exchange economic assistance blueprints with them through some agency say of the United Nations. We would put it up to them to cooperate in this work. It was not a question of arranging joint programmes with them but of an exchange of ideas and proposals. At the very least we would succeed in exposing their real intentions.

14. Perhaps, Mr. Pearson said, a similar joint approach might apply to the problems of the Middle East. A year ago it would have been unthinkable to suggest that the Soviet Union might be asked to discuss and to share in settling the problems of the Middle East. It would have been said that this would be letting them into that area. Now, however, they were already there for this reason and because the situation had deteriorated he thought it was quite right that the Great Powers should be bringing the question of Palestine before the United Nations for settlement. It might well be that in the United Nations the Great Powers, including perhaps the Soviet Union, might get together on a plan for settlement. Such a plan would probably not be acceptable to the two sides, but they might later be willing to have a settlement imposed upon them.⁴ As for the nature of such a settlement he did not know of any better basis than that which Mr. Dulles had put forward last summer. (President Eisenhower intervened to say that Nasser was a problem. He was always changing his tune in what he said to people. He was "weak and fearful").

15. Mr. Pearson concluded by saying that the third problem was one which Mr. Dulles had not mentioned in his survey — that was Formosa. After a certain amount of hesitation Mr. Dulles spoke of their anxiety to get the Chinese to renounce the use of force and he referred to the Chinese revolution as having been achieved by force and violence and spoke of the use of force against Tibet and other areas. He thought that the Bandung Conference had had an effect on the policy of Peking and that this along with the strong position the US had taken had led to some improvement in the situation. The Communists were continuing their buildup on the mainland but not with the hysterical haste of fifteen months ago. At the Geneva meetings the US had succeeded in getting a few Americans out of China, but they had not been as successful as they had hoped. (He said that of the nineteen in jails, six only had been released).

16. At Geneva the Chinese had said that they would agree to renounce the use of force in international relations provided that the US would withdraw from Formosa and admit that the dispute over the island was a purely civil affair. The renunciation of the use of force, they made clear, applied only in international matters. However, the fact that the talks were still going on was grounds for some assurance and the US did not intend to break them off. They bore in mind the eventual success of the lengthy discussions at Panmunjom. From

³ Voir/See Document 539.

⁴ Voir/See Volume 22, Document 38.