

(d) Above all, the importance of the curtain area as the combined laboratory and advanced area of Russian policy. If we assume, as we probably can, that the governments of Prague and Warsaw are to all intents and purposes the agents of the Kremlin, we have the opportunity, even under present restrictions, to study at close quarters the methods, immediate aims, and some of the weaknesses of the Moscow line. In the missions' functions this has the greatest potential usefulness, but to date we have fallen short in this sphere. These Missions also serve a military purpose in providing the Defence Departments with reports. By maintaining Service Attachés in Eastern Europe Canada makes a contribution to the Western cause which entitles her to benefit reciprocally from the prints of United Kingdom and United States Intelligence;

(e) Finally, as Canada is part of the Western alliance, we should maintain a common front with our Western friends and we should not want to withdraw our diplomatic missions from Eastern Europe without prior consultation with the United Kingdom and the United States.

The economic value would depend on:

(a) The requirements of other government departments; the Department of National Revenue, Customs Branch, recently enquired about price levels in Czechoslovakia in connection with the drawing up of Canadian tariff schedules;

(b) the potential markets in these countries for Canadian products;

(c) the economic significance of these countries in the Russian Economic Cominform;

(d) the military significance of production.

7. The Departmental value is to be formed chiefly in the unique training and experience provided for officers in the enemy camp. If we take a reasonably long view this will be of growing importance whether we move into a fighting war, or continue to exist as a vigilant antithesis to the Communist world.

8. If these are the potential uses of our curtain missions, how far are they being developed?

9. From Warsaw we get about two full political despatches a month: from Prague about the same. We also obtain numerous translations and clippings from Polish and Czech papers and periodicals. The subjects are varied, including the purges, trials, religious persecution, wage and price levels, reorganization of the national economy, occasional conversations with officials, resistance movements, and specific topics like the Polish treasures.<sup>6</sup>

10. This Department also obtains some economic analysis or information: but our trade with these countries has dropped sharply in recent months.

11. Military reports of a general kind are referred to the Department by the Defence Department.

12. The training value to our officers is clearly evident in those who have served in the orbit area.

<sup>6</sup> Voir *DREC*, volume 15, les documents 1010-1017./See *DCER*, Volume 15, Documents 1010-17.