

2. In weighing possibility of assisting in strengthening of those features of Canadian home defence position to which Canadian Chiefs of Staff have drawn attention, we have had to bear in mind most carefully position here, and in other theatres where we are facing the enemy's attack. As you are aware, Germany is now making a supreme effort both at sea and in the air against our trade. We, ourselves, are making corresponding effort to defeat these attacks by assembling all the escort vessels we can lay our hands on, by transferring anti-aircraft weapons from our home defences to merchant shipping, and by diverting still more air forces to defend our ships against German long range aircraft which attack our shipping in areas hitherto regarded as immune. At the same time, with improving weather conditions, we have to be ready to meet increasing attacks of German bomber force against objectives in this country. Finally, we have from now on to be fully prepared to meet a large scale attempt at invasion. Our military advisers have just completed a detailed examination of requirements necessary to meet these threats, and it is clear that if we are not to fall below the danger line we have very little to spare from the force immediately available at home. At the same time, the recent developments in the Balkan and the Middle East theatres make it essential for us to maintain flow of our reinforcements to the Middle East. We have the fullest confidence in our ability to defeat threats to this country and to build up our growing offensive power, but you will appreciate that we are bound in common interest, referred to in your Chiefs of Staff appreciation, to weigh with the greatest care any additional withdrawals from the United Kingdom and its north western approaches.

3. While we fully realize the possibility of tip and run raids on Canadian eastern seaboard, we are of the opinion that such raids are unlikely in view of risk raiders would run of air attack and possible shadowing. They are more likely to attack shipping routes in western Atlantic. Moreover, an additional deterrent is likelihood that operations against Canadian seaboard must precipitate entry of the United States into the war. This we feel is particularly the case in the neighbourhood of Newfoundland, where our enemies must realize sensitiveness of United States to operations in area of her newly acquired bases.

4. We note that Canadian Chiefs of Staff make no specific reference to strengthening anti-submarine protection of shipping near Canadian coast. In view of indication that U-boat activity may be extending to western Atlantic, the question of strengthening naval and air forces now available in Canada for anti-submarine duties is now under consideration between the Admiralty and Naval Service Headquarters, Ottawa. We are of the opinion that enemy will only adopt less economical use of submarines in western Atlantic for the purpose of making us over-insure ourselves there at the expense of decisive areas in western approaches. Every effort will be made to strike right balance between providing essential anti-submarine force for Canadian coast and maintaining our freedom on this side of the Atlantic.