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CANADA

DOCUMENTS RELATIFS AUX
RELATIONS EXTERIEURES
DU CANADA

DOCUMENTS ON CANADIAN
EXTERNAL RELATIONS

VOLUME 9
1942 — 1943

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INTRODUCTION

INTRODUCTION

Faisant suite aux volumes 7 et 8 qui traitent des premières années de la Seconde Guerre mondiale, avant l'entrée en scène du Japon et des États-Unis, le présent ouvrage expose l'évolution de la politique canadienne vers le milieu de la guerre et plus précisément du 7 décembre 1941, date de l'attaque japonaise sur Pearl Harbor, jusqu'à la fin de 1943. Le Canada cherche toujours à définir son rôle, mais durant cette période, l'attention passe de la nature de l'engagement du Canada à titre de "deuxième puissance militaire du Commonwealth après la Grande-Bretagne" (volume 8, p. viii) à la place qu'il doit occuper au sein des alliés dont les grandes puissances dominent l'effort de guerre. Cette tentative est primordiale non seulement en raison de l'intérêt que les Canadiens portent à la conduite de la guerre, mais aussi à cause de l'influence qu'auront les précédents créés sur leurs intérêts une fois la guerre terminée. Les circonstances allaient mettre à l'épreuve la souveraineté du Canada et sa capacité sur la scène internationale et allaient permettre d'établir le degré de reconnaissance auquel le Canada pourrait s'attendre pour sa contribution à la victoire.

Au milieu de la guerre, l'organisation du ministère des Affaires extérieures reste la même que celle décrite dans l'introduction du volume 7 à la page xii. En raison de leur répercussions au pays, les plus importants changements à intervenir dans la représentation diplomatique (chapitre I) sont sans contredit la rupture des relations diplomatiques avec le gouvernement de Vichy et la nomination d'un représentant auprès du Mouvement de la France libre, d'abord à Londres puis à Alger. Règle générale, le gouvernement, conscient du manque de personnel compétent, évite d'ouvrir de nouvelles missions à l'étranger, bien qu'il se laisse fléchir dans certains cas. De plus, il y a deux initiatives qui sont liées à des buts précis de la politique canadienne. Afin de contribuer à l'évolution constitutionnelle de l'Inde au sein du Commonwealth, on pense nommer un haut commissaire en Inde mais rien n'est décidé. Puis, soucieux de promouvoir ses intérêts aux États-Unis, il établit un consulat général à New York. Certaines modifications aux conventions de la diplomatie et des raisons de prestige amènent le Canada à élever ses légations à l'étranger au rang d'ambassades, à commencer par les États-Unis. Témoinant de la complexité croissante des relations internationales du Canada, ces changements — en particulier l'établissement du consulat général — signalent la nécessité d'examiner le rôle du ministère des Affaires extérieures et celui du service des délégués commerciaux du ministère du Commerce en vue d'éviter les conflits et la confusion quant aux responsabilités. Aussi résolut-on d'instituer un comité interministériel chargé d'étudier la question et de faire des recommandations sur la coordination des services.

Il va sans dire qu'en 1942-1943 la guerre est au premier plan des préoccupations diplomatiques du Canada (chapitre II). L'attaque sur Pearl Harbor met un terme aux démarches diplomatiques décrites dans les chapitres VI et VII du volume 8 et ajoute un nouveau théâtre de guerre qui allait bientôt éprouver les Canadiens lors de la chute de Hong Kong. On se méfie désormais des Japonais du Canada et il semble que leur avenir posera des problèmes sur le plan des relations extérieures. Or, en 1942 et 1943, le Canada n'est pas directement impliqué dans la guerre du Pacifique et, au nombre des conséquences de Pearl

INTRODUCTION

Volumes 7 and 8 of this series covered the Second World War prior to the entry of Japan and the United States. The present volume deals with the evolution of Canadian policy during the middle years of the war, from the Japanese attack on Pearl Harbor on December 7, 1941, until the end of 1943. During those years, attention shifted from working out the bases of Canada's participation, as "a belligerent second only to Britain as a Commonwealth military power" (Volume 8, p. ix), to an attempt to define this country's place in an Allied war effort dominated by much larger nations. That effort was important not only because Canadians were concerned about the conduct of the war itself but also because precedents were being established which would profoundly affect their interests once peace returned. It was a time for testing Canada's sovereignty and for determining the recognition which this country might expect for its contribution to victory.

During the middle years of the war, the organization of the Department of External Affairs did not change from that described in the Introduction to Volume 7 (p. xiii). Because of their domestic ramifications, the most important changes in diplomatic representation (Chapter I) undoubtedly were the termination of relations with the Vichy government of France and the appointment of a representative to deal with the Free French, first in London and later in Algiers. Otherwise, the Canadian government, concerned about the shortage of qualified personnel, sought to avoid proliferation of diplomatic missions, although some pressures proved irresistible. In addition, there were two initiatives related to particular goals of Canadian policy. Plans were made to appoint a High Commissioner to India in the hope of contributing to the constitutional evolution of that country within the Commonwealth, but they were not carried out. To promote Canadian interests in the United States, the first consulate general was opened in New York. Changing conventions of diplomacy, combined with a keener sensitivity to considerations of status, led to the decision to raise the legations exchanged between Canada and foreign countries to the embassy level, beginning with the United States. Reflecting as they did the growing complexity of Canada's international relationships, these changes — especially the establishment of the consulate general — suggested the need for examination of the roles of the Department of External Affairs and the Trade Commissioner service of the Department of Trade and Commerce in order to avoid conflict between the two services and confusion over lines of authority. Consequently, an interdepartmental committee was established which studied the problem and made recommendations for the co-ordination of activities.

The overriding preoccupation of those concerned with Canadian external policy in 1942 and 1943 was, of course, the conduct of the war (Chapter II). Pearl Harbor ended the diplomatic manoeuvres described in Chapters VI and VII of Volume 8 and added a new theatre of war, of which Canadians soon had bitter experience at Hong Kong. It also brought suspicion on the Japanese-Canadian community and suggested that its future might become an important issue in external relations. Yet Canada was not deeply involved in the Pacific theatre in 1942 and 1943, and it was the other consequence of Pearl Harbor, the entry into the war of the United States, that had the greater impact on this

Harbor, c'est l'entrée en guerre des États-Unis qui a eu le plus grand impact. La question primordiale est celle de la place que veut occuper le Canada auprès des Anglais et des Américains qui dirigent l'effort de guerre allié par l'entremise des organisations de guerre composées établies à Washington et à Londres. Le Canada ne veut pas être membre de toutes, mais seulement de celles qui l'intéressent de près, comme la Commission sur la répartition des munitions et la Commission composée de l'alimentation à Washington. Pour convaincre les Anglais et les Américains qui veulent limiter la représentation alliée sur ces commissions, le Canada fait valoir le principe de représentation proportionnelle suivant lequel l'adhésion d'un pays à une organisation internationale doit être fonction de sa contribution. Les grandes lignes de cette position furent établies par Hume Wrong le 20 janvier 1942 (document 135), puis reprises par le Premier ministre devant la Chambre des Communes le 9 juillet 1943. Or, des divergences d'opinion au sein du Cabinet retardent l'élaboration d'une position ferme sur la question et la Grande-Bretagne et les États-Unis se montrent réticents lorsque la position canadienne leur est finalement annoncée, de sorte que les résultats avaient de quoi décevoir les plus exigeants. On obtient l'admission au sein de la Commission composée sur la production et les ressources et, plus tard, l'admission au sein de la Commission composée de l'alimentation, mais seulement une participation limitée aux travaux de la Commission sur la répartition des munitions.

La seconde conséquence pour le Canada de l'entrée en guerre des États-Unis est le fait que plusieurs aspects de son effort de guerre, jusque-là limité au cadre du Commonwealth, revêtent un caractère plus international. Le déploiement des forces canadiennes se trouve désormais lié aux décisions du Comité mixte des chefs d'états-majors et aux ententes entre les dirigeants des grandes puissances. On étend le Plan d'entraînement aérien du Commonwealth britannique aux autres pays alliés qui sont invités sans tarder à en étudier les perspectives d'avenir lors d'une conférence internationale tenue à Ottawa. La collaboration financière du Canada à l'effort de guerre dépasse le cadre du Commonwealth avec l'institution en 1943 de l'Aide mutuelle à l'intention de tous les pays alliés. Enfin, de par sa contribution à la recherche atomique, le Canada entre dans le jeu assez délicat des rapports entre les équipes de recherche américaines et britanniques. En même temps, en raison de certains arrangements pris au début de la guerre, l'appartenance du Canada au Commonwealth conserve son importance au point de vue militaire. Il en résulte parfois des frictions entre le Canada et la Grande-Bretagne, notamment au sujet de la mise aux fers des prisonniers de guerre après l'attaque sur Dieppe.

Bien que la conduite de la guerre soit le principal souci de la politique extérieure du Canada en 1942 et 1943, les succès alliés rendent de plus en plus urgent l'élaboration d'une politique d'après-guerre (chapitre III). Les préparatifs en vue du règlement de la paix soulèvent les mêmes problèmes quant à la représentation canadienne que la question des organisations de guerre composées. Les Canadiens constatent que leur pays doit s'intéresser aux préparatifs pour le règlement de la paix en Europe mais à la fin de 1943, le gouvernement n'a pas encore décidé ce que sera sa contribution matérielle exacte. Par conséquent, il est assez difficile pour le Canada de réclamer l'admission au sein de la

country. Most important of all was the question of Canada's relationship to the Anglo-American direction of the war effort through the combined war organizations established in Washington and London. The Canadian objective was membership not in all the organizations but only in those dealing with matters in which this country had a major interest, particularly the Munitions Assignments Board and the Combined Food Board in Washington. The Canadian effort to overcome Anglo-American reluctance to open the boards to broader Allied membership was based on the functional principle — the idea that membership of an international body should be determined by a country's contribution to its work — suggested in this context by Hume Wrong on January 20, 1942 (Document 135) and endorsed by the Prime Minister in a speech in the House of Commons on July 9, 1943. Differences within the Canadian Cabinet, however, caused difficulty in formulating an approach on membership on the combined boards, and Britain and the United States proved reluctant to accept the Canadian case when it was made. Together, these circumstances produced a result which fell short of the ambitions of those who favoured a strong line: membership in the Combined Production and Resources Board and eventually in the Combined Food Board, but only limited association with the work of the Munitions Assignments Board.

A second consequence of United States involvement in the war was that many aspects of the Canadian effort which hitherto had been dealt with in a Commonwealth context assumed a broader international character. The deployment of Canadian forces was affected by decisions of the Combined Chiefs of Staff and by agreements between the leaders of the major powers. The British Commonwealth Air Training Plan was extended to include Canada's other allies who were invited to an international conference in Ottawa to discuss its future. Canada's economic assistance to co-belligerents extended beyond the Commonwealth with the inauguration of Mutual Aid, applicable to all allies, in 1943. In contributing to the development of atomic energy, Canada became involved in the uneasy relationship between the British and American research projects. At the same time, as a result of arrangements worked out in the earlier years of the war, the Commonwealth connection remained important to Canada's military role. The operation of those arrangements was the subject of intermittent disagreement between Canada and Great Britain, most seriously in connection with the shackling of prisoners of war after the Dieppe raid.

While the conduct of the war was of necessity the central concern of Canadian external policy in 1942 and 1943, the improving fortunes of the Allies gave urgency to post-war planning (Chapter III). Arrangements for the peace settlement involved problems of status for Canada similar to those encountered in connection with the combined war organizations. Canadians recognized that their country had an interest in plans for the European settlement but, by the end of 1943, the government had not reached conclusions about the material contribution it should make. Consequently, it was difficult to press claims for membership of the European Advisory Commission and the Advisory Council for Italy, which were established as a result of the Moscow conference in October 1943. There was, moreover, danger of challenge to Canada's international position from the Soviet Union, which refused to participate in the United

Commission consultative européenne et du Conseil consultatif pour l'Italie, qui sont institués suite à la Conférence de Moscou d'octobre 1943. De plus, il reste le danger de voir la place du Canada contestée par l'Union soviétique qui refuse de participer aux travaux de la Commission des Nations Unies sur les crimes de guerre parce que les républiques soviétiques fédérées ne sont pas représentées alors que les pays du Commonwealth le sont. Ces problèmes sont de moindre importance cependant dans les entretiens sur les questions économiques de l'après-guerre comme le commerce, les finances et l'aviation civile. Toutefois, le Canada craint que les consultations entre pays du Commonwealth ne donnent l'impression qu'on préparait un front commun en vue des discussions avec les États-Unis. Bien qu'on en reste au stade préliminaire en 1943, on s'empresse d'étudier ces questions de près, ce qui permet au Canada d'apporter une contribution considérable aux discussions internationales, comme notamment un document sur l'organisation monétaire internationale (pièce jointe, document 594). On verra certains résultats de ces efforts dans le volume I I.

Vers le milieu de la guerre, il semble de plus en plus certain que, la paix restaurée, le groupement des quelques "nations unies" formera le noyau d'une organisation mondiale, sentiment que confirme la Conférence de Moscou tenue en octobre 1943 (voir section e de la partie I du chapitre II). À la fin de 1943, l'élaboration des plans pour une telle organisation n'est pas encore très avancée, mais on peut se faire une idée du rôle qui sera dévolu au Canada en tenant compte des arrangements établis pour l'Administration des Nations Unies pour le secours et la reconstruction (UNRRA) et la Commission provisoire pour l'alimentation et l'agriculture (chapitre IV). En tant que puissance économique reconnue, le Canada s'attend à participer activement aux travaux de ces deux organisations et à obtenir une représentation équivalente. Il obtient satisfaction en ce qui concerne l'Organisation pour l'alimentation et l'agriculture: le président de la délégation canadienne, G. S. Barton, est nommé membre du Comité directeur de la conférence d'organisation tenue en mai et juin 1943 à Hot Springs, en Virginie, et L. B. Pearson devient président de la Commission provisoire. Le Canada n'a pas le même succès avec UNRRA cependant. Sa demande de représentation sur le Comité central aux côtés de la Chine, de la Grande-Bretagne, de l'Union soviétique et des États-Unis n'est pas acceptée et bien que la présidence du comité des approvisionnements offre une certaine compensation, on craint que ces arrangements n'établissent un précédent qui, à l'avenir, exclurait le Canada de la direction des organisations des Nations Unies présentant pour lui un intérêt particulier. À l'extérieur du cadre des Nations Unies, les questions de statut n'entravent pas la participation du Canada aux conférences internationales dans lesquelles il a un rôle reconnu ou un intérêt évident (chapitre V). Il lui est cependant plus difficile de revendiquer la participation aux rencontres inter-américaines auxquelles il ne s'était pas intéressé auparavant. C'est d'ailleurs la raison pour laquelle le Canada n'est pas invité à la réunion des ministres des Affaires étrangères des Républiques américaines à Rio de Janeiro en décembre 1941.

Bien qu'ils compliquent les relations extérieures du pays, les liens avec le Commonwealth (chapitre VII) sont encore estimés, mais ne sont plus aussi

Nations War Crimes Commission because Commonwealth countries, but not the Soviet Federated Republics, were represented. Such problems were not pressing in discussions dealing with post-war economic questions — trade, finance and civil aviation — although there was concern in Canada lest Commonwealth consultation give the impression that a common front was being formed for dealings with the United States. While consideration of these issues did not go beyond the preliminary stage in 1943, they received close and urgent study. As a result, there were significant Canadian contributions to international discussion of the subjects concerned, for example in the paper on international monetary organization (enclosure, Document 594). Some of the fruits of these efforts will be seen in Volume 11.

During the middle years of the war, it became apparent that the loose grouping of "united nations" was likely to form the basis of a world organization once peace was restored, and that objective was endorsed by the Moscow conference in October 1943 (see Section e in Part I of Chapter II). Detailed plans for such an organization were not far advanced by the end of that year but indications of Canada's future role might be found in the arrangements for two specialized agencies, the United Nations Relief and Rehabilitation Administration (UNRRA) and the Interim Commission on Food and Agriculture (Chapter IV). As an important economic power, Canada expected to make a major contribution to the work of both these bodies and sought commensurate representation. These hopes were satisfactorily borne out in the Food and Agriculture organization: the Chairman of the Canadian delegation, G. S. Barton, was a member of the Steering Committee of the organizational conference at Hot Springs, Virginia, in May and June 1943, and L. B. Pearson was named Chairman of the Interim Commission. With UNRRA, on the other hand, there were more difficulties. Canada's claim to membership of the Central Committee (with China, Great Britain, the Soviet Union and the United States) was not accepted and, although chairmanship of the Supplies Committee might be partial compensation, there was concern lest these arrangements set a precedent for exclusion from the direction of future United Nations bodies of importance to this country. Outside the United Nations context, problems of status did not interfere with Canada's participation in international conferences in which it had an acknowledged role or an evident interest (Chapter V). It was more difficult, however, to establish a claim to participate in inter-American discussions, in which Canada hitherto had not been closely involved. As a result, Canada was not invited to the meeting of foreign ministers of the American Republics at Rio de Janeiro in December 1941.

The Commonwealth relationship (Chapter VI), although a complicating factor in Canadian external relations, was still valued but, because of the changed character of the war, was of less importance than it had been between 1939 and 1941 (see Volume 7, Chapters III-V). Relations with the United States (Chapter VII), on the other hand, assumed even greater significance now that that country was a co-belligerent. While the transition undoubtedly was aided by arrangements worked out during the years of United States neutrality (Volume 8, Chapter I), it was not without its resentments and anxieties. Most serious, perhaps, were those arising from United States involvement in defence projects in

importants que ce qu'ils étaient de 1939 à 1941 (voir le volume 7, chapitres III-V) à cause de l'allure que prend la guerre. Désormais, les relations du Canada avec les États-Unis (chapitre VII), maintenant cobelligérants, s'intensifieront. Si la transition est facilitée par certains arrangements pris lorsque les États-Unis étaient neutres (volume 8, chapitre I), elle ne s'opère pas sans heurts. Le plus grave, sans doute, vient de la participation américaine à certains projets de défense au Canada, surtout dans le nord du pays, où elle suscitera des inquiétudes non seulement au sujet de la propriété des aménagements, mais aussi de la souveraineté territoriale elle-même. Parmi les autres pays, les relations avec la France (chapitre VIII) sont encore d'une importance considérable. Deux grands problèmes se posent : l'affaire Saint-Pierre-et-Miquelon en décembre 1941, épisode pour le moins délicat des relations tant avec les États-Unis qu'avec la France, et la position à adopter à l'égard des autorités françaises en Afrique du Nord après le débarquement allié de novembre 1942. Autrement, sur le plan des relations bilatérales, la guerre du Pacifique semble prépondérante, puisqu'elle amène le Canada à nouer des liens sinon toujours harmonieux, du moins plus étroits avec ses deux grands alliés de la région, l'Australie et la Chine.

Le choix des documents est conforme aux directives énoncées au volume 7 (pp. viii-x). Comme le dit si bien mon confrère dans son introduction (p. viii), la guerre a donné lieu à un accroissement tel des communications qu'il ne saurait être question d'inclure tous les documents importants. Pour la compilation des présents textes, la tâche était d'autant plus ardue qu'il fallait rassembler tous les grands sujets dans un seul volume. Il faut dire que certains caractères propres à la période étudiée et propres aux documents de l'époque nous ont été d'un grand secours. Tout d'abord, les modalités de la participation du Canada à la guerre étaient déjà établies à la fin de 1941, ce qui nous a permis de traiter la conduite de la guerre en un seul chapitre alors que le volume 7 y est presque entièrement consacré. Deuxièmement, on commençait à peine à étudier les questions compliquées de l'après-guerre de telle sorte que les chapitres III et IV sont courts. Enfin, puisque d'une part on n'est qu'au début de l'élaboration des politiques d'après-guerre et que d'autre part il n'y a pas eu beaucoup de conférences internationales à cause de la guerre, il y a peu d'historiques et de rapports volumineux. Par conséquent, si le nombre de documents publiés est plus élevé que dans les volumes précédents, les documents sont cependant plus courts en général. Il semblait donc préférable, d'autant plus que les dossiers sont maintenant ouverts aux historiens, de condenser le tout en un seul volume offrant un résumé des principaux événements de la période et pouvant servir de guide pour la recherche dans les archives. De plus, compte tenu des coûts de production, la publication en deux volumes aurait retardé non seulement la parution de la moitié des textes reproduits ici, mais aussi celle des volumes suivants.

Non seulement avons-nous recherché la concision dans le choix des textes, mais nous nous sommes permis d'omettre certains sujets, notamment sur la conduite de la guerre. Bien sûr, en temps de guerre, la différence entre les opérations militaires et les relations diplomatiques est ténue; néanmoins, nous avons voulu nous en tenir le plus possible aux questions diplomatiques. C'est pourquoi certains épisodes bien connus de la guerre sont tout simplement

Canada. The most acute problems were in the North, where they gave rise to concern not only about the ownership of property but about sovereignty itself. Among other countries, relations with France (Chapter VIII) still had the greatest significance. Two issues were of special concern: the crisis over St. Pierre and Miquelon in December 1941, an awkward moment in Canadian relations with the United States as well as with France, and the development of policy towards the French authorities in North Africa after the Allied landing in November 1942. Otherwise, the most significant determinant of bilateral relations perhaps was involvement in the Pacific war, which brought closer, if not always harmonious, connections with Canada's two major allies in the area, Australia and China.

In selecting documents for this volume, the guidelines quoted in the Introduction to Volume 7 (pp. ix-xi) have been followed. As the editor of that volume observed (p. xi), the growth of communications was so great during the war that by no means every important document could be included. Indeed, the selection here has had to be even more rigorous in order to accommodate the main subjects within a single volume. To some extent, economy was aided by certain characteristics of the period and of the documents themselves. In the first place, many of the terms on which Canada participated in the war had been worked out by the end of 1941, making it possible to deal with the conduct of the war, the subject of most of Volume 7, in a single chapter. Secondly, the complicated issues of post-war planning were only beginning to receive consideration, with the result that Chapters III and IV, dealing with those subjects, could be kept fairly brief. Finally, partly because post-war planning was in its early stages and partly because the war discouraged the proliferation of international conferences, the number of lengthy briefing papers and reports is modest. Thus, although the total number of documents published here is larger than in any previous volume, many of them are short. In these circumstances, and because the record is now open to scholars, it seemed desirable to produce a single volume which, it was hoped, would offer a summary of the main events of the period and serve as a guide to archival research. Because of rising production costs, to have attempted two volumes would have delayed the appearance not only of half the material reproduced here but also of later volumes in the series.

As well as striving for economy in the treatment of subjects included in this volume, it has been decided to omit others entirely. The reasons for doing so, particularly with respect to subjects affecting the conduct of the war, may be of interest. Obviously, the distinction in wartime between military and diplomatic matters is sometimes a fine one, but the effort has been made to confine attention to the latter. Thus, some well-known incidents of the war are omitted altogether and others are dealt with in limited fashion: the Dieppe raid, for example, appears in the context of negotiations over prisoners of war, the fall of Hong Kong as a problem in Anglo-Canadian relations (the release of British documents to the royal commission of inquiry), and the Sicilian operation as an irritant in Canada's relations with its allies as a result of unsatisfactory publicity arrangements. Readers requiring a full account of the participation of Canadian forces in the war will wish to consult the relevant volumes of the official army and navy histories and, when it is available, the companion work on the

écartés, tandis que d'autres sont traités de façon accessoire: l'attaque sur Dieppe est abordée dans le seul contexte des négociations sur les prisonniers de guerre, la chute de Hong Kong figure comme source de difficultés dans les relations anglo-canadiennes (remise de documents britanniques à la Commission royale d'enquête) et la campagne de Sicile, comme cause de frictions entre le Canada et ses alliés par suite de différends au sujet des arrangements pour l'annonce des exploits alliés. Le lecteur désirant un compte rendu détaillé de la participation des forces canadiennes à la guerre pourra consulter les histoires officielles de l'armée et de la marine et celle de l'aviation lorsque disponible.¹ Aussi, un certain nombre de questions de grande importance pour les Canadiens ont eu peu de conséquences sur les relations extérieures. Par exemple, l'épisode de la conscription n'est abordé ici que sur le plan des visées des pays alliés souhaitant étendre au Canada l'application de leurs lois. D'autre part, en dépit de ses répercussions ultérieures (partie 10 du chapitre II), le sort réservé aux Canadiens d'origine japonaise demeurait encore en 1942-1943 un problème essentiellement interne. Aussi, bien que le ministère des Affaires extérieures s'y soit intéressé de près en 1942-1943, les questions touchant les prisonniers de guerre ne sont pas traitées de façon détaillée pour trois raisons: elles relèvent à bien des égards du domaine militaire, les négociations, menées par des tiers, furent laborieuses sans toujours donner de bons résultats et le travail, malgré son importance, était surtout d'ordre administratif. Les négociations qui ont entouré la mise aux fers des prisonniers après l'attaque sur Dieppe semblent les plus intéressantes et les plus importantes et on espère que les documents sur celles-ci sauront donner une juste idée du genre de difficultés qui se sont présentées lors des autres négociations tant avec les alliés qu'avec l'ennemi. Un autre sujet que l'on passe sous silence est la guerre politique, bien qu'elle ait beaucoup préoccupé les responsables du ministère des Affaires extérieures à l'époque. C'est qu'une fois de plus, la question empiète sur le domaine militaire et la documentation, tout en montrant l'attitude du Canada à l'égard des territoires occupés par l'ennemi vers lesquels la propagande était dirigée, semble effleurer les principales questions politiques. Enfin, même si les chapitres II, III et IV traitent amplement de ce que s'attendait le Canada en retour pour sa contribution matérielle à l'effort de guerre, on trouve peu de passages sur des ententes particulières sur la coopération pour la production de guerre. Cependant, les documents sur l'énergie atomique, probablement la plus importante et la plus exigeante des ententes de ce genre, serviront peut-être d'exemple.

Les lecteurs désireux de continuer leurs recherches trouveront dans le coin supérieur droit de chaque document un symbole indiquant la provenance. Le système adopté est le même que dans le volume 12 (p. xxxvi), et la liste intitulée "Provenance des documents" donne l'explication des symboles. Une mention dans les en-têtes accompagne les extraits. Un dague (†) à la fin d'une référence à un autre document indique que le document en question n'est pas reproduit

¹ C. P. Stacey, *Six années de guerre: L'armée au Canada, en Grande-Bretagne et dans le Pacifique*. (Ottawa: Imprimeur de la Reine, 1957); G. W. L. Nicholson, *Les Canadiens en Italie, 1943-1945*. (Ottawa: Imprimeur de la Reine, 1960); Joseph Schull, *Lointains navires: Compte rendu officiel des opérations navales canadiennes lors de la Deuxième Guerre mondiale*. (Ottawa: Imprimeur de la Reine, 1953); Gilbert Tucker, *The Naval Service of Canada*. Vol. II, (Ottawa: Imprimeur du Roi, 1952).

air force.¹ Again, a number of issues which assumed great importance for Canadians during these years had limited impact on external relations. The conscription question, for example, is represented here only as it affected the desire of allied countries to apply their own laws in Canada. The treatment of Japanese-Canadians, despite its significance for future external relations (Part 10 of Chapter II), was a matter of primarily domestic importance in 1942 and 1943. Prisoner-of-war questions were of much concern to the Department of External Affairs in 1942 and 1943 but are not dealt with here in their full variety for three reasons: to some extent they may be regarded as military matters; negotiations, conducted at length and through third parties, were often inconclusive; and much of the work, important though it was, involved routine administration. The most interesting and important negotiations, perhaps, were those involving the shackling of prisoners after the Dieppe raid and it is hoped that the documents dealing with them will offer an example of the kinds of problems involved and the difficulties encountered in negotiations on this subject — with allies as well as with enemies. Another subject which is not treated here, although it consumed much time in External Affairs, is “political warfare.” This again was seen as an adjunct to the military effort and much of the documentation, although no doubt indicative of Canadian attitudes towards the enemy-controlled territories to which propaganda was directed, seems peripheral to major questions of policy. Finally, although there is a good deal in Chapters II, III and IV about the *quid pro quo* which Canada expected from the commitment of its resources to the war effort, there is little about specific arrangements for co-operation in war production. Perhaps, however, the documents on atomic energy, arguably the most significant and also the most difficult such arrangement, will serve as an example.

To assist readers wishing to do further research, the source of each document is indicated by a symbol printed at the upper right-hand corner. The system followed is similar to that described in Volume 12 (p. xxxv), and the symbols are explained in the Location of Documents list. Indication is given in the caption when extracts only are printed. A dagger (†) after a reference to a document indicates that it has not been printed. In the text of a document, suspension points within square brackets [. . .] indicate an editorial omission. For the same reasons as in Volume 12 — the cost involved and the desirability of freeing space for additional documents — the list of documents which appeared in earlier volumes has been omitted. No attempt has been made to standardize spelling from one document to another, but obvious errors have been corrected.

As in Volumes 7 and 8, most of the documents published here are from the files of the Department of External Affairs and the Mackenzie King Papers but, as the Location of Documents list indicates, a variety of other collections is represented as well. I am grateful to the Honourable J. W. Pickersgill for granting unrestricted access to the King Papers, and to the following for permission to make use of other collections in the Public Archives of Canada: Mr. William

¹ C. P. Stacey, *Six Years of War: The Army in Canada, Britain and the Pacific*. (Ottawa: Queen's Printer, 1955); G. W. L. Nicholson, *The Canadians in Italy, 1943-1945*. (Ottawa: Queen's Printer, 1957); Joseph Schull, *The Far Distant Ships: An Official Account of Canadian Naval Operations in the Second World War*. (Ottawa: King's Printer, 1950); Gilbert Tucker, *The Naval Service of Canada*. Vol. II, (Ottawa: King's Printer, 1952).

dans ce volume. Dans le texte d'un document, des points de suspension entre crochets [. . .] indiquent une omission par le compilateur. Pour des raisons déjà énumérées dans le volume 12 — préparation coûteuse et le besoin d'espace vu le nombre de documents pertinents — il n'y a pas de liste des documents. Enfin, sans négliger les erreurs flagrantes, nous n'avons pas cherché à normaliser l'orthographe d'un document à l'autre.

Comme dans les volumes 7 et 8, la plupart des documents reproduits ici sont tirés des dossiers du ministère des Affaires extérieures et des documents de W. L. Mackenzie King, mais, comme le montre la liste "Provenance des documents," nous nous sommes servis d'autres sources. Je dois toute ma reconnaissance à l'honorable J. W. Pickersgill, qui m'a autorisé à consulter à loisir les documents King, et aux personnes et organismes suivants pour m'avoir permis de consulter d'autres collections des Archives publiques du Canada: M. William Howe et la Commission de contrôle de l'énergie atomique (Documents C. D. Howe), le sous-ministre de l'Industrie et du Commerce (Documents du ministère du Commerce) et Mme Georges P. Vanier (Documents Vanier). M. Louis Rasminsky m'a permis de consulter ses documents et de lui poser certaines questions. Beaucoup d'autres personnes ont eu l'obligeance de mettre à ma disposition leurs collections, mais dont nous n'avons pas tiré de document. Je suis particulièrement reconnaissant au directeur et au personnel du Massey College pour l'aide consentie dans la consultation des Documents Vincent Massey. La publication des documents tient compte des limitations touchant l'application de la "règle de trente ans" mentionnée par le Premier ministre lors de sa déclaration à la Chambre des Communes le 1^{er} mai 1969. Ainsi, deux documents 1540 et 1542 ne sont pas reproduits en version intégrale. D'autre part, à cause de négociations en cours lors de la préparation de ce volume, certaines modifications ont été apportées à la section a de la partie 5 du chapitre VII. Les documents 1239 et 1245 ne sont pas reproduits en version intégrale et deux documents datés du 15 décembre 1941, un memorandum sur les conclusions d'un comité interministériel sur les frontières sur la côte de l'Ouest et l'avant-propos (DEA/10471-40) furent omis. Ces quatre documents pourront être consultés une fois la question résolue. Autrement, aucun document ne fut sujet à des restrictions de la part du ministère des Affaires extérieures ou de qui que ce soit.

La préparation du présent volume était déjà en marche lorsque j'ai accepté les fonctions de compilateur. J'ai beaucoup profité des conseils de M. G. W. Hilborn et du travail consciencieux de M. Douglas Waldie lors de la sélection initiale des documents. La Direction des affaires historiques du ministère des Affaires extérieures a rendu des services inestimables; je suis reconnaissant à son ancien directeur, M. A. E. Blanchette et à ses successeurs, M. A. F. Hart et M. H. H. Carter, et au directeur adjoint, M. D. M. Page. M. F. J. McEvoy s'est révélé un collaborateur précieux pour recueillir les documents et les renseignements dont nous avons besoin. Il a aussi préparé la liste des personnalités et l'index. Avec sa compétence habituelle, tant technique que linguistique, M. Michel Rossignol a préparé le manuscrit pour l'impression. À l'extérieur du ministère, j'ai apprécié d'une façon particulière la collaboration du personnel des Archives publiques du Canada et de la direction historique du ministère de la Défense nationale. Je remercie le professeur Patricia Roy qui a bien voulu me signaler le

Howe and the Atomic Energy Control Board (C. D. Howe Papers), the Deputy Minister of Industry, Trade and Commerce (Department of Trade and Commerce Records) and Madame Georges P. Vanier (Vanier Papers). Mr. Louis Rasminsky permitted me to consult his papers and answered my questions about them. Various other collections, from which no material was selected for publication, were kindly made available by their owners. Of these, I am particularly grateful to the Master and members of Massey College for their assistance in dealing with the Vincent Massey Papers. The publication of documents is governed, of course, by the considerations affecting application of the "thirty-year rule" mentioned by the Prime Minister in his statement to the House of Commons of May 1, 1969. As a result of these considerations, two documents (Nos. 1540 and 1542) are not printed in full. Section A of Part 5 of Chapter VII was also affected since the subject was under negotiation at the time this volume was in preparation. Documents 1239 and 1245 are not printed in full and two documents dated December 15, 1941, a memorandum of conclusions of an interdepartmental committee and its covering letter (DEA/10471-40), were omitted. These four documents will be available for consultation in full once the matter is resolved. Otherwise, no documents were subject to restriction by the Department of External Affairs or other owners.

Work had already begun on this volume when I assumed responsibility as editor. I have benefitted much from the advice of G. W. Hilborn and from the very able work of Douglas Waldie in the early selection of documents. The staff and facilities of the Historical Division of the Department of External Affairs were of inestimable value in producing the volume; for ensuring their ready availability I owe much to the former Director, Dr. A. E. Blanchette, his successors as Director, A. F. Hart and H. H. Carter, and to the Deputy-Director, Dr. D. M. Page. F. J. McEvoy was of great help in locating documents and looking up answers to my many queries; he was also responsible for the List of Persons and the Index. Michel Rossignol prepared the manuscript for the printers with his customary expertise, technical and linguistic. In working outside the Department, I benefitted particularly from the co-operation of the staffs of the Public Archives of Canada and the Directorate of History of the Department of National Defence. Dr. Patricia Roy kindly directed my attention to Document 512. Responsibility for errors and omissions, of course, is mine alone as editor.

The editor of Volume 7 directed the attention of readers to two works of lasting value to anyone interested in Canadian external relations in wartime: *The Mackenzie King Record, Volume I: 1939-1944* by J.W. Pickersgill (Toronto: University of Toronto Press, 1960), and *Arms, Men and Governments: The War Policies of Canada, 1939-1945* by C.P. Stacey (Ottawa: Information Canada, 1970). Two more recent publications have been of much value to me in preparing this volume: *In Defence of Canada: Peacemaking and Deterrence* by James Eayrs (Toronto: University of Toronto Press, 1972), and *Canada's War: The Politics of the Mackenzie King Government, 1939-1945* by J. L. Granatstein (Toronto: Oxford University Press, 1975). Canadian relations with Newfoundland are covered in a separate volume: *Documents on Relations between Canada and Newfoundland* (Volume 1: 1935-1949, Defence, Civil Aviation and Economic Affairs) edited by Paul Bridle (Ottawa: Information Canada, 1974).

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document 512. Il va sans dire qu'à titre de compilateur, j'assume toute la responsabilité des erreurs ou omissions.

L'éditeur du volume 7 avait signalé aux lecteurs intéressés aux relations extérieures du Canada pendant la guerre deux livres d'une importance capitale: *The Mackenzie King Record, Volume I: 1939-1944* par J. W. Pickersgill (Toronto: University of Toronto Press, 1960), et *Armes, hommes et gouvernements: Les politiques de guerre du Canada, 1939-1945* par C. P. Stacey (Ottawa: Information Canada, 1970). Deux livres plus récents m'ont beaucoup aidé dans la préparation de ce volume: *In Defence of Canada: Peacemaking and Deterrence* par James Eayrs (Toronto: University of Toronto Press, 1972) et *Canada's War: The Politics of the Mackenzie King Government, 1939-1945* par J. L. Granatstein (Toronto: Oxford University Press, 1975). Pour les relations entre le Canada et Terre-Neuve, voir *Documents relatifs aux relations entre le Canada et Terre-Neuve* (volume 1: 1935-1949, défense, aviation civile et affaires économiques) compilé par Paul Bridle (Ottawa: Information Canada, 1974).

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PROVENANCE DES DOCUMENTS² LOCATION OF DOCUMENTS²

Documents de C. D. Howe, Archives publiques (MG 27 III B20)	C.D.H.	C. D. Howe Papers, Public Archives (MG 27 III B20)
Dossiers de l'ambassade du Canada à Washington, Archives publiques (RG 25 B2)	CEW	Canadian Embassy, Washington, Files, Public Archives (RG 25 B2)
Dossiers du ministère des Affaires extérieures	DEA	Department of External Affairs Files
Dossiers du ministère des Finances, Archives publiques (RG 19)	DF	Department of Finance Files, Public Archives (RG 19)
Direction historique, ministère de la Défence nationale	DND	Directorate of History, Department of National Defence
Dossiers du ministère du Commerce, Archives publiques (RG 20)	DTC	Department of Trade and Commerce Files, Public Archives (RG 20)
Documents de G. P. Vanier, Archives publiques (MG 32 A2)	G.P.V.	G. P. Vanier Papers, Public Archives (MG 32 A2)
Dossiers du bureau de l'immigration, ministère des Mines et des Ressources, Archives publiques (RG 76)	IB	Files of the Immigration Branch, Department of Mines and Resources, Public Archives (RG 76)
Documents de J. L. Ralston, Archives publiques (MG 27 III B11)	J.L.R.	J. L. Ralston Papers, Public Archives (MG 27 III B11)
Documents de L. B. Pearson, Archives publiques (MG 26N)	L.B.P.	L. B. Pearson Papers, Public Archives (MG 26N)
Documents de L. Rasminsky	L.R.	L. Rasminsky Papers
Dossiers du Conseil national de recherches, Archives publiques (RG 77)	NRC	National Research Council Files, Public Archives (RG 77)
Documents de O. D. Skelton-N. A. Robertson, Archives publiques (RG 25 D1)	O.D.S.-N.A.R.	O. D. Skelton-N. A. Robertson Papers, Public Archives (RG 25 D1)
Bureau du Conseil privé	PCO	Privy Council Office
Dossiers du greffe central, Bureau du Conseil privé, Archives publiques (RG 2)	PCO-CRF	Central Registry Files, Privy Council Office, Public Archives (RG 2)
Documents de W.L. Mackenzie King, Archives publiques (Notes et mémoires: MG 26 J4; lettres: MG 26 J1)	W.L.M.K.	W. L. Mackenzie King Papers, Public Archives (notes and memorandums: MG 26 J4; Letters: MG 26 J1)

² Ceci est une liste des symboles utilisés pour indiquer la provenance des documents. Les cotes des collections déposées aux Archives publiques du Canada sont entre parenthèses.

² This is a list of the symbols used to indicate the location of documents. The call numbers of collections deposited at the Public Archives of Canada are in parentheses.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions.

2. It is essential to ensure that all entries are supported by appropriate documentation and receipts.

3. Regular audits should be conducted to verify the accuracy of the records and to identify any discrepancies.

4. The second part of the document outlines the procedures for handling any errors or discrepancies that may arise.

5. It is important to investigate the cause of any errors and to take appropriate corrective action.

6. The final part of the document provides a summary of the key points and a conclusion.

7. The document concludes by emphasizing the importance of transparency and accountability in all financial reporting.

LISTE DES PERSONNALITÉS³ LIST OF PERSONS³

- ACHESON**, Dean, sous-secrétaire d'État adjoint des États-Unis, 1941-45.
- ACHESON**, Dean, Assistant Under-Secretary of State of United States, 1941-45.
- AMERY**, L. S., secrétaire d'État pour l'Inde et la Birmanie de Grande-Bretagne, 1940-45.
- AMERY**, L. S., Secretary of State for India and Burma of Great Britain, 1940-45.
- ANGUS**, H. F., adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures, 1941-45.
- ANGUS**, H. F., Special Wartime Assistant to Under-Secretary of State for External Affairs, 1941-45.
- ATHERTON**, Ray, directeur par intérim, direction des affaires européennes, département d'État des États-Unis, 1940-43; ministre des États-Unis, 1943; ambassadeur des États-Unis; 1943-48.
- ATHERTON**, Ray, Acting Chief, Division of European Affairs, Department of State of United States, 1940-43; Minister of United States, 1943; Ambassador of United States, 1943-48.
- ATHLONE**, comte d', Gouverneur général, 1940-46.
- ATHLONE**, Earl of, Governor General, 1940-46.
- ATTLEE**, Clement R., lord du Sceau privé et chef adjoint de la Chambre des Communes, Grande-Bretagne, 1940-42; secrétaire d'État aux Dominions, 1942-43; lord président du Conseil, 1943-45; Premier ministre adjoint, 1942-45.
- ATTLEE**, Clement R., Lord Privy Seal and Deputy Leader, House of Commons, Great Britain, 1940-42; Secretary of State for Dominion Affairs, 1942-43; Lord President of the Council, 1943-45; Deputy Prime Minister, 1942-45.
- AURAND**, brigadier-général H. S., président américain, comité de l'armée, Commission d'allocation des munitions, Washington, 1942; général commandant, 6th Service Command, Armée des États-Unis, 1942-44.
- AURAND**, Brigadier-General H. S., United States Chairman, Army Committee, Munitions Assignments Board, Washington, 1942; Commanding General, 6th Service Command, United States Army, 1942-44.
- BAILLIEU**, Sir Clive, directeur général, Commission d'achat de Grande-Bretagne à Washington, 1941; chef, mission britannique des matières premières, Washington, 1942-43; représentant britannique, Commission composée des matières premières, Washington, 1942-43; membre, Conseil britannique d'approvisionnements en Amérique du Nord, 1941-43.
- BAILLIEU**, Sir Clive, Director General, Purchasing Commission of Great Britain in Washington, 1941; Head, British Raw Materials Mission, Washington, 1942-43; British Representative, Combined Raw Materials Board, Washington, 1942-43; Member, British Supply Council in North America, 1941-43.
- BARTON**, G. S. H., sous-ministre de l'Agriculture, 1932-49.
- BARTON**, G. S. H., Deputy Minister of Agriculture, 1932-49.
- BATT**, W. L., représentant américain, Commission composée des matières premières; président adjoint, Commission de la production de guerre; représentant américain, Commission composée de la production et des ressources; représentant américain, Comité conjoint canado-américain sur la production.
- BATT**, W. L., United States Representative, Combined Raw Materials Board; Vice-Chairman, War Production Board; U.S. Representative, Combined Production and Resources Board; U.S. Representative, U.S.-Canada Joint Production Committee.
- BEAUDRY**, Laurent, sous-secrétaire d'État adjoint aux Affaires extérieures, 1936-47.
- BEAUDRY**, Laurent, Assistant Under-Secretary of State for External Affairs, 1936-47.
- BEAVERBROOK**, lord, ministre des Approvisionnements de Grande-Bretagne, 1941-42; lord du Sceau privé, 1943-45.
- BEAVERBROOK**, Lord, Minister of Supply of Great Britain, 1941-42; Lord Privy Seal, 1943-45.

³ Ceci est une sélection des principales personnalités canadiennes et de certaines personnalités de l'étranger souvent mentionnées dans les documents. Les notices biographiques se limitent aux fonctions qui se rapportent aux documents reproduits dans ce volume.

³ This is a selection of important Canadian personalities and some foreign personalities often mentioned in the documents. The biographical details refer only to the positions pertinent to the documents printed herein.

- BERLE, A. A.**, secrétaire d'État adjoint des États-Unis, 1938-44.
- BERTRAND, Ernest**, ministre des pêcheries, 1942-45.
- BÉTHOUART, général E. M.**, commandant français, division de Casablanca, Maroc, 1940-42; chef, mission militaire française aux États-Unis, 1943; chef, mission militaire à Casablanca, 1943-44.
- BEVIN, Ernest**, ministre du Travail et du Service national de Grande-Bretagne, 1940-45.
- BIDDULPH, R. V.**, commissaire européen, Commission canadienne du blé, 1940-53.
- BIGGAR, colonel O. M.**, président, section canadienne, Commission permanente canado-américaine de défense, 1940-45; directeur de la censure, 1942-44.
- BLAIR, F. C.**, directeur de l'immigration, bureau de l'immigration, ministère des Mines et des Ressources, 1936-43.
- BONNEAU, major Gabriel**, délégué du Comité national français, 1942-43; délégué du Comité français de libération nationale, 1943-44.
- BREADNER, maréchal de l'air L. S.**, chef de l'état-major de l'Air, 1940-43.
- BRYCE, R. B.**, économiste, ministère des Finances, 1938-46.
- BULL, William F.**, chef adjoint, bureau des permis d'exportation, ministère du Commerce, 1942-43; attaché commercial, légation aux États-Unis, 1943-45.
- BURNS, général James H.**, responsable du ravitaillement de l'armée, États-Unis, 1942-44.
- BURPEE, Lawrence J.**, secrétaire, section canadienne, Commission mixte internationale, 1912-46.
- BUTLER, B. C.**, délégué commercial à Los Angeles, 1940-42; directeur, section des exportations, Comité sur les priorités d'embarquement, ministère du Commerce, 1942-44.
- CADOGAN, Sir Alexander**, sous-secrétaire d'État permanent aux Affaires étrangères de Grande-Bretagne, 1938-46.
- CAMPBELL, Sir Ronald**, ministre, ambassade de Grande-Bretagne aux États-Unis, 1941-45.
- CAMSELL, Charles**, sous-ministre des Mines et des Ressources et commissaire, Territoires du Nord-Ouest, 1936-46.
- CANKAR, Izidor**, ministre de Yougoslavie, 1942-44.
- CARSWELL, J. B.**, directeur général, bureau de Washington, ministère des Munitions et des Approvisionnements, 1939-45.
- BERLE, A. A.**, Assistant Secretary of State of United States, 1938-44.
- BERTRAND, Ernest**, Minister of Fisheries, 1942-45.
- BÉTHOUART, General E. M.**, French Commander, Casablanca Division, Morocco, 1940-42; Chief, French Military Mission in United States, 1943; Head, Casablanca Military Mission, 1943-44.
- BEVIN, Ernest**, Minister of Labour and National Service of Great Britain, 1940-45.
- BIDDULPH, R. V.**, European Commissioner, Canadian Wheat Board, 1940-53.
- BIGGAR, Colonel O. M.**, Chairman, Canadian Section, Permanent Joint Board on Defence, 1940-45; Director of Censorship, 1942-44.
- BLAIR, F. C.**, Director of Immigration, Immigration Branch, Department of Mines and Resources, 1936-43.
- BONNEAU, Major Gabriel**, Delegate of the French National Committee, 1942-43; Delegate of the French Committee of National Liberation, 1943-44.
- BREADNER, Air Marshal L. S.**, Chief of the Air Staff, 1940-43.
- BRYCE, R. B.**, Economist, Department of Finance, 1938-46.
- BULL, William F.**, Assistant Chief, Export Permit Branch, Department of Trade and Commerce, 1942-43; Commercial Attaché, Legation in United States, 1943-45.
- BURNS, General James H.**, Chief of Army Ordnance, United States, 1942-44.
- BURPEE, Lawrence J.**, Secretary, Canadian Section, International Joint Commission, 1912-46.
- BUTLER, B. C.**, Trade Commissioner in Los Angeles, 1940-42; Director, Export Section, Shipping Priorities Committee, Department of Trade and Commerce, 1942-44.
- CADOGAN, Sir Alexander**, Permanent Under-Secretary of State for Foreign Affairs of Great Britain, 1938-46.
- CAMPBELL, Sir Ronald**, Minister, Embassy of Great Britain in United States, 1941-45.
- CAMSELL, Charles**, Deputy Minister of Mines and Resources and Commissioner, Northwest Territories, 1936-46.
- CANKAR, Izidor**, Minister of Yugoslavia, 1942-44.
- CARSWELL, J. B.**, Director General, Washington Office, Department of Munitions and Supply, 1939-45.

- CHANG Kai-chek**, généralissime, président, Conseil suprême chinois de la défense nationale, 1939-47; président, Conseil national des affaires militaires, 1932-46; président, yuan exécutif, 1939-45; président, gouvernement national de la république de Chine, 1943-48.
- CHIPMAN**, Warwick F., ministre au Chili, 1942-44.
- CLARK**, Lewis, deuxième secrétaire, légation des États-Unis, 1943-45; chargé d'affaires des États-Unis, 1943.
- CLARK**, W. C., sous-ministre des Finances et secrétaire du Conseil du Trésor, 1932-52.
- COE**, Frank, adjoint spécial de l'ambassadeur et de l'attaché financier, ambassade des États-Unis en Grande-Bretagne, 1941-42; secrétaire exécutif, Comité conjoint canado-américain sur la production de guerre, 1942; adjoint du directeur, Commission de guerre économique des États-Unis, 1942-43; Administrateur adjoint, administration économique outre-mer, 1943-45.
- COLDWELL**, M. J., chef, fédération du commonwealth coopératif (CCF), 1940-58.
- COLEMAN**, E. H., sous-secrétaire d'État, 1933-49.
- CRANBORNE**, lord, secrétaire d'État aux Dominions de Grande-Bretagne, 1940-42; secrétaire d'État pour les colonies, 1942; lord du Sceau privé, 1942-43; secrétaire d'État aux Dominions, 1943-45; chef de la Chambre des lords, 1942-45.
- CRERAR**, Thomas A., ministre des Mines et des Ressources, 1936-45.
- CRIPPS**, Sir Stafford, ambassadeur de Grande-Bretagne en Union soviétique, 1940-42; lord du Sceau privé et chef de la Chambre des Communes, 1942; ministre de la Production aéronautique, 1942-45.
- CURRIE**, lieutenant-colonel G. S., sous-ministre de la défense nationale (Armée), 1942-44.
- CURRIE**, Lauchlin, adjoint administratif du président des États-Unis, 1939-45; administrateur suppléant, Administration économique outre-mer, 1943-44.
- CURTIN**, John, premier ministre et ministre de la défense d'Australie, 1941-45.
- DARLAN**, amiral Jean, amiral de la flotte française, 1939-42; premier ministre suppléant, ministre de la Défense nationale et ministre des Affaires étrangères de France, 1941-42; haut commissaire pour l'Afrique du Nord française, 1942.
- CHIANG Kai-shek**, Generalissimo, Chairman, Chinese Supreme National Defence Council, 1939-47; Chairman, National Military Affairs Council, 1932-46; President, Executive Yuan, 1939-45; Chairman, National Government of Republic of China, 1943-48.
- CHIPMAN**, Warwick F., Minister in Chile, 1942-44.
- CLARK**, Lewis, Second Secretary, Legation of United States, 1943-45; Chargé d'Affaires of United States, 1943.
- CLARK**, W. C., Deputy Minister of Finance and Secretary of the Treasury Board, 1932-52.
- COE**, Frank, Special Assistant to Ambassador and Financial Attaché, Embassy of United States in Great Britain, 1941-42; Executive Secretary, Canada-U.S. Joint War Production Committee, 1942; Assistant to Director, United States Board of Economic Warfare, 1942-43; Assistant Administrator, Foreign Economic Administration, 1943-45.
- COLDWELL**, M. J., Leader, Cooperative Commonwealth Federation (CCF), 1940-58.
- COLEMAN**, E. H., Under-Secretary of State, 1933-49.
- CRANBORNE**, Lord, Secretary of State for Dominion Affairs of Great Britain, 1940-42; Secretary of State for the Colonies, 1942; Lord Privy Seal, 1942-43; Secretary of State for Dominion Affairs, 1943-45; Leader of the House of Lords, 1942-45.
- CRERAR**, Thomas A., Minister of Mines and Resources, 1936-45.
- CRIPPS**, Sir Stafford, Ambassador of Great Britain in Soviet Union, 1940-42; Lord Privy Seal and Leader of the House of Commons, 1942; Minister of Aircraft Production, 1942-45.
- CURRIE**, Lieutenant-Colonel G. S., Deputy Minister of National Defence (Army), 1942-44.
- CURRIE**, Lauchlin, Administrative Assistant to President of the United States, 1939-45; Deputy Administrator, Foreign Economic Administration, 1943-44.
- CURTIN**, John, Prime Minister and Minister for Defence of Australia, 1941-45.
- DARLAN**, Admiral Jean, Commander-in-Chief, French Naval Forces, 1939-42; Deputy Prime Minister, Minister of National Defence and Minister of Foreign Affairs of France, 1941-42; High Commissioner for French North Africa, 1942.

- DAVILA, Fernandez, consul général du Pérou, 1941-44.
- DAVIS, T. C., sous-ministre associé des Services de guerre nationaux, 1940-42; haut commissaire en Australie, 1942-46.
- DE BOURNAT, comte Gilbert, administrateur, Saint-Pierre-et-Miquelon, 1937-41.
- DECARTERET, S. L., sous-ministre de la Défense nationale pour l'Air, 1941-44.
- DE GAULLE, général Charles, président, Comité national français et commandant en chef des forces françaises libres, 1940-43; président, Comité français de libération nationale et Comité de la Défense nationale, 1943-44.
- DE LAGENESTE, H., premier secrétaire, légation de France, 1936-42.
- DE MELLO FRANCO, Caio, ministre du Brésil, 1942-44.
- DEPASTA, George, ministre de Grèce, 1942-45.
- DESROSIERS, lieutenant-colonel H. S., sous-ministre par intérim associé de la Défense nationale (milice), 1940-42; sous-ministre de la Défense nationale (Armée), 1942-45.
- DÉSY, Jean, ministre au Brésil, 1941-44.
- DEUTSCH, J. J., adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures, 1942-44.
- DE VALÉRA, Éamon, premier ministre et ministre des Affaires extérieures d'Irlande, 1937-48.
- DILL, Sir John, représentant britannique, Comité conjoint des chefs d'état-major, Washington, 1942-44.
- DRURY, major C. M., attaché militaire adjoint, légation aux États-Unis, 1941-42.
- DUFF, Sir Patrick, haut commissaire adjoint de Grande-Bretagne, 1941-44.
- DUPUY, Pierre, chargé d'affaires auprès des gouvernements de Belgique, des Pays-Bas et de France, 1940-42; premier secrétaire, légation auprès des gouvernements alliés, Londres, 1942-43; conseiller et chargé d'affaires, 1943-44.
- EBERTS, Christopher, vice-consul avec rang local de consul par intérim à Saint-Pierre-et-Miquelon, 1941-42; troisième secrétaire, ministère des Affaires extérieures, 1942-43; deuxième secrétaire, légation auprès des gouvernements alliés, Londres, 1943-44.
- EDEN, Anthony, secrétaire d'État aux Affaires étrangères de Grande-Bretagne, 1940-45.
- DAVILA, Fernandez, Consul General of Peru, 1941-44.
- DAVIS, T. C., Associate Deputy Minister of National War Services, 1940-42; High Commissioner in Australia, 1942-46.
- DE BOURNAT, Count Gilbert, Administrator, St. Pierre and Miquelon, 1937-41.
- DECARTERET, S. L., Deputy Minister of National Defence for Air, 1941-44.
- DE GAULLE, General Charles, President, French National Committee and Commander-in-Chief of Free French Forces, 1940-43; President, French Committee of National Liberation and Committee of National Defence, 1943-44.
- DE LAGENESTE, H., First Secretary, Legation of France, 1936-42.
- DE MELLO FRANCO, Caio, Minister of Brazil, 1942-44.
- DEPASTA, George, Minister of Greece, 1942-45.
- DESROSIERS, Lieutenant-Colonel H. S., Associate Acting Deputy Minister of National Defence (Militia), 1940-42; Deputy Minister of National Defence (Army), 1942-45.
- DÉSY, Jean, Minister in Brazil, 1941-44.
- DEUTSCH, J. J., Special Wartime Assistant to Under-Secretary of State for External Affairs, 1942-44.
- DE VALÉRA, Éamon, Prime Minister and Minister of External Affairs of Ireland, 1937-48.
- DILL, Sir John, British Representative, Combined Chiefs of Staff Committee, Washington, 1942-44.
- DRURY, Major C. M., Assistant Military Attaché, Legation in United States, 1941-42.
- DUFF, Sir Patrick, Deputy High Commissioner of Great Britain, 1941-44.
- DUPUY, Pierre, Chargé d'Affaires accredited to Governments of Belgium, The Netherlands and France 1940-42; First Secretary, Legation to the Allied Governments, London, 1942-43; Counsellor and Chargé d'Affaires, 1943-44.
- EBERTS, Christopher, Vice-Consul with local rank of Acting Consul, St. Pierre and Miquelon, 1941-42; Third Secretary, Department of External Affairs, 1942-43; Second Secretary, Legation to Allied Governments, London, 1943-44.
- EDEN, Anthony, Secretary of State for Foreign Affairs of Great Britain, 1940-45.

- EDWARDS, lieutenant-commander C. P., sous-ministre des Transports, 1941-48.
- EISENHOWER, général Dwight D., commandant, forces américaines, théâtre européen des opérations, 1942; commandant en chef, forces alliées en Afrique du Nord, 1942-44.
- EMBICK, lieutenant-général S. D., représentant principal de l'armée américaine, Commission permanente canado-américaine de défense, 1940-42.
- EVATT, H. V., ministre des Affaires extérieures et procureur général d'Australie, 1941-49.
- FEAVER, H. F., deuxième secrétaire, légation au Japon, 1940-42; deuxième secrétaire, ministère des Affaires extérieures, 1942-45.
- FINN, D. B., sous-ministre des Pêcheries, 1940-46.
- FOSTER, major-général W. W., commissaire spécial pour les projets de défense dans le Nord-Ouest du Canada, 1943-45.
- FRASER, Karl, directeur de l'administration, Commission d'aide mutuelle, 1943-46.
- FRASER, Peter, premier ministre de Nouvelle-Zélande, 1940-49.
- GARDINER, J. G., ministre de l'Agriculture, 1935-57.
- GIRAUD, général Henri, commandant en chef, forces armées françaises unies, 1943-44; coprésident, Comité français de libération nationale, 1943.
- GLASGOW, Sir William, haut commissaire d'Australie, 1940-45.
- GLAZEBROOK, G. de T., adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures, 1942-46.
- GOUSEV, Feodor, chef, deuxième département européen, commissariat du peuple pour les affaires étrangères de l'Union soviétique, 1939-42; ministre d'Union soviétique, 1942-43; ambassadeur d'Union soviétique en Grande-Bretagne, 1943-46.
- GROENMAN, F. E. H., ministre des Pays-Bas, 1939-43.
- GROVE VALLEJOS, Eduardo, ministre du Chili, 1942-43.
- HALIFAX, vicomte, ambassadeur de Grande-Bretagne aux États-Unis, 1941-46.
- HALL, Noel, ministre responsable du département du Commerce de guerre, ambassade de Grande-Bretagne aux États-Unis, 1941-43; conseiller sur le développement, Afrique de l'Ouest, 1943-45.
- EDWARDS, Lieutenant-Commander C. P., Deputy Minister of Transport, 1941-48.
- EISENHOWER, General Dwight D., Commander, United States Forces, European Theatre of Operations, 1942; Commander-in-Chief, Allied forces in North Africa, 1942-44.
- EMBICK, Lieutenant-General S. D., Senior United States Army Member, Permanent Joint Board on Defence, 1940-42.
- EVATT, H. V., Minister for External Affairs and Attorney-General of Australia, 1941-49.
- FEAVER, H. F., Second Secretary, Legation in Japan, 1940-42; Second Secretary, Department of External Affairs, 1942-45.
- FINN, D. B., Deputy Minister of Fisheries, 1940-46.
- FØSTER, Major-General W. W., Special Commissioner for Defence Projects in Northwest Canada, 1943-45.
- FRASER, Karl, Director of Administration, Mutual Aid Board, 1943-46.
- FRASER, Peter, Prime Minister of New Zealand, 1940-49.
- GARDINER, J. G., Minister of Agriculture, 1935-57.
- GIRAUD, General Henri, Commander-in-Chief of United French Armed Forces, 1943-44; Co-Chairman, French Committee of National Liberation, 1943.
- GLASGOW, Sir William, High Commissioner of Australia, 1940-45.
- GLAZEBROOK, G. de T., Special Wartime Assistant to Under-Secretary of State for External Affairs, 1942-46.
- GOUSEV, Feodor, Chief, Second European Department, People's Commissariat for Foreign Affairs of Soviet Union, 1939-42; Minister of Soviet Union, 1942-43; Ambassador of Soviet Union in Great Britain, 1943-46.
- GROENMAN, F. E. H., Minister of The Netherlands, 1939-43.
- GROVE VALLEJOS, Eduardo, Minister of Chile, 1942-43.
- HALIFAX, Viscount, Ambassador of Great Britain in United States, 1941-46.
- HALL, Noel, Minister in charge of War Trade Department, Embassy of Great Britain in United States, 1941-43; Development Adviser, West Africa, 1943-45.

- HANKEY**, Lord, payeur général de Grande-Bretagne, 1941-42; président, Comité scientifique consultatif et comité consultatif du génie, 1941-42; Comité du personnel technique, 1941-52; Comité sur les bureaux impériaux d'agriculture, 1943; Conseil de recherches des produits coloniaux, 1943-53.
- HANSEN**, Alvin H., président américain, Comités économiques conjoints, 1941-43.
- HARDINGE**, Sir Alexander, secrétaire privé du Roi George VI, 1936-43.
- HAWKINS**, Harry C., chef, direction de la politique commerciale et des accords, département d'État des États-Unis, 1941-44.
- HEARNE**, J. J., haut commissaire d'Irlande, 1939-50.
- HEENEY**, A. D. P., greffier du Conseil privé et secrétaire du Cabinet, 1940-49; secrétaire, Comité de guerre du Cabinet, 1940-45.
- HENRY-HAYE**, Gaston, ambassadeur de France aux États-Unis, 1940-42.
- HICKERSON**, John D., chef adjoint, direction des affaires européennes, département d'État des États-Unis, 1937-44; secrétaire, section américaine, Commission permanente canado-américaine de défense, 1940-46.
- HOARE**, Sir Samuel, ambassadeur de Grande-Bretagne en Espagne, 1940-44.
- HOLMES**, J. W., secrétaire national, Institut canadien des affaires internationales, 1941-44; assistant, ministère des Affaires extérieures, 1943-44.
- HOPKINS**, Harry, conseiller et assistant du président des États-Unis, 1941-45.
- HOPPENOT**, Henri, délégué du Comité français de libération nationale aux États-Unis, 1943-44.
- HOWE**, C. D., ministre des Munitions et des Approvisionnements, 1940-45.
- HULL**, Cordell, secrétaire d'État des États-Unis, 1933-44.
- ICKES**, Harold, secrétaire de l'Intérieur des États-Unis, 1933-46.
- IGNATIEFF**, George, troisième secrétaire, haut commissariat en Grande-Bretagne, 1940-43; deuxième secrétaire, 1943-44.
- ILSLEY**, J. L., ministre des Finances, 1940-46.
- ISMAY**, général Sir Hastings L., chef d'état-major du ministre de Défense de Grande-Bretagne, 1940-46.
- JEBB**, Gladwyn, conseiller par intérim, Foreign Office, Grande-Bretagne, 1941-42; chef, département de la reconstruction, 1942-43; conseiller, 1943-45.
- HANKEY**, Lord, Paymaster-General of Great Britain, 1941-42; Chairman, Scientific Advisory Committee and Engineering Advisory Committee, 1941-42; Technical Personnel Committee, 1941-52; Committee on Imperial Agricultural Bureaux, 1943; Colonial Products Research Council, 1943-53.
- HANSEN**, Alvin H., United States Chairman, Joint Economic Committees, 1941-43.
- HARDINGE**, Sir Alexander, Private Secretary to King George VI, 1936-43.
- HAWKINS**, Harry C., Chief, Division of Commercial Policy and Agreements, Department of State of United States, 1941-44.
- HEARNE**, J. J., High Commissioner of Ireland, 1939-50.
- HEENEY**, A. D. P., Clerk of the Privy Council and Secretary to the Cabinet, 1940-49; Secretary, Cabinet War Committee, 1940-45.
- HENRY-HAYE**, Gaston, Ambassador of France in United States, 1940-42.
- HICKERSON**, John D., Assistant Chief, Division of European Affairs, Department of State of United States, 1937-44; Secretary, United States Section, Permanent Joint Board on Defence, 1940-46.
- HOARE**, Sir Samuel, Ambassador of Great Britain in Spain, 1940-44.
- HOLMES**, J. W., National Secretary, Canadian Institute of International Affairs, 1941-43; Assistant, Department of External Affairs, 1943-44.
- HOPKINS**, Harry, Adviser and Assistant to President of the United States, 1941-45.
- HOPPENOT**, Henri, Delegate of French Committee of National Liberation in United States, 1943-44.
- HOWE**, C. D., Minister of Munitions and Supply, 1940-45.
- HULL**, Cordell, Secretary of State of United States, 1933-44.
- ICKES**, Harold, Secretary of the Interior of United States, 1933-46.
- IGNATIEFF**, George, Third Secretary, High Commission in Great Britain, 1940-43; Second Secretary, 1943-44.
- ILSLEY**, J. L., Minister of Finance, 1940-46.
- ISMAY**, General Sir Hastings L., Chief of Staff to Minister of Defence of Great Britain, 1940-46.
- JEBB**, Gladwyn, Acting Counsellor, Foreign Office, Great Britain, 1941-42; Head, Reconstruction Department, 1942-43; Counsellor, 1943-45.

- JOHNSON, D. M., attaché, haut commissariat en Grande-Bretagne, 1941-43.
- JOHNSON, D. M., Attaché, High Commission in Great Britain, 1941-43.
- JOLLIFFE, A. L., commissaire de l'immigration et contrôleur principal de l'immigration chinoise, bureau de l'immigration, ministère des Mines et des Ressources, 1936-43.
- JOLLIFFE, A. L., Commissioner of Immigration and Chief Controller of Chinese Immigration, Immigration Branch, Department of Mines and Resources, 1936-43.
- KEARNEY, J. D., haut commissaire en Irlande, 1941-45.
- KEARNEY, J. D., High Commissioner in Ireland, 1941-45.
- KEENLEYSIDE, H. L., sous-secrétaire d'État adjoint aux Affaires extérieures, 1941-44; secrétaire, section canadienne, Commission permanente canado-américaine de défense, 1940-45.
- KEENLEYSIDE, H. L., Assistant Under-Secretary of State for External Affairs, 1941-44; Secretary, Canadian Section, Permanent Joint Board on Defence, 1940-45.
- KEYNES, lord, conseiller, trésorerie de Grande-Bretagne, 1940-46.
- KEYNES, Lord, Adviser, Treasury of Great Britain, 1940-46.
- KING, William Lyon Mackenzie, Premier ministre, 1935-48; secrétaire d'État aux Affaires extérieures, 1935-46.
- KING, William Lyon Mackenzie, Prime Minister, 1935-48; Secretary of State for External Affairs, 1935-46.
- KNOX, Franklin, secrétaire de la Marine des États-Unis, 1940-44.
- KNOX, Franklin, Secretary of the Navy of United States, 1940-44.
- LAFLÈCHE, major-général L. R., sous-ministre associé des services de guerre nationaux, 1940-42; ministre des services de guerre nationaux, 1942-45.
- LAFLÈCHE, Major-General L. R., Deputy Minister of National War Services, 1940-42; Minister of National War Services, 1942-45.
- LA GUARDIA, F. H., maire de New York, 1934-45; président, section américaine, Commission permanente canado-américaine de défense, 1940-47.
- LA GUARDIA, F. H., Mayor of New York, 1934-45; Chairman, American Section, Permanent Joint Board on Defence, 1940-47.
- LANGSTONE, Frank, haut commissaire de Nouvelle-Zélande, 1942-43.
- LANGSTONE, Frank, High Commissioner of New Zealand, 1942-43.
- LASCELLES, Sir Alan, secrétaire privé adjoint du Roi George VI, 1936-43; secrétaire privé, 1943-52.
- LASCELLES, Sir Alan, Assistant Private Secretary to King George VI, 1936-43; Private Secretary, 1943-52.
- LAUREYS, Henry, haut commissaire en Afrique du Sud, 1940-44.
- LAUREYS, Henry, High Commissioner in South Africa, 1940-44.
- LAVAL, Pierre, premier ministre, ministre des Affaires étrangères, ministre de l'Intérieur et ministre de l'Information et de la Propagande de France, 1942-43.
- LAVAL, Pierre, Prime Minister, Foreign Minister, Minister of the Interior and Minister of Information and Propaganda of France, 1942-43.
- LEAHY, amiral William D., ambassadeur des États-Unis en France, 1940-42; chef d'état-major du Président des États-Unis, 1942-49.
- LEAHY, Admiral William D., Ambassador of United States in France, 1940-42; Chief of Staff of President of United States, 1942-49.
- LEATHERS, lord, ministre du Transport de guerre de Grande-Bretagne, 1941-45.
- LEATHERS, Lord, Minister of War Transport of Great Britain, 1941-45.
- LECKIE, maréchal de l'Air Robert, chef par intérim de l'état-major de l'Air, 1943.
- LECKIE, Air Marshal Robert, Acting Chief of the Air Staff, 1943.
- LEITH-ROSS, Sir Frederick, directeur général, ministère de la Guerre économique de Grande-Bretagne, 1939-42; président, Comité interallié sur les besoins de l'après-guerre, 1941-43.
- LEITH-ROSS, Sir Frederick, Director General, Ministry of Economic Warfare of Great Britain, 1939-42; Chairman, Inter-Allied Post-War Requirements Committee, 1941-43.

- LEPAN, D. V., conseiller personnel sur l'éducation de l'officier général commandant en chef, première armée canadienne, 1942-43; affecté au haut commissariat en Grande-Bretagne pour liaison, 1943.
- LEPAN, D. V., Personal Adviser on Education to General Officer Commanding-in-Chief, First Canadian Army, 1942-43; attached to High Commission in Great Britain in liaison capacity, 1943.
- LETSON, brigadier H. F., attaché militaire, légation aux États-Unis, 1940-42; adjudant-général, 1942-44.
- LETSON, Brigadier H. F., Military Attaché, Legation in United States, 1940-42; Adjutant General, 1942-44.
- LITVINOV, Maxim, ambassadeur de l'Union soviétique aux États-Unis, 1941-43; commissaire suppléant du peuple aux Affaires étrangères de l'Union soviétique, 1943-46.
- LITVINOV, Maxim, Ambassador of Soviet Union in United States, 1941-43; Deputy People's Commissar of Foreign Affairs of Soviet Union, 1943-46.
- LIU Shih-shun, ministre de Chine, 1942-44.
- LIU Shih-shun, Minister of China, 1942-44.
- LLEWELLIN, John J., ministre des Approvisionnements résidant à Washington, 1942-43; ministre des Aliments de Grande-Bretagne, 1943-45.
- LLEWELLIN, John J., Minister for Supply of Great Britain resident in Washington, 1942-43; Minister of Food of Great Britain, 1943-45.
- LONG, Breckenridge, secrétaire d'État adjoint des États-Unis, 1940-44.
- LONG, Breckenridge, Assistant Secretary of State of United States, 1940-44.
- LYTTLETON, Oliver, ministre d'État de Grande-Bretagne, 1941-42; ministre de la Production, 1942-45.
- LYTTLETON, Oliver, Minister of State of Great Britain, 1941-42; Minister of Production, 1942-45.
- MACARTHUR, général Douglas, commandant en chef des forces des États-Unis et des Philippines, 1941-42; commandant suprême des forces alliées dans le sud-ouest du Pacifique, 1942-45.
- MACARTHUR, General Douglas, Commander-in-Chief, United States and Philippine Forces, 1941-42; Supreme Commander, Allied Forces in South-West Pacific, 1942-45.
- MACDONALD, Angus L., ministre de la Défense nationale pour les Services navals, 1940-45.
- MACDONALD, Angus L., Minister of National Defence for Naval Services, 1940-45.
- MACDONALD, J. S., conseiller, ministère des Affaires extérieures, 1940-44.
- MACDONALD, J. S., Counsellor, Department of External Affairs, 1940-44.
- MACDONALD, Malcolm, haut commissaire de Grande-Bretagne, 1941-46.
- MACDONALD, Malcolm, High Commissioner of Great Britain, 1941-46.
- MACDONNELL, R. M., deuxième secrétaire, légation aux États-Unis, 1940-42; premier secrétaire, 1943; premier secrétaire, légation en Union soviétique, 1943; premier secrétaire, ministère des Affaires extérieures, 1943-47.
- MACDONNELL, R. M., Second Secretary, Legation in United States, 1940-42; First Secretary, 1943; First Secretary, Legation in Soviet Union, 1943; First Secretary, Department of External Affairs, 1943-47.
- MACKAY, R. A., adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures, 1943-46.
- MACKAY, R. A., Special Wartime Assistant to Under-Secretary of State for External Affairs, 1943-46.
- MACKENZIE, (Dean) C. J., président par intérim, Conseil national de recherches, 1939-44.
- MACKENZIE, (Dean) C. J., Acting President, National Research Council, 1939-44.
- MACKENZIE, Ian, ministre des Pensions et de la Santé nationale, 1939-44.
- MACKENZIE, Ian, Minister of Pensions and National Health, 1939-44.
- MACKINNON, James A., ministre du Commerce, 1940-48.
- MACKINNON, James A., Minister of Trade and Commerce, 1940-48.
- MACKINTOSH, W. A., adjoint spécial du sous-ministre des Finances, 1939-44; président, comité canadien, Comités économiques conjoints.
- MACKINTOSH, W. A., Special Assistant to Deputy Minister of Finance, 1939-44; Chairman, Canadian Committee, Joint Economic Committees.

- MACMILLAN**, Harold, secrétaire parlementaire, ministère des Approvisionnements de Grande-Bretagne, 1940-42; sous-secrétaire d'État parlementaire, les colonies, 1942; ministre résidant au quartier général allié en Afrique du Nord-Ouest, 1942-45.
- MACREADY**, lieutenant-général Sir Gordon, chef adjoint de l'état-major général impérial, 1940-42; chef de l'état-major de l'armée britannique, Washington, 1942-46.
- MAISKY**, Ivan, ambassadeur de l'Union soviétique en Grande-Bretagne, 1932-43; commissaire adjoint du peuple aux Affaires étrangères de l'Union soviétique, 1943-46.
- MARSHALL**, général George C., chef d'état-major des États-Unis, 1939-45.
- MASARYK**, Jan, ministre des Affaires étrangères de Tchécoslovaquie, 1940-48.
- MASSEY**, Vincent, haut commissaire en Grande-Bretagne, 1935-46.
- MASSIGLI**, René, commissaire des Affaires étrangères, Comité national français, 1943; commissaire des Affaires étrangères, Comité français de libération nationale, 1943-44.
- MASTER**, Oliver, sous-ministre adjoint du Commerce, 1941-57; sous-ministre par intérim du Commerce, 1942-45.
- MATTHEWS**, W. D., superviseur, Commission de contrôle du change étranger, 1939-43; adjoint spécial du sous-secrétaire d'État aux Affaires extérieures, 1943-48.
- MAVOR**, colonel Wilfrid, directeur des services de ravitaillement (approvisionnement techniques), 1941-42; maître général suppléant du ravitaillement, 1942-45.
- MCCARTHY**, Leighton, ministre aux États-Unis, 1941-43; ambassadeur, 1943-44.
- MCIVOR**, George H., commissaire principal, Commission canadienne du blé, 1937-58.
- MCLARTY**, N. A., secrétaire d'État, 1941-45.
- MCNAUGHTON**, général A. G. L., commandant, corps canadien, 1941; officier général commandant en chef, première armée canadienne (outré-mer), 1942-43.
- MEYER**, D. de Waal, représentant accrédité de l'Afrique du Sud, 1938-45.
- MICHAUD**, J. E., ministre des Pêcheries, 1935-42; ministre des Transports, 1942-45.
- MILLAR**, F. R. H., conseiller, ambassade de Grande-Bretagne aux États-Unis, 1941-42; secrétaire, secrétariat civil britannique, Washington, 1943.
- MACMILLAN**, Harold, Parliamentary Secretary, Ministry of Supply of Great Britain, 1940-42; Parliamentary Under-Secretary of State, Colonies, 1942; Minister Resident at Allied Headquarters, North-West Africa, 1942-45.
- MACREADY**, Lieutenant-General Sir Gordon, Assistant Chief of Imperial General Staff, 1940-42; Chief of British Army Staff, Washington, 1942-46.
- MAISKY**, Ivan, Ambassador of Soviet Union in Great Britain, 1932-43; Assistant People's Commissar for Foreign Affairs of Soviet Union, 1943-46.
- MARSHALL**, General George C., United States Chief of Staff, 1939-45.
- MASARYK**, Jan, Minister of Foreign Affairs of Czechoslovakia, 1940-48.
- MASSEY**, Vincent, High Commissioner in Great Britain, 1935-46.
- MASSIGLI**, René, Commissioner for Foreign Affairs, French National Committee, 1943; Commissioner for Foreign Affairs, French Committee of National Liberation, 1943-44.
- MASTER**, Oliver, Assistant Deputy Minister of Trade and Commerce, 1941-57; Acting Deputy Minister of Trade and Commerce, 1942-45.
- MATTHEWS**, W. D., Supervisor, Foreign Exchange Control Board, 1939-43; Special Assistant to Under-Secretary of State for External Affairs, 1943-48.
- MAVOR**, Colonel Wilfrid, Director of Ordnance Services (Technical Stores), 1941-42; Deputy Master-General of the Ordnance, 1942-45.
- MCCARTHY**, Leighton, Minister in United States, 1941-43; Ambassador, 1943-44.
- MCIVOR**, George H., Chief Commissioner, Canadian Wheat Board, 1937-58.
- MCLARTY**, N. A., Secretary of State, 1941-45.
- MCNAUGHTON**, General A. G. L., Commander, Canadian Corps, 1941; General Officer Commanding-in-Chief, First Canadian Army (Overseas), 1942-43.
- MEYER**, D. de Waal, Accredited Representative of South Africa, 1938-45.
- MICHAUD**, J. E., Minister of Fisheries, 1935-42; Minister of Transport, 1942-45.
- MILLAR**, F. R. H., Counsellor, Embassy of Great Britain in United States, 1941-42; Secretary, British Civil Secretariat, Washington, 1943.

- MILLS, W. G.**, sous-ministre de la Défense nationale (services navals), 1941-47.
- MITCHELL, Humphrey**, ministre du Travail, 1941-48.
- MOFFAT, J. Pierrepont**, ministre des États-Unis, 1940-43.
- MOLOTOV, V. M.**, commissaire du peuple aux Affaires étrangères de l'Union soviétique, 1939-49.
- MONTAGUE, major général P. J.**, officier principal combattant, quartier général militaire canadien, Londres, 1940-43; major général responsable de l'administration, 1943-44.
- MORGENTHAU, Henry, Jr.**, secrétaire du trésor des États-Unis, 1934-45.
- MORRISON, Herbert**, secrétaire de l'Intérieur et ministre de la Sécurité interne de Grande-Bretagne, 1940-45.
- MOUNTBATTEN, lord Louis**, commodore, opérations interarmes, 1941-42; chef des opérations interarmes et membre, Comité des chefs d'état-major, Grande-Bretagne, 1942-43; commandant allié suprême, Asie du Sud-Est, 1943-46.
- MUNRO, R. G.**, conseiller financier, haut commissariat de Grande-Bretagne, 1941-45.
- MURPHY, Robert**, représentant des États-Unis à Alger, 1940-42; représentant personnel du président en Afrique du Nord, 1942-43; officier principal des affaires civiles, Alger, 1942-43; conseiller politique, état-major du commandant allié suprême, théâtre méditerranéen, 1942-43; membre américain, Conseil consultatif, Commission alliée de contrôle en Italie, 1943-44.
- MUSELIER, amiral Émile H.**, commandant en chef, forces navales françaises libres, 1940-42.
- NASH, Walter**, ministre de Nouvelle-Zélande aux États-Unis, 1942-44.
- NELLES, vice-amiral P. W.**, chef de l'état-major naval, 1934-44.
- NELSON, Donald**, président, Commission de la production de guerre des États-Unis, 1942-44.
- NOGUÈS, général Auguste**, résident général, Maroc, 1936-43; commandant en chef, Afrique du Nord, 1939-43; membre, Conseil impérial français et haut commissaire adjoint pour l'Afrique du Nord, 1942-43.
- ODLUM, major-général V. W.**, haut commissaire en Australie, 1941-42; ministre en Chine, 1942-43; ambassadeur en Chine, 1943-46.
- MILLS, W. G.**, Deputy Minister of National Defence (Naval Services), 1941-47.
- MITCHELL, Humphrey**, Minister of Labour, 1941-48.
- MOFFAT, J. Pierrepont**, Minister of United States, 1940-43.
- MOLOTOV, V. M.**, People's Commissar for Foreign Affairs of Soviet Union, 1939-49.
- MONTAGUE, Major-General P. J.**, Senior Combatant Officer, Canadian Military Headquarters, London, 1940-43; Major-General in Charge of Administration, 1943-44.
- MORGENTHAU, Henry, Jr.**, Secretary of the Treasury of United States, 1934-45.
- MORRISON, Herbert**, Home Secretary and Minister of Home Security of Great Britain, 1940-45.
- MOUNTBATTEN, Lord Louis**, Commodore, Combined Operations, 1941-42; Chief of Combined Operations and member, British Chiefs of Staff Committee, 1942-43; Supreme Allied Commander, Southeast Asia, 1943-46.
- MUNRO, R. G.**, Financial Adviser, High Commission of Great Britain, 1941-45.
- MURPHY, Robert**, United States Representative in Algiers, 1940-42; Personal Representative of the President in North Africa, 1942-43; Chief Civil Affairs Officer, Algiers, 1942-43; Political Adviser, Staff of Supreme Allied Commander, Mediterranean Theatre, 1942-43; United States Member, Advisory Council, Allied Control Commission for Italy, 1943-44.
- MUSELIER, Admiral Émile H.**, Commander-in-Chief, Free French Naval Forces, 1940-42.
- NASH, Walter**, Minister of New Zealand in United States, 1942-44.
- NELLES, Vice-Admiral P. W.**, Chief of the Naval Staff, 1934-44.
- NELSON, Donald**, Chairman, United States War Production Board, 1942-44.
- NOGUÈS, General Auguste**, French Resident General, Morocco, 1936-43; Commander-in-Chief, North Africa, 1939-43; Member, French Imperial Council and Deputy High Commissioner for North Africa, 1942-43.
- ODLUM, Major-General V. W.**, High Commissioner in Australia, 1941-42; Minister in China, 1942-43; Ambassador in China, 1943-46.

- OLDS**, brigadier général R. F., commandant, Ferrying Command, United States Army Air Corps, 1941-43.
- PAVLASEK**, Frantisek, consul général de Tchécoslovaquie, 1936-42; ministre de Tchécoslovaquie, 1942-46.
- PEARSON**, Lester B., sous-secrétaire d'État adjoint aux Affaires extérieures, 1941-42; ministre-conseiller, légation aux États-Unis, 1942-44.
- PEERS**, Roy, gérant chef, War Supplies Limited, 1941-43; directeur exécutif, comité conjoint sur la Production de guerre, 1942-43; nommé officier de liaison entre l'Agence chinoise du ravitaillement et le gouvernement canadien, 1943.
- PERKINS**, Milo, président, section américaine, Comité conjoint sur la production de guerre, 1941-42; directeur exécutif, Commission de guerre économique, 1941-43.
- PÉTAÏN**, maréchal Henri Philippe, chef de l'État français, 1940-44; premier ministre, 1940-41.
- PHILLIPS**, Sir Frederick, représentant de la Trésorerie de Grande-Bretagne aux États-Unis, 1940-43.
- PIERRENÉ**, colonel Philippe Henri, (pseudonyme du colonel J. E. Martin-Prevel), représentant du Comité national français, 1941-42.
- PILET GOLAZ**, Marcel, directeur, département fédéral de la politique de Suisse, 1940-44.
- PINSENT**, Gerald H., membre, mission alimentaire britannique, 1942-43; secrétaire adjoint principal, Board of Trade, 1943-44.
- PLUMPTRE**, A. F. W., conseiller canadien, Bureau d'administration des prix, Washington, 1940-41; attaché financier, légation aux États-Unis, 1942-44; représentant à Washington, commission en temps de guerre des prix et du commerce, 1942-45.
- PODOSKI**, Victor, consul général de Pologne, 1939-42; ministre de Pologne, 1942-45.
- POPE**, major général Maurice, chef adjoint de l'état-major général, 1941; sous-chef de l'état-major général, 1942; président, mission canadienne conjointe des états-majors, Washington, 1942-44; représentant principal de l'armée canadienne, Commission permanente canado-américaine de défense, 1941-45.
- POWER**, C. G., ministre de la Défense nationale pour l'Air et ministre associé de la Défense nationale, 1940-44.
- OLDS**, Brigadier General R. F., Commander, Ferrying Command, United States Army Air Corps, 1941-43.
- PAVLASEK**, Frantisek, Consul General of Czechoslovakia, 1936-42; Minister of Czechoslovakia, 1942-46.
- PEARSON**, Lester B., Assistant Under-Secretary of State for External Affairs, 1941-42; Minister-Counsellor, Legation in United States, 1942-44.
- PEERS**, Roy, General Manager, War Supplies Limited, 1941-43; Executive Director, Joint War Production Committee, 1942-43; appointed Liaison Officer between Chinese War Supplies Agency, Ottawa, and Canadian Government, 1943.
- PERKINS**, Milo, Chairman, United States Section, Joint War Production Committee, 1941-42; Executive Director, Board of Economic Warfare, 1941-43.
- PÉTAÏN**, Marshal Henri Philippe, Chief of the French State, 1940-44; Prime Minister, 1940-41.
- PHILLIPS**, Sir Frederick, Representative of Treasury of Great Britain in United States, 1940-43.
- PIERRENÉ**, Colonel Philippe Henri, (pseudonym of Colonel J. E. Martin-Prevel), Representative of the French National Committee, 1941-42.
- PILET GOLAZ**, Marcel, Director, Federal Political Department, Switzerland, 1940-44.
- PINSENT**, Gerald H., Member, British Food Mission, 1942-43; Principal Assistant Secretary, Board of Trade, 1943-44.
- PLUMPTRE**, A. F. W., Canadian Consultant, Office of Price Administration, Washington, 1940-41; Financial Attaché, Legation in United States, 1942-44; Washington Representative, Wartime Prices and Trade Board, 1942-45.
- PODOSKI**, Victor, Consul General of Poland, 1939-42; Minister of Poland, 1942-45.
- POPE**, Major-General Maurice, Assistant Chief of the General Staff, 1941; Vice-Chief of the General Staff, 1942; Chairman, Canadian Joint Staff Mission, Washington, 1942-44; Senior Canadian Army Member, Permanent Joint Board on Defence, 1941-45.
- POWER**, C. G., Minister of National Defence for Air and Associate Minister of National Defence, 1940-44.

- RAE, S. F.**, troisième secrétaire, ministère des Affaires extérieures, 1940-43; deuxième secrétaire, bureau du représentant auprès du Comité français de libération nationale, Alger, 1943-44.
- RALSTON, J. L.**, ministre de la Défense nationale, 1940-44.
- RASMINSKY, L.**, adjoint du président, Commission de contrôle du change étranger, 1941-42; président suppléant, 1942-47; adjoint exécutif du gouverneur de la Banque du Canada, 1943-54.
- READ, J. E.**, conseiller juridique, ministère des Affaires extérieures, 1926-46.
- REDFERN, Sir Shuldham**, secrétaire du Gouverneur général, 1935-45.
- REID, Escott**, deuxième secrétaire, ministère des Affaires extérieures, 1941-44.
- RIBBENTROP, Joachim von**, ministre des Affaires étrangères d'Allemagne, 1938-45.
- RIDDELL, W. A.**, haut commissaire en Nouvelle-Zélande, 1940-46.
- RISTELHUEBER, René**, ministre de France, 1940-42.
- RITCHIE, C. S. A.**, deuxième secrétaire, haut commissariat en Grande-Bretagne, 1939-43; premier secrétaire, 1943-45.
- RIVE, Alfred**, premier secrétaire, ministère des Affaires extérieures, 1940-44.
- ROBERT, amiral Georges**, commandant en chef, forces navales françaises dans l'Atlantique occidental, 1939-43; commandant suprême des îles françaises de l'hémisphère occidental, 1940-43.
- ROBERTSON, Norman A.**, sous-secrétaire d'État aux Affaires extérieures, 1941-46.
- ROBERTSON, R. G.**, troisième secrétaire, ministère des Affaires extérieures, 1941-45.
- ST. LAURENT, Louis S.**, ministre de la Justice et procureur général, 1941-46.
- SAVARY, lieutenant Alain**, administrateur, Saint-Pierre-et-Miquelon, 1941-43.
- SCOTT, H. A.**, attaché commercial, légation aux États-Unis, 1941-43; conseiller commercial, 1943-48.
- SCULLY, H. D.**, commissaire des douanes, ministère du Revenu national, 1933-43; consul général à New York, 1943-49.
- SELF, Sir Henry**, directeur général, Commission de l'Air britannique, Washington, 1940-41; affecté à la mission conjointe des états-majors britanniques, Washington, 1942; secrétaire permanent du ministère de la Produc-
- RAE, S. F.**, Third Secretary, Department of External Affairs, 1940-43; Second Secretary, Office of the Representative to the French Committee of National Liberation, Algiers, 1943-44.
- RALSTON, J. L.**, Minister of National Defence, 1940-44.
- RASMINSKY, L.**, Assistant to Chairman, Foreign Exchange Control Board, 1941-42; Alternate Chairman, 1942-47; Executive Assistant to Governor of Bank of Canada, 1943-54.
- READ, J. E.**, Legal Adviser, Department of External Affairs, 1926-46.
- REDFERN, Sir Shuldham**, Secretary to Governor General, 1935-45.
- REID, Escott**, Second Secretary, Department of External Affairs, 1941-44.
- RIBBENTROP, Joachim von**, Minister of Foreign Affairs of Germany, 1938-45.
- RIDDELL, W. A.**, High Commissioner in New Zealand, 1940-46.
- RISTELHUEBER, René**, Minister of France, 1940-42.
- RITCHIE, C. S. A.**, Second Secretary, High Commission in Great Britain, 1939-43; First Secretary, 1943-45.
- RIVE, Alfred**, First Secretary, Department of External Affairs, 1940-44.
- ROBERT, Admiral Georges**, Commander-in-Chief, French Naval Forces in Western Atlantic, 1939-43; Supreme Commander of French Islands in the Western Hemisphere, 1940-43.
- ROBERTSON, Norman A.**, Under-Secretary of State for External Affairs, 1941-46.
- ROBERTSON, R. G.**, Third Secretary, Department of External Affairs, 1941-45.
- ST. LAURENT, Louis S.**, Minister of Justice and Attorney-General, 1941-46.
- SAVARY, Lieutenant Alain**, Administrator, St. Pierre and Miquelon, 1941-43.
- SCOTT, H. A.**, Commercial Attaché, Legation in United States, 1941-43; Commercial Counsellor, 1943-48.
- SCULLY, H. D.**, Commissioner of Customs, Department of National Revenue, 1933-43; Consul General in New York, 1943-49.
- SELF, Sir Henry**, Director General, British Air Commission, Washington, 1940-41; attached to British Joint Staff Mission, Washington, 1942; Permanent Secretary to Ministry of Production of Great Britain, 1942-43; Dep-

- tion de Grande-Bretagne, 1942-43; suppléant du ministre de la Production sur la Commission composée de la production et des ressources, Washington, 1943-45.
- SHEILS, G. K.**, sous-ministre des Munitions et des Approvisionnements, 1940-45.
- SHUCKBURGH, C. A. E.**, secrétaire adjoint, haut commissariat de Grande-Bretagne, 1940-42.
- SIKORSKI**, général Wladyslaw, premier ministre de Pologne, 1939-43.
- SILVERCRUYS**, baron Robert de, ministre de Belgique, 1937-43.
- SINCLAIR, Sir Robert**, directeur général du ravitaillement, office de guerre de Grande-Bretagne, 1939-42; suppléant pour ministre de la Production sur la commission composée de la production et des ressources, Washington, 1942-43.
- SKELTON, Alex**, directeur du département de la recherche, Banque du Canada, 1935-44; membre, Comités économiques conjoints, 1941-44; adjoint du directeur, service national de sélection, 1941-42.
- SMUTS**, général Jan Christiaan, premier ministre, ministre des Affaires extérieures et ministre de la Défense d'Afrique du Sud, 1939-48.
- SOONG, T. V.**, ministre des Affaires étrangères de Chine, 1941-44.
- SOWARD, F. H.**, adjoint spécial en temps de guerre du sous-secrétaire d'État aux Affaires extérieures, 1943-46.
- SPAACK, Paul-Henri**, ministre des Affaires étrangères de Belgique, 1939-46.
- STALINE**, maréchal Joseph V., membre du Politburo du Parti communiste soviétique, 1917-52; secrétaire général du Comité central du Parti communiste soviétique, 1922-53; président, Comité de la défense de l'État, commissaire du peuple pour la défense de l'Union soviétique et commandant en chef, 1941-46.
- STANLEY, Oliver**, secrétaire d'État aux Colonies de Grande-Bretagne, 1942-45.
- STEEN, Daniel**, consul général de Norvège, 1934-42; ministre de Norvège, 1942-49.
- STETTINIUS, Edward R., Jr.**, administrateur américain du prêt-bail et adjoint spécial du président des États-Unis, 1941-43; sous-secrétaire d'État des États-Unis, 1943-44.
- uty for Minister of Production on Combined Production and Resources Board, Washington, 1943-45.
- SHEILS, G. K.**, Deputy Minister of Munitions and Supply, 1940-45.
- SHUCKBURGH, C. A. E.**, Assistant Secretary, High Commission of Great Britain, 1940-42.
- SIKORSKI**, General Wladyslaw, Prime Minister of Poland, 1939-43.
- SILVERCRUYS**, Baron Robert de, Minister of Belgium, 1937-43.
- SINCLAIR, Sir Robert**, Director General of Army Requirements, British War Office, 1939-42; Deputy for Minister of Production on Combined Production and Resources Board, Washington, 1942-43.
- SKELTON, Alex**, Chief of Research Department, Bank of Canada, 1935-44; Member, Joint Economic Committees, 1941-44; Assistant to Director, National Selective Service, 1941-42.
- SMUTS**, General Jan Christiaan, Prime Minister, Minister of External Affairs and Minister of Defence of South Africa, 1939-48.
- SOONG, T. V.**, Minister of Foreign Affairs of China, 1941-44.
- SOWARD, F. H.**, Special Wartime Assistant to Under-Secretary of State for External Affairs, 1943-46.
- SPAACK, Paul-Henri**, Minister of Foreign Affairs of Belgium, 1939-46.
- STALIN**, Marshal Joseph V., Member of the Politburo of the Soviet Communist Party, 1917-52; General Secretary of the Central Committee of the Soviet Communist Party, 1922-53; Chairman, State Defence Committee, People's Commissar for the Defence of the Soviet Union and Commander-in-Chief, 1941-46.
- STANLEY, Oliver**, Secretary of State for the Colonies of Great Britain, 1942-45.
- STEEN, Daniel**, Consul General of Norway, 1934-42; Minister of Norway, 1942-49.
- STETTINIUS, Edward R., Jr.**, United States Lend-Lease Administrator and Special Assistant to President of United States, 1941-43; Under-Secretary of State of United States, 1943-44.

- STEWART, Bryce**, sous-ministre du Travail, 1940-42.
- STIMSON, H. L.**, secrétaire de la Guerre des États-Unis, 1940-45.
- STONE, T. A.**, premier secrétaire, ministère des Affaires extérieures, 1939-43.
- STRANG, Sir William**, sous-secrétaire d'État adjoint, Foreign Office de Grande-Bretagne, 1939-43; représentant britannique, Commission consultative européenne, 1943-45.
- STUART, lieutenant général Kenneth**, sous-chef de l'état-major général, 1941; chef de l'état-major général, 1941-43; chef d'état-major, Quartier général militaire canadien, Londres, 1943-44.
- STURDEVANT, brigadier général C. L.**, chef adjoint, corps de génie des États-Unis, 1940-44.
- STURGEON, Leo**, adjoint du secrétaire d'État adjoint et conseiller sur les pêcheries internationales, département d'État des États-Unis, 1941-45.
- SYMINGTON, H. J.**, président, Trans-Canada Airlines, 1941-47.
- TAYLOR, E. P.**, chef et président suppléant, Conseil britannique d'approvisionnements en Amérique du Nord, Washington, 1941-42; directeur général, mission du ministère d'Approvisionnements de Grande-Bretagne, Washington, 1942; membre suppléant canadien, Commission composée de la production et des ressources, Washington, 1942-43; président canadien, Comité conjoint d'aide en temps de guerre, 1943.
- THORSON, J. T.**, ministre des Services de guerre nationaux, 1941-42; président, cour de l'échiquier du Canada, 1942-64.
- TIXIER, P. A.**, délégué du Comité national français aux États-Unis, 1942-43.
- TURGEON, W. F. A.**, ministre en Argentine, 1941-44; ministre au Chili, 1941-42.
- TURK, Sidney**, conseiller, Commission de contrôle du change étranger, 1940-52.
- VANIER, brigadier Georges P.**, ministre auprès des gouvernements alliés et représentant auprès du Comité national français, Londres, 1943; représentant auprès du Comité français de libération nationale, Alger, 1943-44.
- VARCOE, F. P.**, sous-ministre de la Justice, 1942-57.
- VARGAS, Getulio Dormellao**, président du Brésil, 1930-45.
- STEWART, Bryce**, Deputy Minister of Labour, 1940-42.
- STIMSON, H. L.**, Secretary of War of United States, 1940-45.
- STONE, T. A.**, First Secretary, Department of External Affairs, 1939-43.
- STRANG, Sir William**, Assistant Under-Secretary of State, Foreign Office of Great Britain, 1939-43; British Representative, European Advisory Commission, 1943-45.
- STUART, Lieutenant-General Kenneth**, Vice-Chief of the General Staff, 1941; Chief of the General Staff, 1941-43; Chief of Staff, Canadian Military Headquarters, London, 1943-44.
- STURDEVANT, Brigadier-General C. L.**, Assistant Chief, United States Engineer Corps, 1940-44.
- STURGEON, Leo**, Assistant to Assistant Secretary of State and Consultant on International Fisheries, Department of State of United States, 1941-45.
- SYMINGTON, H. J.**, President, Trans-Canada Airlines, 1941-47.
- TAYLOR, E. P.**, President and Vice-Chairman, British Supply Council in North America, Washington, 1941-42; Director General, Mission of Ministry of Supply of Great Britain, Washington, 1942; Canadian Deputy Member on Combined Production and Resources Board, Washington, 1942-43; Canadian Chairman, Joint War Aid Committee, 1943.
- THORSON, J. T.**, Minister of National War Services, 1941-42; President, Exchequer Court of Canada, 1942-64.
- TIXIER, P. A.**, Delegate of French National Committee in United States, 1942-43.
- TURGEON, W. F. A.**, Minister in Argentina, 1941-44; Minister in Chile, 1941-42.
- TURK, Sidney**, Adviser, Foreign Exchange Control Board, 1940-52.
- VANIER, Brigadier Georges P.**, Minister to Allied Governments and Representative to French National Committee, London, 1943; Representative to French Committee of National Liberation, Algiers, 1943-44.
- VARCOE, F. P.**, Deputy Minister of Justice, 1942-57.
- VARGAS, Getulio Dormellao**, President of Brazil, 1930-45.

- VINING, Charles, conseiller du président, Commission des prix et du commerce en temps de guerre, 1941-42; président, Commission d'information en temps de guerre, 1942-43.
- VYSHINSKY, Andrey Y., commissaire adjoint principal du peuple aux Affaires étrangères d'Union soviétique, 1940-46.
- WELLES, Sumner, sous-secrétaire d'État des États-Unis, 1937-43.
- WERSHOF, Max, troisième secrétaire, ministère des Affaires extérieures, 1937-42; deuxième secrétaire, légation aux États-Unis, 1943-44.
- WHITE, Harry, directeur de la recherche monétaire, département du Trésor des États-Unis, 1940-42; adjoint spécial du secrétaire du Trésor, 1942; adjoint, 1943-45.
- WICKARD, C. R., secrétaire de l'Agriculture des États-Unis, 1940-45.
- WILGRESS, L. D., sous-ministre du Commerce, 1940-42; ministre en Union soviétique, 1942-44.
- WILSON, C. F., chef, bureau agricole, bureau fédéral de la statistique, 1940-43; directeur, direction du blé et du grain, ministère du Commerce, 1943-52.
- WINANT, James G., ambassadeur des États-Unis en Grande-Bretagne, 1941-46.
- WOOLTON, lord, ministre des Aliments de Grande-Bretagne, 1940-43; ministre de la Reconstruction, 1943-45.
- WORSHAM, brigadier général L. D., ingénieur de la division, division d'ingénieurs du Nord-Ouest, corps d'ingénieurs de l'armée des États-Unis.
- WRONG, H. Hume, ministre-conseiller, légation aux États-Unis, 1941-42; sous-secrétaire d'État adjoint aux Affaires extérieures, 1942-44.
- WYKMAN, Per, consul général de Suède, 1941-43; ministre de Suède, 1943-51.
- VINING, Charles, Adviser to Chairman, War-time Prices and Trade Board, 1941-42; Chairman, Wartime Information Board, 1942-43.
- VYSHINSKY, Andrey Y., First Deputy People's Commissar of Foreign Affairs of Soviet Union, 1940-46.
- WELLES, Sumner, Under-Secretary of State of United States, 1937-43.
- WERSHOF, Max, Third Secretary, Department of External Affairs, 1937-42; Second Secretary, Legation in United States, 1943-44.
- WHITE, Harry, Director of Monetary Research, Department of the Treasury of United States, 1940-42; Special Assistant to Secretary of the Treasury, 1942; Assistant, 1943-45.
- WICKARD, C. R., Secretary of Agriculture of United States, 1940-45.
- WILGRESS, L. D., Deputy Minister of Trade and Commerce, 1940-42; Minister in Soviet Union, 1942-44.
- WILSON, C. F., Chief, Agricultural Bureau, Dominion Bureau of Statistics, 1940-43; Director, Wheat and Grain Division, Department of Trade and Commerce, 1943-52.
- WINANT, James G., Ambassador of United States in Great Britain, 1941-46.
- WOOLTON, Lord, Minister of Food of Great Britain, 1940-43; Minister of Reconstruction, 1943-45.
- WORSHAM, Brigadier-General L. D., Division Engineer, Northwest Engineer Division, United States Army Corps of Engineers.
- WRONG, H. Hume, Minister-Counsellor, Legation in United States, 1941-42; Assistant Under-Secretary of State for External Affairs, 1942-44.
- WYKMAN, Per, Consul General of Sweden, 1941-43; Minister of Sweden, 1943-51.

ILLUSTRATIONS

Les photos avec un numéro de négatif proviennent de la Collection nationale de photographies des Archives publiques du Canada.

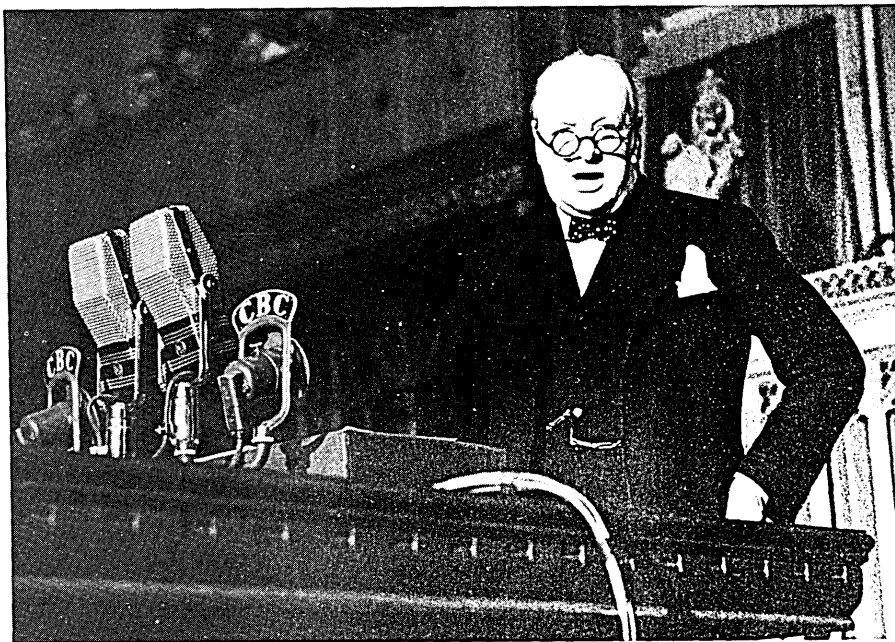
Photos with a negative number are from the National Photography Collection of the Public Archives of Canada.



CP Photo

Winston Churchill et Mackenzie King entrent dans l'Édifice de l'Est des Édifices du Parlement à Ottawa le 29 décembre 1941 pour participer à une réunion spéciale du Comité de guerre du Cabinet.

Winston Churchill and Mackenzie King enter the East Block of the Parliament Buildings in Ottawa on December 29, 1941, to attend a special meeting of the Cabinet War Committee.



C-22140

Winston Churchill adressant les sénateurs et députés réunis à la Chambre des Communes le 30 décembre 1941.

Winston Churchill addressing Senators and Members of Parliament assembled in the House of Commons on December 30, 1941.

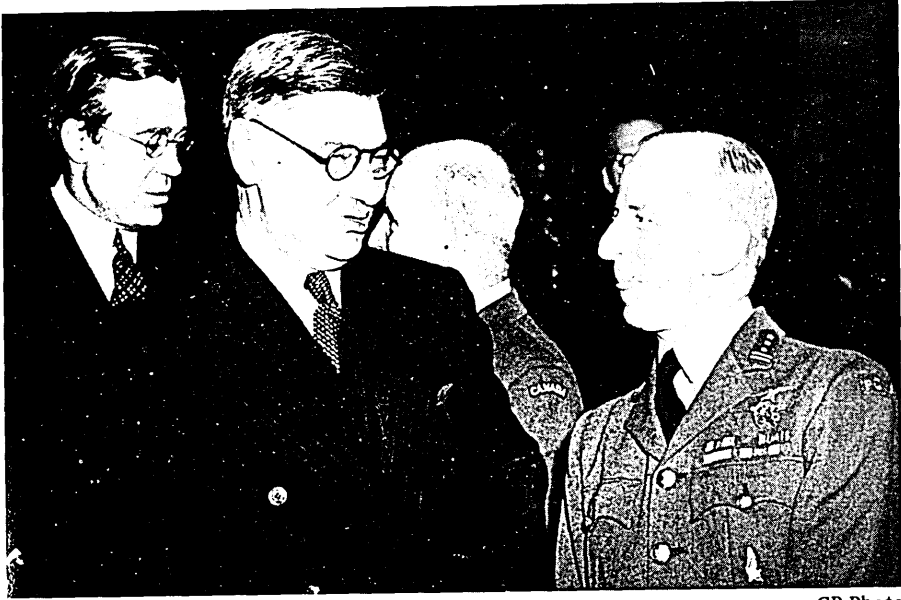


C-16670

Réunion du Conseil de guerre du Pacifique à Washington le 25 juin 1942. Assis: Winston Churchill, Franklin D. Roosevelt. Debouts, de g. à d.: Sir Owen Dixon, ministre de l'Australie aux États-Unis, Leighton McCarthy, Mackenzie King, Lord Halifax, T. V. Soong, Manuel Quezon, président des Philippines.

Press Association, Inc.

Meeting of the Pacific War Council in Washington on June 25, 1942. Seated: Winston Churchill, Franklin D. Roosevelt. Standing, l. to r.: Sir Owen Dixon, Minister of Australia in United States, Leighton McCarthy, Mackenzie King, Lord Halifax, T. V. Soong, Manuel Quezon, President of The Philippines.



CP Photo

C. G. Power s'entretient avec Group Captain Stefan Sznuck, chef de la mission aérienne polonaise, lors de la Conférence d'Ottawa sur l'entraînement aérien en mai 1942.

C. G. Power in conversation with Group Captain Stefan Sznuck, Chief of the Polish Air Mission, during the Ottawa Air Training Conference in May 1942.



Ministère de la Défense nationale

Des membres de la CPCAD avec le major général W. W. Foster et le brigadier général L. D. Worsham. Première rangée, de g. à d.: Foster, Worsham, F. H. La Guardia, colonel O. M. Biggar, vice-amiral A. W. Johnson, marine des E.-U., major général G. V. Henry, armée des E.-U. Deuxième rangée, de g. à d.: major général M. A. Pope, J. D. Hickerson, H. L. Keenleyside, colonel J. H. Jenkins (adjoint de Pope). La photo fut prise probablement pendant des réunions spéciales sur les projets de défense dans le Nord-Ouest du Canada à Ottawa les 17 et 18 mai 1943.

Department of National Defence

Members of PJBd with Major-General W. W. Foster and Brigadier-General L. D. Worsham. First row, l. to r.: Foster, Worsham, F. H. La Guardia, Colonel O. M. Biggar, Vice-Admiral A. W. Johnson, U.S. Navy, Major-General G. V. Henry, U.S. Army. Second row, l. to r.: Major-General M. A. Pope, J. D. Hickerson, H. L. Keenleyside, Colonel J. H. Jenkins (assistant to Pope). Photo was apparently taken during special meetings on defence projects in Northwest Canada held in Ottawa, May 17 and 18, 1943.



Mackenzie King accueille Cordell Hull à son arrivée à Québec pour la Conférence de Québec en août 1943.

Mackenzie King greets Cordell Hull on his arrival in Quebec for the Quebec Conference of August 1943.

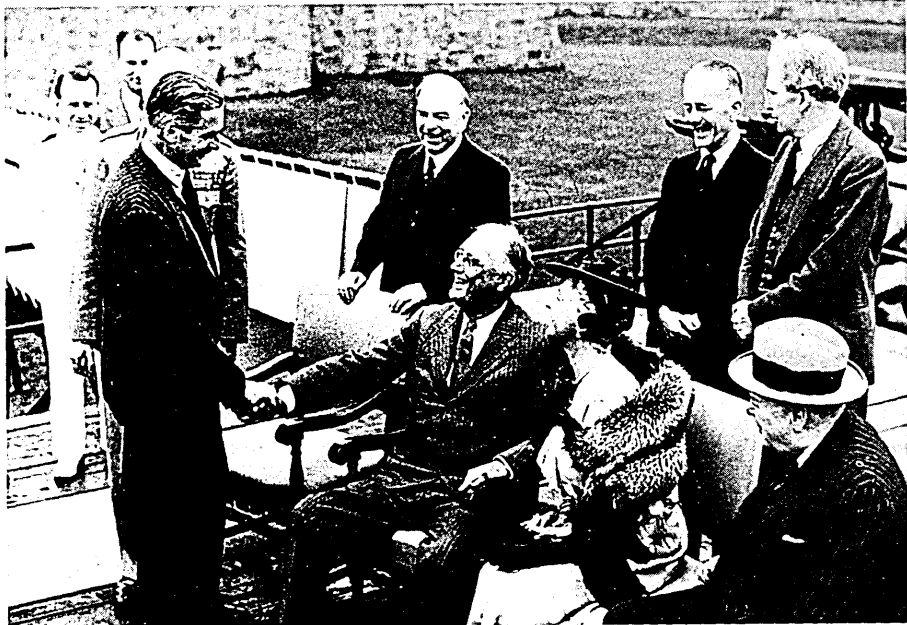
C-21526



C-29466

Le Gouverneur général laisse sa résidence à la Citadelle à la disposition de la Conférence. On voit ici le comte d'Athlone avec ses trois invités, Franklin D. Roosevelt, Mackenzie King et Winston Churchill.

The Governor General placed his residence at the Citadel at the disposal of the Conference. The Earl of Athlone is seen here with his three guests, Franklin D. Roosevelt, Mackenzie King and Winston Churchill.



C-763

Le Président Roosevelt accueille Anthony Eden à son arrivée à Québec le 18 août. A côté du Président sont la princesse Alice, la femme du Gouverneur général, et Winston Churchill. Debouts, à côté de Mackenzie King, sont Sir Alexander Cadogan et Brendan Bracken, ministre de l'Information de Grande-Bretagne.

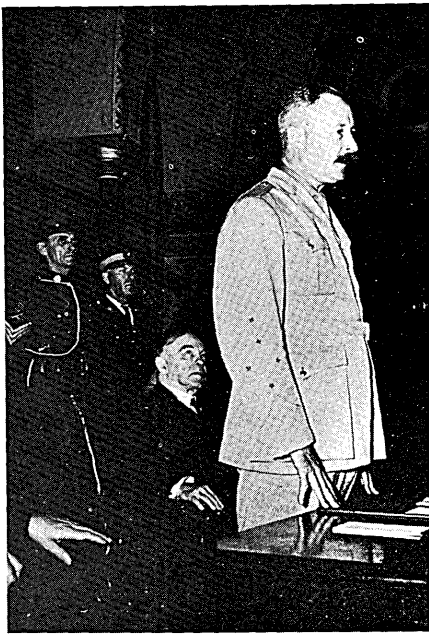
President Roosevelt greets Anthony Eden on his arrival in Quebec on August 18. Beside the President are Princess Alice, wife of the Governor General, and Winston Churchill. Standing beside Mackenzie King are Sir Alexander Cadogan and Brendan Bracken, Minister of Information of Great Britain.



C-16710

Les chefs d'état-majors, de g. à d., maréchal de l'air L. S. Breadner, vice-amiral P. W. Nelles, lieutenant-général K. Stuart, s'entre-tiennent avec Mme Churchill et Mackenzie King.

The Chiefs of Staff, l. to r., Air Marshall L. S. Breadner, Vice-Admiral P. W. Nelles, Lieutenant-General K. Stuart, in conversation with Mrs. Churchill and Mackenzie King.



Le général Henri Giraud et Mackenzie King participèrent à une conférence de presse le 15 juillet 1943 lors de la visite du général à Ottawa.

General Henri Giraud and Mackenzie King gave a press conference on July 15, 1943, during the General's visit to Ottawa.

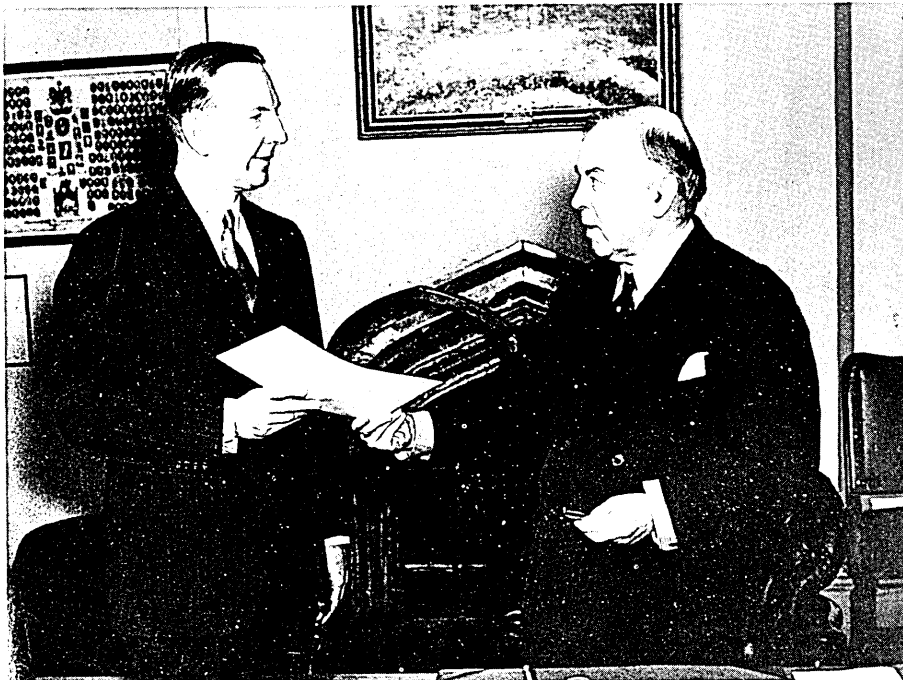
C-47561



CP Photo

Mackenzie King accueille T. V. Soong et deux de ses filles lors d'une visite à Ottawa.

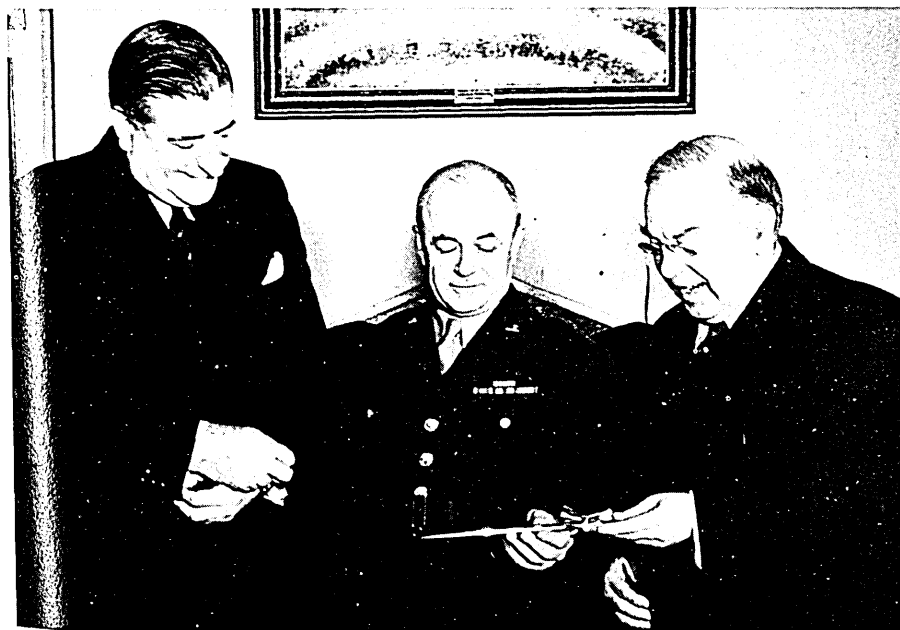
Mackenzie King greets T. V. Soong and two of his daughters during a visit to Ottawa.



C-15135

Pierrepoint Moffat et Mackenzie King échan- gent les notes sur les conditions pour la construction de la Grand-route de l'Alaska en mars 1942.

Pierrepoint Moffat and Mackenzie King exchange notes on the terms for the construction of the Alaska Highway in March 1942.



Le brigadier général J. A. O'Connor de l'armée des États-Unis présente à Mackenzie King une lame des ciseaux en or dont on s'était servi pour couper le ruban lors de l'ouverture de la Grand-route de l'Alaska le 20 novembre 1943. Ian Mackenzie, à gauche, avait représenté le Canada à la cérémonie.

CP Photo
 Brigadier-General J. A. O'Connor of the United States Army presents to Mackenzie King a blade of the golden shears used to cut the ribbon at the opening of the Alaska Highway on November 20, 1943. Ian Mackenzie, left, had represented Canada at the ceremony.



CP Photo

Ivan Maisky (à gauche) et Vincent Massey portent un toast à l'accord du 8 septembre 1942 sur la vente de blé canadien à l'Union soviétique.

Ivan Maisky (left) and Vincent Massey drink a toast to the agreement of September 8, 1942, for the sale of Canadian wheat to the Soviet Union.



CP Photo

Baptême de la princesse Margriet Francisca, fille de la princesse royale Juliana des Pays-Bas et du Prince Bernard, née à Ottawa le 19 janvier 1943. Un Décret en Conseil avait accordé l'exterritorialité à la chambre de la maternité afin que la naissance ait lieu en territoire néerlandais.

Christening of Princess Margriet Francisca, daughter of Princess Juliana of The Netherlands and Prince Bernard, born in Ottawa on January 19, 1943. An Order in Council had granted exterritoriality to a room in the maternity ward so that the birth could take place in Dutch territory.

CHAPITRE I/CHAPTER I

CONDUITE DES RELATIONS EXTÉRIEURES
CONDUCT OF EXTERNAL RELATIONS

PARTIE I/PART I
REPRÉSENTATION DIPLOMATIQUE
DIPLOMATIC REPRESENTATION

SECTION A
GOUVERNEMENTS EN EXIL
GOVERNMENTS-IN-EXILE

1.

DEA/4600-A-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 224

Ottawa, October 17, 1942

CONFIDENTIAL. His Majesty's Government in Canada propose to appoint a Minister to the Governments of the following Allied countries in London: Czechoslovakia, Greece, Norway, Poland and Yugoslavia. The intention is to accredit the same Minister to the five countries referred to and to Belgium and the Netherlands to succeed Mr. Jean Désy.

It is requested that the wishes of the Canadian Government be submitted for His Majesty's approval. When His Majesty's approval has been received, it is requested that each of the Governments of the first five countries referred to above be advised as follows: Quote

His Majesty's Government in Canada have come to the conclusion that it is desirable that the handling of matters at London relating to Canada should be confided to an Envoy Extraordinary and Minister Plenipotentiary accredited to the Government of (name of country).

Such a Minister would be accredited by His Majesty the King to the (Head of State of country) and he would be furnished with credentials which would enable him to take charge of all affairs relating to Canada. He would be the ordinary channel of communication with the Government of (name of country) on these matters. The arrangements proposed would not denote any departure from the principle of the diplomatic unity of the Empire, that is to say, the principle of consultative cooperation amongst all His Majesty's representatives as amongst His Majesty's Governments themselves, in matters of common concern. The methods of dealing with matters which may arise concerning more

than one of His Majesty's Governments would therefore be settled by consultation between the representatives of His Majesty's Governments concerned.

In proposing the establishment of a Canadian Legation, His Majesty's Government in Canada trust that it will promote the maintenance and development of cordial relations, not only between (name of country) and Canada, but also between (name of country) and the whole British Commonwealth of Nations. End Quote.

In advising the Governments concerned as referred to above, it might be added that it is proposed to accredit the same Minister to them all and to Belgium and the Netherlands.

As regards second paragraph of this telegram, I should be obliged if you would advise me as soon as His Majesty's approval has been given.

2.

DEA/4600-A-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 220

London, October 24, 1942

CONFIDENTIAL. Your telegram No. 224 of October 17th. The King has approved proposals.

3.

DEA/4600-A-40

Décret en Conseil
Order in Council

P.C. 10087

Ottawa, November 5, 1942

The Committee of the Privy Council on the recommendation of the Secretary of State for External Affairs advise that Brigadier George Philius Vanier, D.S.O., M.C., be appointed Minister to Czechoslovakia, Greece, Norway, Poland, Yugoslavia, and also Minister to Belgium and the Netherlands to succeed Monsieur Jean Désy, and that the resignation of Brigadier Vanier from his post of Minister to France be accepted.¹

¹Voir le volume 8, document 400.

¹See Volume 8, Document 400.

4.

DEA/5858-J-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1730

Ottawa, October 1, 1943

SECRET AND PERSONAL. Following for Vanier from Robertson, Begins: General No. 16.

Prime Minister approves your appointment as representative of the Government of Canada to the French Committee of National Liberation in Algiers.² It is intended that Dupuy should return to London to act as Chargé d'Affaires to the five Allied Governments still there and that you would continue to act as Minister to the Greek and Yugoslav Governments in Cairo. Appointment has not been formally made and I shall advise you when you can begin the formalities of your departure from London. You would technically remain Minister to the Allied Governments there as no letters of recall would be presented. I should be glad to have your views on possible date of departure and other arrangements. We are securing from State Department their post report on Algiers and shall send you copy by airmail. Ends.

SECTION B
CHILI/CHILE

5.

DEA/26-JN-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1019

Ottawa, May 25, 1942

IMMEDIATE. As you are aware arrangements were made last year for the exchange of direct diplomatic missions between Canada and Chile and the Honourable W.F.A. Turgeon presented his credentials as Minister to Chile early this year.

His Majesty's Government in Canada have now been informed that the President of the Republic of Chile has under consideration the appointment of Mr. Eduardo Grove Vallejos as Envoy Extraordinary and Minister Plenipotentiary of Chile to Canada and to that end is desirous of ascertaining whether such an appointment would be agreeable to His Majesty.

²Voir aussi le document 45.

²See also Document 45.

Please make verbal submission to His Majesty. Formal document of submission will be forwarded within the next few days.

6.

DEA/26-JN-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*
*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1431

London, May 29, 1942

Your telegram of May 25th, No. 1019. The King will be pleased to approve appointment of Mr. [Grove] Vallejos as Chilean Minister to Canada.

MASSEY

7.

W.L.M.K./Vol. 323

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] July 18, 1942

Attached is a copy of a memorandum by Pearson of a conversation which the Minister and he had with Mr. Sumner Welles on July 15th.

You will note that Mr. Welles returned to the question of the extension of Canadian diplomatic representation in Latin America. There is no doubt in my mind that the two countries he mentions, Mexico and Peru, should be the next American countries with which we exchange representatives. I do not think, however, that the suggested arrangement of accrediting one Minister to Chile and Peru would be satisfactory. This time last year the United States Under-Secretary of State, in urging us to establish direct diplomatic relations with Chile, was sure that the Minister appointed to Buenos Aires could be acceptably accredited to Santiago as well. In the event, this arrangement has not been very satisfactory. The distance between Buenos Aires and Santiago is too great for convenient commuting, though it is not as great as the distance between Santiago and Lima. Mr. Turgeon has only been able to go to Chile once since his appointment, and he has found the journey rather strenuous. When we get around to opening Legations on the west coast of South America, I think it would be better to have a Minister with only one Secretary for each country than to attempt to combine the two posts.

N. A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du ministre-conseiller, la légation aux États-Unis
Memorandum by Minister-Counsellor, Legation in United States

July 16, 1942

CONVERSATION WITH MR. SUMNER WELLES: JULY 15, 1942

The Minister asked Mr. Welles whether he would like to say a word about the Latin American situation. Mr. Welles made a few general remarks and then proceeded to discuss the Canadian position in Latin America. He said that he realized that certain people in Ottawa were somewhat disturbed when Canada was not invited last January to the Inter-American Conference at Rio. He explained this — as indeed he has explained it before — as being due to the reluctance of certain of the Latin American States to agree to an invitation being sent to Canada. This reluctance, he said, was due to the fact that Canada had never shown any great interest previously in Latin America, apart from questions of trade.³

Mr. Welles felt therefore that if we could develop our political relationship with Latin American countries through the establishment of Legations, it would have a very useful effect, as indicating Canada's interest in Latin American countries and her desire to improve her relations with them. Mr. Welles said that the United States would most heartily welcome such a development. He felt that if we opened a Legation in Mexico and one in Peru that is all that could be legitimately expected at the present time. He thought that one Minister might be accredited to both Chile and Peru.

Mr. Pearson asked Mr. Welles if the delay in the sending of a Minister to Ottawa by Chile was due to her disappointment at sharing a Canadian Minister with the Argentine, where indeed he has spent most of his time. Mr. Welles thought that this was not the case, — that the Chilean delay was due to political difficulties there. He thought that neither Peru nor Chile would feel slighted if one Minister were accredited to both countries.

The political difficulties in Chile mentioned above arose, according to Mr. Welles, out of the struggle going on in that country on the question of maintaining neutrality or joining other Latin American States in breaking relations with the Axis. He said that there had recently been indications that the latter course might before long be adopted by Chile.

Mr. Welles also discussed generally the relations between the United States and "Fighting France," and "Vichy France," but said nothing of significance. He felt that the "Fighting French" movement was on a better foundation than it had been, but he was emphatic that many French elements most anxious to resist the Axis were almost equally determined not to accept de Gaulle's political leadership. He felt that de Gaulle's record as a political leader justified these

³La note suivante était écrite sur ce mémorandum:

³The following note was written on the memorandum:

I thought the reason was that Welles did not want any part of Br[itish] Empire. K[ING]

doubts. This, however, did not apply to his military leadership, which he thought all French elements would be willing to accept.

8.

DEA/4493-40

*Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires du Chili*

Secretary of State for External Affairs to Chargé d'Affaires of Chile

Ottawa, November 1, 1942

Sir,

I have the honour to request you to inform your Government that His Majesty's Government in Canada is desirous of appointing Mr. Warwick F. Chipman, K.C. as Envoy Extraordinary and Minister Plenipotentiary to represent the interests of Canada in Chile in the place of the Honourable Mr. W.F.A. Turgeon. The Canadian Government would be glad to learn that Mr. Chipman's appointment is acceptable to the Government of Chile.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

9.

DEA/4493-40

*Le premier secrétaire, la légation du Chili, au sous-secrétaire d'État
aux Affaires extérieures*

*First Secretary, Legation of Chile, to Under-Secretary of State
for External Affairs*

Ottawa, November 5, 1942

Sir,

I have the honour to inform you that my Government has granted with the greatest pleasure the agrément solicited by your Government for the appointment of Mr. Warwick Chipman as Minister Plenipotentiary of Canada to Chile.

Conveying in name of the Chilean Government the thanks to you for the appointment, I express herewith my confidence that the relations between Canada and Chile will be each time closer and more cordial as it is the purpose of both our Governments.

I avail etc.

HUMBERTO DIAZ CASANUEVA

SECTION C
CHINE/CHINA

10.

DEA/2172-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] July 28, 1942

Dr. Liu, the Chinese Minister, called this morning on instructions from his Government to say that China hoped very much that Canada would soon be able to open a Legation in Chungking. The Chinese Government appreciated the difficulties in the way of our doing so, but they hoped we could find a way to overcome them. Representation of Canada in Chungking, alongside the representation of other United Nations would be a new encouragement to the Chinese people at this critical time.

The Minister referred to the expected appointment of a Canadian Minister to the U.S.S.R. and said that his Government hoped that we would be able to confirm our alliance with China as well as with the U.S.S.R. by making an appointment to Chungking as soon as we made one to Kuibyshev.

11.

DEA/2172-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2423

London, October 3, 1942

Canadian Legation China.

Chinese Ambassador spoke to me yesterday regarding the appointment of a Canadian Minister to China. He said that he did not wish to give the impression that the Chinese Government were complaining because no Canadian Minister had been appointed but he wished to draw to our attention the fact that it was now 8 months since a Chinese Minister had presented his Letters of Credence in Ottawa and his Government very much hoped that it would soon be possible for the Canadian Government to reciprocate.

MASSEY

12.

DEA/4526-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1834

Ottawa, October 7, 1942

CONFIDENTIAL. Canadian Government desire to ascertain whether His Majesty would approve the appointment of Major-General Victor W. Odlum, C.B., C.M.G., D.S.O., at present High Commissioner for Canada in Australia, as His Majesty's Envoy Extraordinary and Minister Plenipotentiary for Canada in China.⁴ Please make verbal submission to His Majesty. Formal submission will be forwarded by air mail within the next few days.

13.

W.L.M.K./Vol. 330

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2019

Ottawa, November 1, 1942

SECRET. Announcement of appointments of Canadian Ministers to U.S.S.R. and China, and of new High Commissioner to Australia,⁵ is being held up pending receipt of Chinese Agrément of Odlum. In deference to persistent Chinese pressure we had promised some months ago that we would not appoint Minister to U.S.S.R. until we were also ready to name Minister to Chungking. Present delay in announcement has become embarrassing to our Government and may appear discourteous to U.S.S.R. Chinese Minister here has cabled his Government urging prompt action on Agrément. I think it would be helpful if you would have the Foreign Office ask the British Ambassador in Chungking to endeavour to secure immediate action by Chinese Government. You might also speak to the Chinese Embassy in London in the same sense.

14.

W.L.M.K./ Vol. 330

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2693

London, November 2, 1942

MOST IMMEDIATE. Your telegram No. 2019 of November 1st. Chinese Government have now given their agrément to appointment of General Odlum as

⁴Voir le document 69.

⁵See Document 69.

Canadian Minister at Chungking. This message was received this morning from Chungking simultaneously with the arrival of your telegram under reference. At my instance two reminders have already been sent to the British Embassy at Chungking emphasizing the desirability of speedy action, and the following telegram dated October 31st had been received by the Foreign Office from the British Ambassador at Chungking, Begins:

Your telegram No. 1336[†] and your telegram dated October 27th[†] I regret delay which is due to Chinese insistence on going through the prescribed motions which includes consulting their representative in the country concerned.

I have interviewed Vice Minister for Foreign Affairs several times and did so again yesterday. Ends.

MASSEY

SECTION D

TCHÉCOSLOVAQUIE/CZECHOSLOVAKIA

15.

DEA/3657-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] May 1, 1942

Mr. Massey reports that the Czecho-Slovak Ministry of Foreign Affairs in London have enquired whether the Canadian Government would be willing to receive a Czecho-Slovak Legation in Ottawa, with Dr. Pavlasek, the Czecho-Slovak Consul-General in Montreal, as Chargé d'Affaires of the Legation. In asking Mr. Massey to transmit this enquiry, the Czecho-Slovak Government referred to conversations on this subject which Mr. Masaryk had had during his visit to Ottawa.

We have agreed to receive diplomatic representatives from the other European Allied Governments. The Polish and Norwegian Ministers are already established here; the Greeks and Yugo-Slavs have named their Ministers, who are expected to arrive in Ottawa shortly. In the circumstances I assume we will agree promptly to receiving a Czecho-Slovak representative.⁵ It will be, I am sure, a very modest office. They do not propose to name a Minister. Dr. Pavlasek, who will be Chargé d'Affaires, is a very decent, kindly little man, who has always been on very good terms with this Department. May we say he will be *persona grata*?⁶

N. A. R[OBERTSON]

⁵T.C. Davis.

⁶Note marginal:

⁶Marginal note:

yes

16.

DEA/3657-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1439

London, May 29, 1942

Your telegram No. 938 of May 13th.[†] Czecho-Slovak Government are now desirous of appointing Dr. Pavlasek as Czech Minister instead of Chargé d'Affaires. They wish to be on equality with the other Allied Governments represented in Ottawa. I shall be grateful of your views as to the reply to be returned to Czech Ministry for Foreign Affairs.

MASSEY

17.

DEA/3657-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1052

Ottawa, May 29, 1942

Your telegram No. 1439 of 29th May. I am requesting Secretary of State for Dominion Affairs to take steps to have submitted for His Majesty's approval establishment of Czecho-Slovak Legation with Dr. Frantisek Pavlasek as first Czecho-Slovak Minister at Ottawa.

As you are aware, when the arrangements were made for the establishment of Greek, Norwegian, Polish and Yugoslav Legations in Canada, it was understood that such arrangement would be for the duration of the war and the question of permanent exchange of Ministers between these countries and Canada would be deferred until after the war. We assume the same understanding will be satisfactory to the Czecho-Slovak Government which would thus be on equality with the other Allied Governments referred to above.

18.

DEA/3657-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1459

London, June 2, 1942

Your telegram of May 29th, No. 1052, Czecho-Slovak Minister. Czecho-Slovak Government accepts understanding that arrangement would be for the

duration of the war ⁷ and question of permanent exchange of Ministers to be deferred until after the war.

MASSEY

SECTION E

FRANCE (LE GOUVERNEMENT DE VICHY)

FRANCE (VICHY GOVERNMENT)

19.

DEA/712-C-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2073

Ottawa, December 22, 1941

SECRET. Your telegram No. 2369 December 13th.[†]

Shortly after Weygand's dismissal the South African Accredited Representative was instructed to inform us that the Union Government thought there was little to be gained by maintaining diplomatic relations with Vichy, and to ascertain the views of the Canadian Government.

In view of the importance that Churchill had attached to maintenance of Dupuy's contact with Vichy, which was believed to depend on our continued reception of French Minister here, the Prime Minister asked the Prime Minister of the United Kingdom whether in view of changing circumstances he still thought it worthwhile for us to permit French Legation here to function.

Churchill's view, communicated to us through United Kingdom High Commissioner here, and I believe also to the Government of South Africa, was that for the time being and pending a satisfactorily decisive outcome of the Libyan campaign, it would be wiser not to disturb existing relations.⁸

We have informed Union Government that we will keep them advised of any impending change in our relations with Vichy.

20.

W.L.M.K./Vol. 325

Le chef de l'Opposition, la Chambre des communes, au Premier ministre

Leader of the Opposition, House of Commons, to Prime Minister

PRIVATE AND CONFIDENTIAL

Ottawa, March 5, 1942

Dear Mr. King,

I have learned from a most reliable source that there has been received by the Vichy Consul in the City of Quebec an article by Admiral Darlan entitled: "Why I Hate The British". The article, I am told, is being distributed.

⁷Voir aussi les documents 1496, 1497 et 1498.

⁷See also Documents 1496, 1497 and 1498.

⁸Voir le volume 8, documents 419, 420 et 422.

⁸See Volume 8, Documents 419, 420 and 422.

Now, it occurs to me that this article must have come through the diplomatic mail via the French Ministry [Legation] in Ottawa — otherwise it would have been picked up by the censor — and that it has been deliberately sent down there to be used circumspectly to add fuel to the fire of the adherents of Vichy among the French-Canadians that are creating trouble afresh.

I understood from you that all mail addressed to the French Minister here in Ottawa was carefully censored and observed but this would indicate that, if it came through by mail at all in the regular way, it was not censored or, if it came through the diplomatic mails, that it was allowed to pass. This article is apparently being used for propaganda purposes and I think that is most deplorable.

I would ask you to have enquiries made in regard to this matter. I believe I can get evidence of the truth of the statements that the article was received by the Vichy Consul at Quebec and that copies are being circumspectly distributed, if such evidence is absolutely necessary. In any case, I think you should have this looked into and at once.

Yours faithfully,

R. B. HANSON

21.

W.L.M.K./Vol. 275

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

SECRET

[Ottawa,] March 8, 1942

On Friday afternoon, after receiving from you Mr. Hanson's letter about Mr. Ricard, French Consul in Quebec, I asked Mr. Ristelhueber to come and see me. He was ill with grippe, so I asked Mr. Lageneste, First Secretary of the Legation, to come instead. I told Mr. Lageneste that in view of the accumulating evidence of Consul Ricard's propagandist activities in the Quebec district, the Government could not continue to accord him the provisional recognition as Consul which he had received since his arrival in Canada, and that it was desired that the necessary steps to effect his return to France would be taken as quickly as possible.

Mr. Lageneste enquired whether what I had said to him was to be taken as a warning or as the announcement of a decision already taken. I said that the decision had been taken. I told him that I knew that you had on a number of occasions advised his Minister very seriously about the mischief which would follow from any propagandist activities by Vichy diplomatic or consular representatives in Canada. He agreed that this was so, and said that Mr. Ristelhueber had made a point of warning all consuls, including Mr. Ricard, to refrain from political meddling and carrying on propaganda. He knew that Mr. Ricard had been circulating French publications in Quebec City which were forbidden by

the Canadian censorship and the matter had been brought by us to the Minister's attention. The Minister had received an undertaking from Ricard that he would not circulate publications which had not been passed by the censor. I told him that the decision to ask for Mr. Ricard's recall was not related to any breach of this undertaking, but to the fact that he had been spreading defeatist propaganda in the Quebec area. He asked if I meant "anti-British propaganda". I said "No" — what we had in mind was clearly anti-Canadian propaganda, calculated to divide us from our allies and to play the enemy's game.⁹

Mr. Lageneste asked whether Ricard was an entirely exceptional case or whether there were any complaints about the Consuls in Vancouver, Winnipeg and Montreal. I said we had nothing to say about the conduct of the Consuls in Vancouver and Winnipeg, which we thought had been correct. Speaking quite privately, I said we were not at all satisfied with the reports which we had received from reliable sources about the activities of Mr. Coursier, the Consul-General in Montreal. In the circumstances it would be desirable that the Minister should issue a new and strict warning to all the French consular and diplomatic officials remaining in Canada, instructing them to refrain scrupulously from any propagandist or political activities.

22.

DEA/3618-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 115

Ottawa, April 19, 1942

IMMEDIATE. SECRET. Following from the Prime Minister for your Prime Minister, Begins: In conversations in Washington, from which I have just returned, the Acting Secretary of State of the United States in advising me of his Government's decision to recall Admiral Leahy from Vichy, expressed the hope that we would not take any immediate step to alter the status of French representation in Canada. I had told him that we took a serious view of the possible consequences of Laval's return to power and were prepared, if you were of the same opinion, to bring about the immediate withdrawal of Vichy diplomatic and consular representatives from Canada. He felt, however, that pending further clarification of the situation, it would be helpful if we could continue to receive the French Minister. He added that he would give us a week's notice of eventual United States decision to break off relations with Vichy so that we could synchronize our actions in this matter.

⁹Dans sa réponse du 8 mars à Hanson, le Premier ministre indiqua qu'il ne croyait pas que Ricard avait reçu le pamphlet en question par l'entremise de la légation de France et suggéra qu'il l'avait probablement apporté de France dans ses bagages.

⁹In his reply to Hanson on March 8, the Prime Minister expressed doubt that Ricard had received the offending pamphlet through the Legation of France and suggested that he had most likely brought it from France in his private luggage.

I should be very glad to have your views on recent developments in French position and in particular to know whether you feel that a useful purpose is still being served by our maintaining Dupuy as Chargé d'Affaires to Vichy and continuing to receive a French Minister here. Ends.

23.

O.D.S.-N.A.R./Vol. 778

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 91

London, April 21, 1942

IMMEDIATE. SECRET. Your telegram No. 115. Following from Prime Minister for Prime Minister, Begins: Thank you for your message about the Vichy Minister in Ottawa. We note that you are in touch with Washington in the matter and that United States authorities have suggested that it would be helpful if you could continue to receive the French Minister. In all the circumstances we should agree if you thought that the best course would be to allow the present position in regard to Vichy representation in Canada and Canadian representation at Vichy to continue unchanged until the position becomes clearer.

We understand that General Smuts is anxious to get rid of the Vichy Minister in South Africa. It seems to us that there would be no serious disadvantage in the adoption of a different policy in Canada and South Africa on this matter. We are advising General Smuts of your views and United States views as set out in your telegram and are also letting him know that we for our part would have no objection if he thought it best to ask immediately for the recall of the Vichy Minister in South Africa. Ends.

24.

O.D.S.-N.A.R./Vol. 778

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-650

Ottawa, April 23, 1942

MOST IMMEDIATE. SECRET. Reference WA-747[†]. The Prime Minister will be asked when the House meets this afternoon whether he is prepared to say anything about Canadian relations with France. He plans to say simply that the question is a grave and critical one, that he is in close communication with the United Kingdom and United States Governments and that he will make a statement to the House on the matter when it reassembles on Tuesday, April 28th.

He would like you to see Mr. Hull or Mr. Welles today and explain to them that the pressure on the Government to break off relations with Vichy is very great and will undoubtedly be increased as news of South Africa's action becomes known. He himself doubts whether action on our part can be deferred

until next week. He appreciates the United States assurance that Canada would be given ample notice of any decision by the United States to ask for the recall of French diplomatic and consular officials and would not like to have Canada take any step which might make it more difficult for the United States to pursue its present policy of maintaining diplomatic relations with Vichy.

You should explain to the Department of State that our continued reception of French Minister here has, up to now, been made possible by Churchill's explicit and public assurance that he felt the desirability of and welcomed such action on our part. As you will have seen from his message to the Prime Minister of April 21st, he has not renewed this assurance but has left it to us to determine whether we wish to continue to receive a French Minister.

In the circumstances the Prime Minister is of the opinion that the severance of diplomatic relations with France is becoming unavoidable. Unless the United States felt that such action on our part would occasion them serious embarrassment, it would be desirable to take the necessary action within the present week.

25.

W.L.M.K./Vol. 327

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-755

Washington, April 23, 1942

MOST IMMEDIATE. SECRET. Following from Wrong, Begins: Reference your EX-650 of April 23rd. Mr. McCarthy has just seen Mr. Welles and has communicated to him the contents of your message. Mr. Welles asked him to thank the Prime Minister for his unfailing courtesy and to state that, so far as the United States Government is concerned, he could feel free to proceed at his discretion.

2. If a decision is reached for the severance of diplomatic relations between France and Canada, I think it desirable that we should give the State Department notice of the time of public announcement. In view of Mr. McCarthy's conversation this afternoon this notice can be very brief.

3. Mr. McCarthy is leaving at 5:00 o'clock for New York and will return to Washington probably Monday afternoon. Ends.

26.

DEA/3618-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 95

London, April 24, 1942

SECRET. My telegram No. 91 of April 21st. Following for the Prime Minister, Begins: We have now reviewed afresh the question of the maintenance of relations between the Canadian Government and the Vichy Government in the

light of Laval's recent statement of policy and of the decision of the Union Government to sever relations with Vichy.

2. You will have noted that Laval repeatedly said that he would seek a policy of understanding and reconciliation with Germany, and that he went out of his way to deliver a bitter attack upon Great Britain.

3. The further clarification of the situation for which Mr. Welles asked you to wait has thus, it seems to us, now been given, and our advice would be that the time has come for the Canadian Government to terminate their relations with Vichy. The maintenance of these relations is only really of benefit to Vichy.

4. We are apprehensive lest Laval whose skill is remarkable may succeed in persuading the United States Government to maintain an attitude of tolerance towards him. We have accordingly instructed Halifax to put in a word of warning at Washington, although we are not actually pressing the United States Government to break off relations for the present at any rate.

5. There is of course the further disadvantage that Canada would be the only part of the Empire still maintaining relations with Vichy.

27.

W.L.M.K./Vol. 333

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 225

London, April 29, 1942

SECRET. His Majesty's Ambassador at Washington reported discussion about Vichy policy with United States Secretary of State on April 26th. Secretary of State described Laval as "unadulterated Hitlerism" and received favourably suggestion that he might make some counter statement to Laval's speech. His Majesty's Ambassador is of opinion that there is no danger of Hull being beguiled by Laval. As regards public opinion, Ambassador has no doubt that Secretary of State will continue to make plain United States Government's view of which recall of Admiral Leahy is clear expression.

Conversation then passed to question of United States representation at Vichy. Secretary of State felt it important that they should be in position to defend themselves against any domestic criticism which might be based on the ground that the United States were maintaining relations with Vichy against what appeared to be general view of British Commonwealth. He suggested that we should agree to some kind of joint or separate statements on lines that whilst both Governments were at one in their view of present Vichy Government they were also united as regards United States maintaining contact. His Majesty's Ambassador has been informed that we favour maintenance of United States relations with Vichy for following reasons (which unfortunately cannot be used in public)

- (1) Provision of intelligence;
- (2) Maintenance of status quo in French North Africa until time comes for United Nations to change it

(3) Because rupture would depress French people.

At the same time in order to help United States Government against domestic criticism, we should hope to be able to associate United Kingdom Government with statement somewhat on lines suggested by Secretary of State and have asked that we might see the draft of the proposed statement.

28.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 8, 1942

...

RELATIONS WITH FRANCE

36. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported recent developments.

The Prime Minister had said in the House that a statement of policy would be made upon the return of the Canadian Chargé d'Affaires, M. Dupuy.¹⁰ M. Dupuy had now arrived in Canada.

On April 24th, the Prime Minister of the United Kingdom, in answer to an enquiry by the Canadian government, had suggested that Canada might now cease to receive the French Minister. On April the 29th, on the other hand, a message from the U.K. government, reporting conversations on the subject with the United States, had contained a statement of reasons for the maintenance of Franco-American diplomatic relations in the same circumstances. These same reasons, in part at least, applied also to Canada. Joint or simultaneous statements along these lines by the British and American governments were in contemplation.

It would put Canada in a strange position if such public statements were to coincide with our dismissal of M. Ristelhueber.

In the circumstances, it was felt that as an immediate step, the French consulates might be closed, but the Legation permitted to remain so long as the United States did not break off relations. In any event, the further views of the U.K. and U.S. governments should be obtained.

(Dominions Office telegrams Nos. 95 and D.225, Dominions Office to External Affairs, April 24 and 29, 1942).

37. THE MINISTER OF FISHERIES felt convinced that the Consul in Montreal was engaging in Vichy propaganda. The sooner the consulates were closed, the better.

38. THE MINISTER OF MINES AND RESOURCES expressed the view that public feeling favoured getting rid of the French Minister. Our maintenance of formal

¹⁰Voir Canada, Chambre des Communes, *Débats*, 1942, volume 2, p.1987, volume 3, pp.2252-3.

¹⁰See Canada, House of Commons, *Debates*, 1942, volume 2, pp.1920-1, volume 3, p.2182.

relations had been accepted largely on the basis of Mr. Churchill's previously expressed view. Now that this view had changed, there was little upon which to base a continuance of relations.

39. THE MINISTER OF FINANCE and the MINISTER OF NATIONAL DEFENCE were inclined to favour an early diplomatic break with Vichy.

...

29.

O.D.S.-N.A.R./Vol. 778

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-939

Washington, May 12, 1942

IMMEDIATE. SECRET. With reference to Wrong's message WA-868 of May 2nd concerning relations with the Vichy Government, I had a discussion of the position with Mr. Hull this morning. He asked that no action should be taken by Canada until after the question of Martinique had been settled. He said that Admiral Robert seemed ready to agree to the United States demands but felt that he must submit them to Laval. Laval had asked for a delay because of the absence from Vichy of Marshal Pétain, and the United States Government had agreed to a delay extending not beyond midnight tomorrow night.

2. I gathered from Mr. Hull that the demands made on Admiral Robert included the immobilization of the naval vessels at Martinique, the landing there of United States personnel to supervise this immobilization, and the dismantling of the wireless station.

3. Mr. Hull confirmed that he had felt a certain irritation over the action of the United Kingdom Government in advising the Canadian Government to terminate their relations with Vichy without prior consultation with him. He feels that none of the interested Governments should move without a preliminary exchange of information. His irritation was directed towards London, not Ottawa. He expressed himself as satisfied with the statement made by Mr. Eden in his speech at Edinburgh on May 8th to the effect that London and Washington were in constant and close consultation on policy towards Vichy and that there was no difference between them over the maintenance of diplomatic relations with Vichy by the United States. He thought, however, that this might have been said publicly some time ago.

4. Wrong learned at the British Embassy today that Mr. Hull told Halifax a few days ago that the joint statement on policy towards Vichy which he had suggested (see your EX-735 of May 1st and our WA-868 of May 2nd) was no longer required, since he had made his proposal on the understanding that a Canadian breach with Vichy was imminent.

5. I hope to discuss the Vichy situation more fully with you during my visit to Ottawa this week.

30.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 22, 1942

...

RELATIONS WITH FRANCE

7. THE PRIME MINISTER reported that it had been decided to close remaining French Consulates and Consular agencies in Canada.

On May 19th, he had made a statement in the House of Commons, setting forth the government's policy in regard to relations with the Vichy government.¹¹ For the time being, Canada would continue to receive the French Minister.

...

31.

PCO

Procès-verbal du Comité de guerre du Cabinet
Minutes of Cabinet War Committee

SECRET

Ottawa, November 9, 1942

A meeting of the full Cabinet was held in the Privy Council Chamber, on Monday, November the 9th, at 9 p.m.

The following members of the War Committee were present:

The Prime Minister (Mr. King), in the Chair,
 The Minister of Mines and Resources (Mr. Crerar),
 The Minister of National Defence (Mr. Ralston),
 The Minister of Finance (Mr. Ilsley),
 The Minister of Transport (Mr. Michaud),
 The Minister of Munitions and Supply (Mr. Howe),
 The Minister of Justice (Mr. St. Laurent).

Other members of Council present were:

The Acting Leader of the Government in the Senate (Senator King),
 The Minister of Pensions and National Health (Mr. Mackenzie),
 The Minister of Agriculture (Mr. Gardiner),
 The Secretary of State (Mr. McLarty),
 The Minister of Trade and Commerce (Mr. MacKinnon),
 The Minister of National Revenue (Mr. Gibson).

¹¹Voir Canada, Chambre des Communes, *Débats*, 1942, volume 3, pp.2623-4.

¹¹See Canada, House of Commons, *Debates*, 1942, Volume 3, p.2543.

There were also present:

The Under-Secretary of State for External Affairs (Mr. Robertson),

The Clerk of the Privy Council and Secretary of the War Committee (Mr. Heeney).

RELATIONS WITH THE VICHY GOVERNMENT

1. THE PRIME MINISTER read a telegram sent the previous day to the United Kingdom and other Commonwealth governments, in anticipation of a breach of relations between Vichy and the United States, as a result of the landing of American forces in French North Africa.

As an alternative to breaking off diplomatic relations, it had been suggested that an appropriate and helpful alternative course would be refusal to recognize the Vichy government as the government of France, on the ground that it had ceased to have any effective independent existence.

The Canadian Minister in Washington had been instructed to communicate this view to the U.S. Secretary of State.

(External Affairs telegrams, 246 to Dominions Office, 206 to Canadian High Commissioner, Canberra, etc., November 8, 1942; also teletype EX-2838 to Canadian Minister, Washington, November 9, 1942).¹

2. MR. KING said that, following word that the Vichy government had, in fact, broken off diplomatic relations with the United States, further consideration had been given to the course which should be taken by the Canadian government.

The distinction between a severance of relations with the Vichy government and withdrawal of recognition of that government as the *de jure* government of France was of fundamental importance. The latter course would avoid the danger of a declaration of war by a recognized legal government of France, and, at the same time strengthen existing opposition to the collaborationist policies of Vichy.

The U.K. government had felt that any initiative in this sense should be taken by Canada, in consultation with the United States.

Mr. McCarthy had, this afternoon, communicated personally with Mr. Hull; and the President, to whom Mr. King had spoken this evening, by telephone, had felt that the course suggested, on the part of Canada, would be altogether appropriate and helpful in the circumstances.

3. MR. KING then read a draft statement, the contents of which it was proposed to communicate immediately to the French Minister, and, thereafter, to the press; it read as follows:

“The fact that the men who have been in nominal control of the Government of France have ordered the armed forces of France to offer resistance to military forces of the United Nations sent to assist in the liberation of France from Nazi domination makes it perfectly clear that there no longer exists in France a government that has any effective independent existence — in other words, that there no longer exists in France a legal or constitutional government in any sense representative of the French people, but only a German puppet government.

In these circumstances, the Canadian Government has ceased to recognize the present Government at Vichy as being the *de jure* Government of France and diplomatic relations with Vichy are accordingly terminated."

A draft telegram to the Canadian High Commissioner in London, instructing him to inform the King of the Canadian government's action was also submitted.

(External Affairs telegram to the Canadian High Commissioner, London, November 9, 1942).[†]

4. THE CABINET, after discussion, approved the course proposed by the Prime Minister for withdrawal of recognition of the Vichy government.

The meeting adjourned at 9.50 p.m.

A. D. P. HEENEY
Clerk of the Privy Council

32.

DEA/4587-40

Le secrétaire d'État aux Affaires extérieures au ministre de France
Secretary of State for External Affairs to Minister of France

No.24

Ottawa, November 11, 1942

Sir,

I have the honour to refer to the fact that the Government which you represented has ordered the Armed Forces of France to offer resistance to military forces of the United Nations sent to assist in the liberation of France from Nazi domination. This makes it perfectly clear, that there no longer exists in France a government that has any effective independent existence. In other words, that there no longer exists in France a legal or constitutional government in any sense representative of the French people, but only a German puppet government. In these circumstances, the Canadian Government has ceased to recognize the present government at Vichy as being the *de jure* Government of France and diplomatic relations with Vichy are accordingly terminated.

2. Arrangements will be made to issue special passports enabling you, your wife and family, and the members of your mission, and their wives and families, to depart from Canada. Accordingly, I should be grateful if you would furnish me with a list of the names and addresses of the secretaries, attachés, and other officials of your mission, and their wives and families, and of French nationals in your household who may claim allegiance to the government which you represented. Due to the existing lack of steamship communication or air transport between Canada and France, it may be necessary to make special arrangements for their repatriation. If so, the matter can be taken up at a later date.

3. The Government of Canada desires to accord to you and to the members of your mission, on the basis of reciprocity, every consideration and courtesy compatible with the safe-guarding of our national interest.

4. Accordingly, sufficient time will be allowed before your departure for the settlement of the personal affairs of yourself and the members of your mission, the storage of furniture, the settlement of outstanding obligations and similar matters, and for the sealing of your archives. As a practical arrangement, all diplomatic and consular archives may be transferred to the representative of a neutral Power, who may be selected to look after the interests of the government which you represented in Canada. They will be held in Canadian territory for the time being, in the custody of such representative, and may only be removed with the consent of the Government of Canada. Facilities will also be given to such representative to act as a Protecting Power for French nationals who may claim allegiance to the government which you represented. At the same time, the Government of Canada expects corresponding facilities will be accorded for the protection of the property of the Government of Canada now in France, and of the interests of Canadian nationals. I assume that you will inform me, as soon as may be practicable, of the name of this representative.

5. The Censorship authorities will be instructed not to permit communications by post or telegraph; but facilities for any necessary communications with your government, or elsewhere in Canada or in France, may be arranged with this department.

6. The premises, property, and quarters of consular officers, as well as of diplomatic officers, will not be searched, and members of consular office staffs will be treated in the same manner as consular officers themselves.

7. Special precautions will be taken for the protection of the Legation, your person and property, and the premises in which you live. Protection will also be afforded to the persons and property of the members of your mission until their departure. Similarly, protection will be accorded to the household goods left in storage. It is assumed that, pending departure from Canada, you will communicate with this department on any matter on which you may desire further information or advice.

Accept etc.

W. L. MACKENZIE KING

33.

DEA/I-As

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] November 13, 1942

Mr. Ristelhueber came to see me this afternoon at 4 o'clock. He was very upset by the press comment about the position of his Legation and about his own future movements. He brought a great sheaf of clippings with him and asked if we could not invoke a censorship to prevent their recurrence. I glanced

through the newspaper despatches of which he complained. For the most part they were not ill-natured, nor was their comment on a confused and perplexing question, of undoubted public interest, unfair. I told him that the Government could not prevent the Canadian newspapers from writing news stories and publishing comments on this country's relations with France or about the present position of the French Legation. A large part of the hostile comment was really directed at the Government and at you. The Government and you would not use the Censorship to protect the Government from political criticism.

He showed me a draft press statement he had prepared for issue by the Legation regretting speculation and comment in the press on the position of the Legation and its officers, and explaining that they were "awaiting instructions, to which they would conform". I suggested that if he issued such a statement, the first question would be from whom were the "instructions" expected, which would at once reopen the questions he wished to close.

Mr. Ristelhueber was obviously hoping that a government would be set up in North Africa which he could regard as a direct successor of the Marshal's Government at Vichy, and which he could continue to represent in Canada. We had at this time neither of us received word of the organization which was being established under Admiral Darlan at Algiers, and I told him I could see no grounds for believing in the resurrection of a national government at Vichy which could be recognized by the Government of Canada. We had deferred for four days presenting him with the note which you had communicated to him in draft form on Monday, November 9th. In the circumstances, I felt I had to hand it to him. He was reluctant to take it, but he finally accepted it, murmuring something about the "die being cast".

Within an hour news of Admiral Darlan's proclamation¹² at Algiers was in the evening newspapers and Mr. Ristelhueber came back with the note I had given him. He saw in Darlan an acceptable successor to Marshal Pétain, whom his conscience would permit him to follow. From Darlan he felt he and his Legation could receive instructions which they could obey.

I agreed that Darlan's proclamation, issued under American auspices with the support of General Nogues and of the Governor General of Algeria, had injected a new and important element into the situation which we would have to take into account. In the circumstances, I was willing to take back our note until I had had an opportunity of consulting you. I told Mr. Ristelhueber that we were very glad to see the elements of a French opposition coalescing in North Africa, though I personally did not share his enthusiasm for Admiral Darlan. However, in a time of crisis like this it was important for all elements of French resistance to cooperate, regardless of their past political differences, and I assumed that the group organized under Darlan in Algeria would work together with the other Fighting French forces which had been fighting for France and against the Nazis since the armistice. He rather flared up at this suggestion, and repudiated the idea that Darlan should be associated with General de Gaulle and the French National Committee.

I think Ristelhueber sees himself as the representative of a Vichy Government transplanted to North Africa and in direct apostolic succession to the

¹²Voir chapitre 8, partie 2.

¹²See chapter 8, Part 2.

Marshal. I do not think we should be in any hurry about recognizing him in this capacity. It is to be noted that the scope of Darlan's proclamation was limited to North Africa and that it did not purport to set up a provisional government for these territories, let alone a provisional French government. I am afraid that the American Army and State Department have acted without consultation with the United Kingdom or any of their Allies in achieving a minor coup d'état in Algiers. Darlan's is not a name to conjure with inside or outside of France. He has been identified with some of the uglier features of Vichy policy and the collection of Generals who are named as supporting him in North Africa are mostly Tories and reactionaries, who found the quasi-fascist atmosphere and policies of Vichy very congenial. To my mind, they do not represent the spirit of the real France nearly as faithfully as do the Fighting French, whose earnestness of purpose has been tested during the last two years. I think it would be both disloyal and shortsighted to throw them overboard now and rush to recognize Darlan and his associates as the continuing government of France. In this war we must welcome and work with all kinds of allies, and the adhesion of Darlan and his Generals may prove to be a real source of military strength in North Africa. It may also prove to be a certain liability on the political plane.

I feel very strongly that we should wait and see how the situation develops and how Darlan's proclamation is received in France and overseas before committing ourselves to any recognition of a provisional government under his leadership in Algeria or of any representative he may designate in Canada as "French Minister".

34.

DEA/4587-40

Le sous-secrétaire d'État aux Affaires extérieures au ministre de France
Under-Secretary of State for External Affairs to Minister of France

Ottawa, November 14, 1942

Dear Mr. Ristelhueber,

After reporting our conversation of yesterday afternoon to the Prime Minister, I have been asked by him to return to you our note No. 24 of November 11th, which you brought back to me yesterday.

Yours sincerely,

N. A. ROBERTSON

35.

W.L.M.K./Vol. 330

Le haut commissaire en Grande-Bretagne au
ministre de Suisse en Grande-Bretagne

High Commissioner in Great Britain to
Minister of Switzerland in Great Britain

London, December 4, 1942

The High Commissioner for Canada presents his compliments to the Swiss Minister and has the honour to refer to His Excellency's communication of the 16th November¹ regarding the protection of French interests in Canada.

Mr. Massey has now been instructed by the Canadian Government to state that they have no objection to the assumption by the Swiss Government of the unofficial protection of certain French interests in Canada. The Swiss Government will appreciate that the Canadian Government regard this arrangement as one of a purely practical character whereby the French Diplomatic and Consular archives may be transferred to the Swiss Consul General at Ottawa. It is further understood that the Swiss Consul General will take charge of the interests of any French Nationals who may claim allegiance to the former Vichy Government.

Similarly the Canadian Government expect that corresponding facilities will be accorded for the protection of the property of the Government of Canada now in France and of the interests of Canadian Nationals there.

It has been explained to Mr. Ristelhueber, the former French Minister in Canada, that the Consul General of Switzerland will, in his representative capacity be looking after the interests of the Government which Mr. Ristelhueber formerly represented in Canada.

SECTION F

FRANCE LIBRE/FREE FRENCH

36.

DEA/4600-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2147

Ottawa, November 19, 1942

SECRET. It is proposed to name Brigadier George P. Vanier, Minister Designate to the Allied Governments in the United Kingdom, to act in consultation with the French National Committee on all matters relating to the conduct of the war. His position would be similar to that of the two United States representatives to the National Committee in London.

Please ascertain whether General de Gaulle would welcome the creation of this post and whether he would be agreeable to the appointment of Brigadier Vanier.

37.

DEA/4600-J-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM

London, November 29, 1942

General de Gaulle welcomes Brigadier Vanier's appointment. He wishes to make a press statement.

Is it intended to make an announcement in Ottawa? If so do you desire that timing of announcement should be simultaneous?

38.

DEA/4600-J-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2213

Ottawa, November 30, 1942

Your telegram unnumbered of November 29th. The Prime Minister announced this morning that Vanier had been designated as representative of the Canadian Government to consult with the French National Committee in London on all matters of mutual interest relating to the conduct of the war.

39.

DEA/4600-J-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2967

London, November 30, 1942

My telegram No. 2964 of November 29th¹³. In welcoming Brigadier Vanier's appointment, General de Gaulle says that no choice could be more agreeable to the French National Committee than that of Brigadier Vanier. De Gaulle's letter of acceptance goes on to say, "The French National Committee hopes that the nature of Brigadier Vanier's mission will make it possible for the French National Committee to concert (de se concerter) with the Canadian Government on questions affecting the general interests of France in the war at the same time as on particular points concerning the cooperation of the Free French forces with the Canadian Army".

I should be grateful for your instructions as to what reply, if any, should be made to this suggestion.

MASSEY

40.

DEA/4600-J-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2310

Ottawa, December 12, 1942

Your telegram No. 2967 of November 30th. Vanier's appointment.

¹³Voir le document 37.¹³See Document 37.

The wording of de Gaulle's reply is ambiguous but might be interpreted as including political questions for discussion. It is not intended, however, that Vanier's consultation should go beyond what is defined in my telegram of November 30th, No. 2213.

I suggest that you answer de Gaulle to the effect that the intention is to provide for consultation not only on co-operation of Free French Forces with the Canadian Army but also on all matters of mutual interest relating to the conduct of the war. It would be undesirable to answer more directly the question in the way in which he puts it.

41.

DEA/4600-J-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 3088

London, December 15, 1942

Your No. 2310 of December 12th and your No. 2308 of December 12th[†], Vanier's appointment. I have discussed with United States authorities here the arrangements for their consultation with the French National Committee. It appears that the United States Government have appointed Admiral Starke as naval representative to the French National Committee and General Clark as military representative. These representatives have in turn appointed two liaison officers, Commander Kitteredge for the Navy and Colonel Waite for the Army, who have day to day contact with the French National Committee. The appointment of United States representatives to the French National Committee gives them authority to discuss all matters concerned with the conduct of the war and this extends to the discussion of diplomatic, economic and political problems. In the phrase of one of the representatives, theirs is "a para-diplomatic appointment".

In practice I should say on the basis of our experience in this office that it would be quite impossible to separate the discussion of military questions with the French National Committee from other questions of a political and diplomatic character. Indeed, strictly military questions play a very small part in our relations with the French National Committee. It seems clear therefore that Brigadier Vanier will have to have wide and flexible terms of reference in order to deal with all the questions arising from contact with the French National Committee.

With regard to your telegram No. 2310 it occurs to me that, subject to your views, it might be as well not to reply to de Gaulle's letter. Our reply would only lead to an exchange of formulae which are rendered meaningless by the facts of the situation as outlined above, namely that even though Vanier's title may be

that of military representative in effect he would inevitably be largely concerned in his dealings with the French National Committee with political and diplomatic questions.

MASSEY

42.

DEA/4600-J-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2348

Ottawa, December 18, 1942

Your telegram No. 3088, of December 15, Vanier's appointment. In view of the explanation given in your telegram under reference, I agree that it would be better not to reply to de Gaulle's letter. Explanations of the actual situation will be given to Vanier. The official description of his duties will remain as described in my telegram No. 2213 of November 30th.

43.

DEA/1-Fs

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures¹⁴
High Commissioner in Great Britain to
Secretary of State for External Affairs¹⁴*

TELEGRAM 1271

London, June 9, 1943

CONFIDENTIAL. Following from Vanier for Robertson, Begins: French No. 22. Confidential. My letter of May 29th¹ regarding representation North Africa.

As this question will arise immediately, I venture to suggest that consideration be given to it at once as it would appear proper, as largest French speaking community outside of France is to be found in our country, that Canada should be amongst the very first, if not the first, to appoint representative. Remembering the confused thought in Quebec following collapse of France, such decision without delay would appear particularly desirable as French Committee of National Liberation represents all Frenchmen outside of France and I believe overwhelmingly those in France as well. I feel that any delay in making appointment would be very disappointing to all Canadians. Ends.

¹Voir aussi le document 1397.

¹⁴See also Document 1397.

44.

DEA/1-Fs

*Le ministre auprès des gouvernements alliés au sous-secrétaire d'État
aux Affaires extérieures*

*Minister to the Allied Governments to Under-Secretary of State
for External Affairs*

CONFIDENTIAL

London, August 3, 1943

My dear Norman [Robertson],

You will remember that on the 29th May I wrote to you with regard to Canadian representation in North Africa,[†] and gave certain reasons for which I hoped to be appointed there. As I have not heard from you in this connection, I feel that I should write again, more particularly as events are moving so quickly that there is no telling how soon the French Committee of National Liberation will be established in Metropolitan France.

I appreciate that it is difficult for the Canadian Government to give recognition to the French Committee before the United Kingdom and United States Governments do so, but as I assume that such recognition, in some form or another, will be forthcoming soon, this will mean that Canada, which so far has had neither representative nor observer in North Africa, will have to appoint a representative without any further delay, because I imagine that any such delay would expose the Government to serious criticism.

I know it will interest you to read the two leaders[†] which I enclose from *The Times* of Saturday, July 31st, and Monday, August 2nd., concerning the necessity for recognition of the French Committee at once. The whole of the United Kingdom press is clamouring similarly for recognition.

You know as well as I that there is no comparison between the importance for Canada of the work that can be done in North Africa and in London with the Allied Governments. Although I consider it a great honour to have been appointed to the Allied Governments, the task here is one largely of representation, whereas in North Africa the first chapter of the history of the Fourth Republic is being written. The union of the armed forces of France has now been achieved and there is talk of the setting up of a Consultative Assembly, composed of members of the French Parliament who have escaped from France since the armistice. The idea is that the Consultative Assembly should work in collaboration with the French Committee.

May I venture to suggest that it would be a mistake to appoint a Chargé d'Affaires or anyone below the rank of Minister because many countries, if not all, will appoint Ministers and it would be inappropriate, I submit, for Canada whose population is almost thirty percent French speaking, to be placed in a position of inferiority. Besides, I feel sure that the French Committee would expect this mark of appreciation and courtesy.

It is possible that you may consider the fact that I am accredited to other Governments as an obstacle to my appointment. Frankly I do not see in what way. The various Governments would understand perfectly if they were in-

formed of the fact, which most of them know already, that I was Canadian Minister to France before and during the war and that it was the intention of the Canadian Government to give me my old appointment as soon as this was feasible. I, for my part, would be only too pleased to carry the message, with a word of explanation, to each one of the Foreign Ministers.

If you did not wish to appoint another Minister immediately to the Allied Governments, you might appoint a Chargé d'Affaires as you did for so long to Belgium and to Holland.

The drafting of this self-plea is most distasteful but I have forced myself to the unpleasant task because I feel very deeply that my place is in North Africa and later in France where, with Pauline, I may be able to help in a humble way in its rehabilitation. As I said in my letter of the 29th May, France will require the sympathetic and understanding assistance of all her friends.

Please forgive me for the vanity of adding that many of the members of the French Committee have been known to me for several years, some since the Geneva days of 1930, and I feel that it would be possible to give good service to Canada as well as to France.

If you feel so inclined you may show this letter to the Prime Minister. I would like him to know, in any event, how deeply I feel about representing Canada in North Africa, and later in France.

Yours ever,

GEORGE [VANIER]

45.

DEA/1-Fs

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures¹⁵
au Premier ministre¹⁶*

*Memorandum from Assistant Under-Secretary of State for External Affairs¹⁵
to Prime Minister¹⁶*

Ottawa, October 5, 1943

I submitted Vanier's name this morning to Major Bonneau, so that he could secure the agreement of the French Committee of Liberation.¹⁷ He expressed considerable gratification over his selection. I sent you recently a note^f of a talk with him last week, in which he had passed on to me a suggestion from the Committee of Liberation that it would not be welcome to them if persons who had been associated in any way with the Vichy government were appointed as foreign representatives in Algiers. Of course Vanier meets their views completely on this point.

¹⁵H. H. Wrong.

¹⁶Voir aussi les documents 1424 et 1438.

¹⁷Voir le document 4.

¹⁶See also Documents 1424 and 1438.

¹⁷See Document 4.

Vanier has telegraphed to urge the deferment of any announcement of his appointment for the present, and even wished us not to submit his name to the French until the end of the month. I have answered that we could not defer clearing the matter with the French as otherwise we could not proceed with the necessary arrangements for establishing his office. I told him that we would try to give him a considerable period of warning between the receipt of the French agreement to his appointment and its public announcement, so as to give him a chance of explaining, personally, to the Foreign Ministers of the Allied Governments that he was leaving London for Algiers after a comparatively short stay in London. I mention this in case you might find it possible, when his appointment is confirmed by Council, to emphasize the need for complete secrecy until public announcement is made. It will take a little time for Vanier to make his explanations, as he has so many different Governments to see and he cannot begin until we have had word from Algiers.

46.

DEA/5858-J-40

*Le délégué du Comité français de la libération nationale
au sous-secrétaire d'État aux Affaires extérieures*
*Delegate of French Committee of National Liberation
to Under-Secretary of State for External Affairs*

Ottawa, le 18 octobre 1943

Monsieur le Sous-Secrétaire d'État,

Me référant à la conversation que j'ai eue avec M. Wrong, le 5 octobre, j'ai l'honneur de vous faire savoir qu'il est particulièrement agréable au Comité Français de la Libération Nationale de donner son agrément à la désignation du Général Vanier comme représentant du Gouvernement canadien auprès de lui.

Par ailleurs, pour répondre au désir qu'a bien voulu exprimer M. Wrong, l'agrément ainsi donné ne sera rendu public que lorsque le Département des Affaires Extérieures le désirera.¹⁸

Veuillez agréer etc.

G. BONNEAU

¹⁸La nomination fut rendue publique le 25 octobre.

¹⁸The appointment was announced on October 25.

SECTION G
INDE/INDIA

47.

DEA/5550-40

*Extraits du mémorandum du sous-secrétaire d'État
aux Affaires extérieures au Premier ministre*
*Extracts from Memorandum from Under-Secretary of State
for External Affairs to Prime Minister*

Ottawa, January 3, 1942

I am returning the letter of December 11th¹ which you received from Mr. H. S. L. Polak¹⁹ about Canadian-Indian relations, as well as a draft reply[†] to Mr. Polak for your signature.

Mr. Angus has prepared the attached memoranda on two of the points raised in Mr. Polak's letter, viz., the appointment of a Canadian representative to India and the granting of the franchise to British Indians in British Columbia.²⁰ The argument of these memoranda seems to me important and convincing, and to justify further consideration of Government policy on both heads.

I might add, as a footnote to Mr. Angus' memorandum on the East Indian franchise question, that when Lord Halifax was in Ottawa six weeks ago he spoke to me about the position of the British Indians in British Columbia, which he had previously been discussing with Mr. Polak. Halifax said that, in his personal opinion, anything we could do at this juncture to clear up the status of this handful of Indian immigrants would have a very helpful influence on Indian opinion and would create the friendliest of feelings toward Canada.

[PIÈCE JOINTE/ENCLOSURE]

W.L.M.K./Vol. 281

*Mémorandum de l'adjoint spécial en temps de guerre
du sous-secrétaire d'État aux Affaires extérieures*
*Memorandum by Special Wartime Assistant to
Under-Secretary of State for External Affairs*

Ottawa, December 26, 1941

1. The purpose of this memorandum is to draw attention to the case for the early appointment of a Canadian High Commissioner to India.
2. It is hardly necessary to emphasize;
 - (a) The importance of the wholehearted co-operation of India in the conduct of the present war: or

¹⁹Le secrétaire honoraire, *Indians Overseas Association*.

²⁰Voir le document 906.

¹⁹Honorary Secretary, *Indians Overseas Association*.

²⁰See Document 906.

(b) The importance of a healthy political development in India during and after the war: or

(c) The importance of India being able to cooperate in the peace settlement side by side with China as a nation which is not white, not European in civilization and not Christian in religion.

3. What is less generally realized is the unique part which Canada might play in promoting these three objectives.

4. India is faced with two major political problems:

(a) The attainment of satisfactory international status.

(b) The evolution of a political system which can combine respect for the appropriate autonomy of territorial and religious minorities with national unity.

5. There is a dangerous tendency in India to overemphasize the first of these two problems and to forget that the second is the more important and, as the experience of the United States, of Canada and of Australia shows, is by far the more difficult of solution.

6. Of these three countries Canada can contribute most to India by placing her experience before India because:

(a) Canadian political evolution has been continuous and (during the last 100 years) peaceful.

(b) Canadian statesmen have dealt with both problems concurrently and have avoided the dangerous interval which occurred in the United States before a Federal Constitution was adopted.

(c) The minority problem has been of peculiar importance in Canada.

(d) Canada is free from any suspicion of imperialism on the one hand and of any suspicion of anti-British sentiment on the other.

(e) Canada, as part of North America, is closely associated in thought with the United States, a country which enjoys great prestige among Indian politicians.

7. In these circumstances a representative of Canada in India might play an invaluable role in Indian political evolution, provided that:

(a) He refrains scrupulously from meddling in Indian politics.

(b) He keeps on good terms with British official society in India but does not become absorbed in it.

(c) He cultivates Indians of all political parties and makes personal friendships among them.

(d) He makes it clear that Canada is ready to accept India as a sister dominion, but is not concerned with imposing this status on India.

(e) He interprets Canadian political evolution and the way in which Canadian statesmanship has let the facts of evolution set the pace and precede the changes in political formulae.

(f) He emphasizes the value in world reconstruction of the willing collaboration of India and of the positive and inspiring "historical mission" which

lies before India, and of the prestige which a nation enjoys if it has succeeded in solving peacefully the two great political questions of status and internal organization.

(g) He is on the alert to discover opportunities in which Canada may assist Indian development in various spheres e.g. education (perhaps by receiving Indian students), in industry and in commerce, or in the development of social services.

8. A resultant of the efficient execution of this task would be that, when India does emerge as a full fledged nation, it will be without feelings of enmity towards other countries but with a wish to collaborate with them economically and otherwise and with confidence in her ability to collaborate. There will be a great danger after the war or in its later stages of bitter racial feelings against Japanese and those being expressed in ways which will alienate sympathies in China and India. It is immensely important to stress the solidarity of civilized and "democratic" peoples in such a crisis and therefore important that India should have contacts with other democratic nations besides the United Kingdom.

9. Canada could make this gesture without incurring great expense and without assuming any embarrassing responsibilities.

10. If the suggestion is approved the first step would naturally be²¹ to discuss it informally and very frankly with the United Kingdom authorities so as to avoid any possibility of a misunderstanding as to Canada's intentions.

48.

DEA/11004-40

Le haut commissaire en Grande-Bretagne au Premier ministre
High Commissioner in Great Britain to Prime Minister

Ottawa, January 1, 1942

My dear Prime Minister,

I have received a letter from Mr. Amery referring to the informal suggestion which he made some months ago that Canada might be prepared to consider the exchange of High Commissioners with India. You may remember that I transmitted this proposal to you and that you asked me to tell Mr. Amery that you did not think the time had come for such a step.²²

In his recent letter Mr. Amery refers to the fact that since the original correspondence the United States has received an official representative from India at Washington, who seems to be *persona grata* there, and he also points out that the war in the Pacific will have changed the problem to which you referred in your letter about the Asiatic vote in British Columbia.

²¹Note marginale:

to find the man with the above qualifications and disposition and then W. L. M[ACKENZIE] K[ING]

²²Voir le volume 7, documents 29 et 31.

²¹Marginal note:

²²See Volume 7, Documents 29 and 31.

Mr. Amery has no desire to press his proposal and should you feel it still impossible for Canada to consider the suggestion he will quite understand, but the present circumstances have led him to hope that the subject might be reopened. As you will remember he feels very strongly that the exchange of representatives between India and Canada will be very helpful in its relation to some of the problems of administration in India itself.

Mr. Amery also referred in his letter to the heroic joint defence of Hong Kong by Canadians and Indians.²³

Yours sincerely,

VINCENT MASSEY

49.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 5, 1942

...

SELF GOVERNMENT FOR INDIA

35. THE PRIME MINISTER mentioned the deterioration of the military situation in the Far East, with particular reference to the invasion of Burma and the imminence of the threat to India.

The Chinese Foreign Minister had informed him of the substance of General Chiang Kai-Shek's report that India's position was exceedingly weak and that the Indian population were not disposed to co-operate wholeheartedly with Britain in opposing Japanese aggression.

36. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported receipt of telegrams from the U.K. government describing the text of a statement to be made shortly in London. It was intended to announce proposals to provide Dominion status to an Indian Union after the war; the right to leave the Empire would be specifically admitted.

(Telegrams 120 and 121 of March 4, 1942, Secretary of State for Dominion Affairs, to External Affairs.)²⁶

37. MR. KING read the text of the proposed statement and said that the government should express a favourable view of the proposals therein set out.

²³La note suivante était écrite sur ce document:

²³The following note was written on the document:

Robertson

Please draft wire to Massey²⁴ giving[?] him word to Amery (referring to earlier wire²⁵). K[ING]

²⁴Il semble que ce télégramme n'a pas été rédigé.

²⁴Apparently this telegram was not drafted.

²⁵Voir le document 824.

²⁵See Document 824.

²⁶Documents 822 et 823.

²⁶Documents 822 and 823.

Anything that could be done to encourage the Indian population to co-operate in resisting Japan should be undertaken without delay.

38. MR. ROBERTSON suggested that, in the circumstances, it might be appropriate for Canada to appoint a High Commissioner to India.

39. The War Committee, after further discussion, approved a communication to the United Kingdom in the sense suggested by the Prime Minister.²⁷

40. The War Committee also approved, in principle, appointment of a Canadian High Commissioner to India.

...

50.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 26, 1942

...

CANADIAN HIGH COMMISSIONER FOR INDIA

29. THE PRIME MINISTER mentioned the War Committee's earlier decision to appoint a Canadian High Commissioner to India.

Possibly it would be well to defer actual appointment until the results of Sir Stafford Cripps' mission were known.²⁸

...

51.

DEA/11004-40

Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs

TELEGRAM 1353

London, May 19, 1942

Following for the Prime Minister, Begins: Amery tells me that he has now heard from Viceroy of India and the member of the Viceroy's Council in charge of the Department concerned, to effect that they will be very pleased indeed to exchange representatives with Canada. Amery would like to know whether you are still prepared to proceed with exchange.²⁹ Ends.

²⁷Voir le document 824.

²⁸Voir les documents 827, 828, 831 et 832.

²⁹Aucune réponse à ce télégramme n'a été trouvée. Un haut commissaire en Inde ne fut nommé qu'en décembre 1946.

²⁷See Document 824.

²⁸See Documents 827, 828, 831 and 832.

²⁹No reply to this telegram was located. A High Commissioner in India was not appointed until December 1946.

SECTION H
MEXIQUE ET PÉROU
MEXICO AND PERU

52.

W.L.M.K./Vol. 241

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] June 6, 1942

As I mentioned to you in the War Committee on Thursday, Mr. McCarthy reported that morning that Mr. Sumner Welles had spoken to him very earnestly about the importance the United States attached to the establishment of direct diplomatic relations between Canada and Mexico. He thought that an immediate indication of our willingness to receive a Mexican diplomatic representative and of our intention to reciprocate, would be very helpful, following Mexico's entry into the war.

I reminded Mr. McCarthy that it was now nearly a year since we agreed to exchange representatives with China, and that for some months we had been committed to establishing a Legation in Moscow, but that so far we have not been able to find the right men to staff the new Missions. In these circumstances I thought you would be reluctant to make a decision about establishing a Legation in Mexico until you could see your way to going through with it pretty promptly.

Mr. McCarthy would like to be able to tell Mr. Welles that he has transmitted the message to you and that the Government is giving serious and sympathetic consideration to it.

N. A. R[OBERTSON]

53.

W.L.M.K./Vol. 327

*Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States*

TELETYPE EX-1088

Ottawa, June 6, 1942

IMMEDIATE. Following for Minister from Robertson, Begins: Reference your message WA-1236.[†] Your conversation with Welles about importance of early exchange of diplomatic representation with Mexico was discussed by the Prime Minister with the War Committee yesterday. There was general appreciation of desirability of action in this sense but it was felt that it would be inadvisable to proceed with establishment of a Legation in Mexico until we have appointed representatives to Chungking and Moscow. Although we formally agreed to

exchange Ministers with China and U.S.S.R., the Government has not yet been able to find the right men for the posts. You may tell Mr. Welles that the Government fully appreciate the importance and desirability, particularly at the present juncture, of establishing direct diplomatic relations between Canada and Mexico, but we do not wish to make a commitment on the matter to the Mexican Government until we can see our way to the fairly prompt establishment of a Legation.³⁰ Ends.

54.

DEA/1476-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre du Commerce*

*Under-Secretary of State for External Affairs
to Deputy Minister of Trade and Commerce*

Ottawa, July 24, 1942

Dear Mr. Wilgress,

In your letter of July 15[†] you said that you would like me to indicate to you the sense in which I think Mr. MacKinnon might convey to Dr. Tudela the attitude of the Canadian Government towards the exchange of Ministers with Peru. I should be inclined to state the opinion of the Government somewhat as follows:

“The Canadian Government appreciates greatly the desire of the Peruvian Government to establish direct diplomatic relations with Canada. The Canadian Government shares the desire of the Peruvian Government for closer relations between our two countries. It would very much like to establish immediately direct diplomatic relations with Peru on a reciprocal basis but because of special circumstances which have been fully explained to the Consul General of Peru it regrets its inability to do so at the present time. When these circumstances change, the Canadian Government will be glad to examine with the Peruvian Government the question of the establishment of direct diplomatic relations. If it should unfortunately prove impossible for Canada to consider the establishment of direct diplomatic relations during the war, the Canadian Government feels certain that after the conclusion of hostilities it will be possible for Canada to establish a Legation in Lima and to welcome the establishment of a Peruvian Legation in Ottawa.

Peru, in view of its situation, its great resources, and its special importance to Canada, holds a special place in the minds of the Government and people of Canada and the Peruvian Government may be assured that the Canadian Government greatly values the close and friendly relations which happily exist between Canada and Peru and which the Canadian Government trusts will be made even more intimate as a result of the conclusion of a Trade Agreement³¹ between the two countries.”

Yours sincerely,

N. A. ROBERTSON

³⁰Voir aussi le document 7.³¹Voir le volume 8, documents 937 et 938.³⁰See also Document 7.³¹See Volume 8, Documents 937 and 938.

55.

DEA/1476-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

DESPATCH 920

Ottawa, July 30, 1942

Sir,

I have the honour to refer to your despatch No. 848 of April 3, 1941,³² in which you report that the Peruvian Ambassador had expressed to you the strong desire of his Government to exchange diplomatic representatives with Canada.

Since the receipt of your despatch the Canadian Government has given a good deal of consideration to the question of the establishment of direct diplomatic relations with Peru but unfortunately the Government found it difficult to arrive at a final decision.

Recently the question was raised afresh by a letter of July 6, 1942,[†] to the Minister of Trade and Commerce from Dr. Francisco Tudela y Varela, Chairman of the Foreign Political-Economic Commission of Peru. I enclose a copy of this letter. I also enclose a copy of the reply of July 25 from the Minister of Trade and Commerce to Dr. Tudela.[†] Paragraphs two and three of this letter were drafted in this Department.³³

For your own information I may say that one reason we have told Peru that we regret our inability to establish immediately direct diplomatic relations is that we feel we cannot make any formal commitments to Peru until we have made a decision on the exchange of diplomatic representatives with Mexico nor can we very well take action with respect to any additional Latin American country until we get the legations at Moscow and Chungking established.

I think it might be advisable if the next time you are speaking to the Peruvian Ambassador you would discuss with him the exchange of diplomatic representatives between Canada and Peru along the lines of the letter of July 25 from the Minister of Trade and Commerce to Dr. Tudela.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

³²Voir le volume 7, document 128.

³³Voir le document 54.

³²See Volume 7, Document 128.

³³See Document 54.

*Le sous-secrétaire d'État aux Affaires extérieures
au ministre aux États-Unis*

*Under-Secretary of State for External Affairs
to Minister in United States*

Ottawa, December 22, 1943

Dear Mr. McCarthy,

I have your letter of December 17th,[†] enclosing a further enquiry from the Peruvian Ambassador as to when we will be ready to exchange diplomatic missions with his country.

When the Prime Minister announced, in the debate on External Affairs Estimates in June³⁴, that the Government looked forward to the establishment of Legations with Mexico and Peru, he hoped that action would have been taken before this. There have been two reasons for our delay, neither of which could really be passed on to the Peruvian Ambassador. In the first place, we cannot appoint a Minister to Peru until we are ready to make a simultaneous appointment of a Minister to Mexico. The Prime Minister has, therefore, to find two suitable nominees, available at the same time. In the second place, the establishment of these new Latin American offices, plus the probable appointment of a High Commissioner to India, will require some reshuffling of our other senior representation abroad. Such shifts and transfers are not easily effected under present conditions.

I know that the Prime Minister hopes very much to make appointments to all these vacant posts before the House meets, i.e., within the next few weeks.

In the meantime, I do not think you can say anything more to the Peruvian Ambassador than that the Canadian Government shares his Government's desire to effect an exchange of missions at the earliest opportunity, and is particularly looking forward to the reception of a Peruvian Minister in Canada. You might also tell him that the Peruvian Consul General in Canada, Mr. Fernandez Davila, has not failed to keep us reminded of his Government's interest in this matter. Señor Davila, who has been a very pleasant and competent representative of Peru in Canada for these last three years, has an uneasy feeling that his Government may suspect that he has been less than zealous in urging us to complete the exchange of representation which had been agreed on, in principle, for some time. I hope that no such impression exists in the minds of the Peruvian Government, because Señor Davila has been, I think, an excellent representative of his country here, and can in no way be held responsible for any delays on our part.

Yours sincerely,

N. A. ROBERTSON

³⁴Voir Canada, Chambre des Communes, *Débats*, 1943, volume 5, pp.4797-4800.

³⁴See Canada, House of Commons, *Debates*, 1943, Volume 5, pp.4664-7.

57.

DEA/1476-40

*Le sous-secrétaire d'État aux Affaires extérieures
au secrétaire du Gouverneur général*

Under-Secretary of State for External Affairs to Secretary to Governor General

Ottawa, December 31, 1943

Dear Sir Shuldham [Redfern],

As you are aware, the Governments of Mexico and Peru have approached the Canadian Government, on several occasions, on the subject of the exchange of diplomatic missions. The Canadian Government has now come to the conclusion that it would be desirable to accept these proposals, in order that such measures as they may desire may be taken by the Governments of Peru and Mexico for the establishment of missions in Ottawa. It is possible that action will not be taken immediately for the reciprocal establishment of missions in those countries, but this will no doubt be done in the near future.

It is requested that the wishes of the Canadian Government should be submitted for His Majesty's approval, and I should appreciate it if you would bring this to the attention of His Excellency, in order that he may take the necessary action.

Yours sincerely,

N. A. ROBERTSON

SECTION I

NOUVELLE-ZÉLANDE/NEW ZEALAND

58.

DEA/2177-40

*Le premier ministre de Nouvelle-Zélande au Premier ministre
Prime Minister of New Zealand to Prime Minister*

TELEGRAM 1

Wellington, April 15, 1942

SECRET. As a complementary step to appointment as Canadian High Commissioner in New Zealand of Dr. W.A. Riddell, whom we have been so happy to welcome here in that capacity and whose appointment has unquestionably proved to be to the mutual advantage of Canada and New Zealand, the New Zealand Government have been considering for some time past the appointment, as a reciprocal measure, of a New Zealand High Commissioner in Canada.

In pressure of business resulting from the outbreak of war, renewed and intensified with its extension to the Pacific, you will understand that it has not been easy to release from his immediate duties here a suitable person for this appointment.

I am happy now to advise you that we are in a position to appoint to this post, the Honourable Frank Langstone. Mr. Langstone has been a Minister of the Crown since the formation of Savage Government in 1935 and at present holds portfolios of Lands and Native Affairs. For some time past he has been in North America as representative of this Government for supply and other purposes and as he has not yet returned to New Zealand, he could take up his new duties at a very early date.

I should be most grateful to learn whether these proposals are acceptable to the Canadian Government.

59.

DEA/2177-40

*Le secrétaire d'État aux Affaires extérieures
au premier ministre de Nouvelle-Zélande*

Secretary of State for External Affairs to Prime Minister of New Zealand

TELEGRAM 1

Ottawa, April 17, 1942

SECRET. Following for the Prime Minister of New Zealand from the Prime Minister of Canada, Begins: Your telegram No. 1, appointment of Honourable Frank Langstone. I thank you for your telegram which has reached me at Washington and hasten to assure you that we shall be delighted to welcome Mr. Langstone to Ottawa as High Commissioner for New Zealand in Canada.

I had the benefit of a word with Mr. Nash yesterday concerning this appointment and after consultation we have agreed that announcement of the new appointment should be made forthwith.

I recall the pleasure I had in meeting Mr. Langstone during his visit to Ottawa some months ago. I am very glad to know that we shall now have reciprocal representation in our respective capitals, and I hope it may continue to be of growing assistance in our joint prosecution of the war effort. Ends. Message Ends.

SECTION J

UNION SOVIÉTIQUE/SOVIET UNION

60.

DEA/2462-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2378

London, December 15, 1941

Your telegram No. 1684 of October 31st,[†] and my despatch A. 454 of November 13th,³⁵ Russian Consuls. Maisky has now proposed a written Agreement for

³⁵Voir le volume 7, document 142.

³⁵See Volume 7, Document 142.

an exchange of Consuls between Canada and the Union of Soviet Socialist Republics. Following is draft of text of proposed Agreement as put forward by Maisky, who states that he has full power to sign on behalf of his Government, Begins:

The Government of the U.S.S.R. and the Government of the Dominion of Canada have reached an agreement as follows:

(1) The two Governments have agreed to exchange Consular representatives, the number and residence of which will be decided by subsequent negotiations between them.

(2) The present Agreement comes into force immediately after its signature and is not subject to ratification.

(3) The present Agreement is drawn up in two copies, each of them in the Russian and English languages. Both texts have equal force. Ends.

I may point out that I have always given Maisky clearly to understand that *reciprocity* in exchange of Consuls was only mentioned as a question of principle, and that so far as I was aware the Canadian Government had no immediate intention of appointing Consuls in the U.S.S.R.

It may, however, be considered desirable to pin the Russians down now in the matter of reciprocity in case the Canadian Government at a later date should find it expedient to take advantage of proposal.

The United Kingdom Government are, as I explained in my despatch under reference, interested in establishment of principle of exchange of Consuls with the U.S.S.R. as this would strengthen their hand in negotiations to obtain the appointment of British Consuls in the U.S.S.R.

The South African and New Zealand Governments have also been approached by the U.S.S.R. As far as South Africa is concerned, the proposal is for appointment of a Russian Consul General in Durban or Capetown. So far the proposal has only been put to the South African High Commissioner unofficially, but in the event of an official proposal, General Smuts has authorized him to accept a Russian Consul but to insist upon reciprocity. While South Africa has apparently no immediate intention of appointing a Consul, they may find it convenient to do so later, and consider that a South African Consul in the U.S.S.R. could play the additional role of an observer on behalf of the British Government, much as Dupuy has done at Vichy.

New Zealand has been unofficially approached in the matter, but New Zealand Government have not yet made up their minds.

I should be grateful to receive your instructions as to whether you desire me to sign the above Agreement on behalf of the Canadian Government, either in its present form or modified in any particular manner.

I should be most grateful for early instructions.

MASSEY

61.

DEA/2462-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 124

Ottawa, January 22, 1942

Your telegram No. 2378 of December 15th. You are authorized to sign draft agreement for exchange of consuls between Canada and the U.S.S.R., proposed by Soviet Ambassador. Text as it stands is acceptable except that our Government should be described as "the Government of Canada". Please advise us of probable date of signature of agreement and concert publicity arrangements with Maisky so that fact of signature can be announced simultaneously in Ottawa.³⁶

For your information, I may add that Government does not intend for the present to appoint Consuls to U.S.S.R., but takes view that most appropriate Canadian representation in Moscow would be diplomatic. Enquiries as to the acceptability of a Canadian Minister to the U.S.S.R. will, it is expected, be initiated shortly through the usual channels.

62.

DEA/2462-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

Ottawa, February 27, 1942

CANADIAN REPRESENTATION IN THE U.S.S.R.

Under the Agreement concluded in London on February 5th between Canada and the U.S.S.R., provision was made for the exchange of consular representatives, the number and residence of which was to be decided by subsequent negotiations between the Canadian and Russian Governments.

2. On February 12th Mr. Massey advised that the Russian Government wished to open a Consulate General at Ottawa with a Consular Agency, subordinate to the main Consulate, at Halifax. Mr. Maisky requested a decision at the earliest possible moment as to whether such an arrangement would be agreeable to the Canadian Government. On February 13th a reply¹ was sent indicating that the Canadian Government approved this arrangement.

3. The question of the precise nature of Canadian representation in the U.S.S.R., however, has not yet been solved. I think there is a great deal to be said

³⁶L'accord fut signé le 5 février. Voir Canada, *Recueil des traités*, 1942, N° 9.

³⁶The agreement was signed on February 5. See Canada, *Treaty Series*, 1942, No. 9.

for putting forward a suggestion that an exchange of ministers rather than of consuls should be considered. So far as Canada is concerned, our interest is fundamentally to obtain all possible information regarding the Russian conduct of the war and the nature of Russia's views on reconstruction in the post-war period. Questions of present and post-war trade will be important, as will independent accounts of political conditions and developments within Russia itself. For this reason it is important that Canadian representation in Russia should be on the same level as the representation of the United Kingdom, the United States and other Allied countries. Further, there is evidence that the general public would find it extremely difficult to understand why our representation in Russia should take the same form as our representation in Greenland and St. Pierre.

4. Conversely, there is every reason to believe that following the recent establishment of direct diplomatic relations with Poland, Norway and Yugoslavia, and the elevation to ministerial rank of the former Consuls General of these three countries, Russia, one of our strongest and most powerful Allies would welcome the opportunity of modifying the Agreement of February 5th in order to provide for a diplomatic rather than consular exchange.

5. There are, therefore, two possible courses of action:

- (1) to raise the question of an exchange of ministers with Russia; and
- (2) to leave the question of such an exchange for the moment and to proceed at once with the appointment of a Consul General.

N. A. R[OBERTSON]

63.

DEA/2462-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 78

Ottawa, March 15, 1942

As you may be aware, His Majesty's Government in Canada and the Government of the U.S.S.R., as a result of negotiations between the Canadian High Commissioner and the representative of the U.S.S.R. in London, signed an Agreement recently concerning the exchange of consular representatives. We have come to the conclusion that it is desirable to proceed to the establishment of a Canadian Legation in the U.S.S.R. on a reciprocal basis.

It is requested that the wishes of the Canadian Government be submitted for His Majesty's approval.

When His Majesty's approval has been received, it is requested that the Government of the U.S.S.R. be advised as follows: Quote

His Majesty's Government in Canada have come to the conclusion that it is desirable that the handling of matters in the U.S.S.R. relating to Canada should be confided to an Envoy Extraordinary and Minister Plenipotentiary accredited to the Government of the U.S.S.R.

Such a Minister would be accredited by His Majesty the King to the President of the Praesidium of the Supreme Council of the Union and he would be furnished with credentials which would enable him to take charge of all affairs relating to Canada. He would be the ordinary channel of communication with the U.S.S.R. Government on these matters. The arrangements proposed would not denote any departure from the principle of the diplomatic unity of the Empire, that is to say, the principle of consultative co-operation amongst all His Majesty's representatives as amongst His Majesty's Governments themselves, in matters of common concern. The methods of dealing with matters which may arise concerning more than one of His Majesty's Governments would therefore be settled by consultation between the representatives of His Majesty's Governments concerned.

In proposing the establishment of a Canadian Legation, His Majesty's Government in Canada trust that it will promote the maintenance and development of cordial relations, not only between the U.S.S.R. and Canada, but also between the U.S.S.R. and the whole British Commonwealth of Nations. End quote.

In advising the Government of the U.S.S.R. as stated above, it might be added informally that the Canadian Government assume that the Government of the U.S.S.R. will wish to reciprocate by establishing a Legation in Canada.

I am informing Mr. Massey of the above in order that he may advise Mr. Maisky informally of the steps now being taken.

64.

DEA/2462-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 885

London, March 31, 1942

Your telegram No. 582 of March 24th[†]. Diplomatic relations with the U.S.S.R. Maisky states that he has received word from his Government that they welcome the decision of the Canadian Government and that they in turn have decided to establish diplomatic relations with Canada, and accordingly to appoint a Minister at Ottawa. They hope before long to communicate name of their Minister designate.

Under these changed circumstances Soviet Government have cancelled appointment of Mr. Yerofeyev as Consul General at Ottawa but they wish in addition to their Legation at Ottawa, to establish a Consulate at Halifax. They would be grateful to be informed whether Canadian Government approve of this arrangement.

MASSEY

65.

DEA/2462-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 658

Ottawa, April 2, 1942

Your telegram No. 885 of 31st March. I assume His Majesty the King has approved exchange of diplomatic representatives between Canada and Soviet Russia. On that assumption, about which you might enquire at Dominions Office, Maisky might now be advised that Canadian Government accept the arrangement as referred to in your telegram.³⁷

66.

DEA/26-JA-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1216

Ottawa, June 23, 1942

SECRET. Your telegram No. 1654 of 18th June.[†] It is noted that the Government of the U.S.S.R. propose to appoint Mr. Theodore Gusev as Soviet Minister at Ottawa.

It is requested the proposed appointment be submitted for His Majesty's approval. Formal document of submission will be forwarded by air mail within the next few days.

67.

DEA/26-JA-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1728

London, June 29, 1942

Your telegram No. 1216 of June 23rd[†], Soviet Minister to Canada. The King has approved the appointment of Mr. Theodore Gusev as Soviet Minister at Ottawa.

MASSEY

³⁷L'accord établissant les relations diplomatiques directes entre le Canada et l'Union soviétique fut signé à Londres le 12 juin 1942. Voir Canada, *Recueil des traités*, 1942, N° 12.

³⁷The agreement on the establishment of direct diplomatic relations between Canada and the Soviet Union was signed in London on June 12, 1942. See Canada, *Treaty Series*, 1942, No. 12.

68.

W.L.M.K./Vol. 329

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*
*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1816

Ottawa, October 5, 1942

CONFIDENTIAL. Canadian Government desire to ascertain whether His Majesty would approve the appointment of Mr. L.D. Wilgress, at present Deputy Minister of Trade and Commerce, as His Majesty's Envoy Extraordinary and Minister Plenipotentiary for Canada in the U.S.S.R. Please make verbal submission to His Majesty. Formal submission will be forwarded by air mail within the next few days.

69.

W.L.M.K./Vol. 329

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*
*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2488

London, October 12, 1942

MOST IMMEDIATE. Your telegram No. 1859 of October 10th[†], appointments of Ministers to the U.S.S.R. and China. His Majesty has given his verbal approval. The Foreign Office have telegraphed His Majesty's representatives at Kuibyshev and Chungking asking urgently for agréments of respective Governments. The Foreign Office state, however, that it will not be possible for replies to be received by tonight. You will appreciate that it is particularly difficult to get such quick action from the Government of the U.S.S.R. in view of their other preoccupations. I feel sure you will agree that no announcement should be made until the agréments have been received.

.MASSEY

70.

W.L.M.K./Vol. 329

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*
*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2600

London, October 23, 1942

My telegram No. 2488 of October 12th, appointments of Ministers to U.S.S.R. and China.

Soviet agrément to the appointment of Wilgress as Minister at Kuibyshev was given to the British Ambassador at Kuibyshev on October 22nd.

MASSEY

SECTION K
SUÈDE/SWEDEN

71.

W.L.M.K./Vol. 353

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

Ottawa, July 2, 1943

The Swedish Consul General saw the Prime Minister this afternoon on instructions from his Government. He informed him that the Swedish Government is desirous to change its Consulate General in Canada into a Legation and to request, in the near future, agrément for a Minister, the Swedish Parliament having granted the necessary appropriations. Mr. Wijkman wished to make it clear that, though his Government would very warmly welcome the appointment of a Canadian Minister to Stockholm, they were not raising the question of reciprocity. The Prime Minister assured him that we would be glad to receive a Swedish Minister and that he hoped we would eventually be able to accredit a Canadian Minister in Sweden. In the meantime, there were a number of other countries, among which he mentioned Mexico, to which we were under some obligation to accredit a Minister before undertaking an exchange of diplomatic representatives with Sweden.

I told Mr. Wijkman that I hoped it would be convenient for the announcement of the Swedish Legation to be made simultaneously here and in Stockholm, and it was desirable that the announcement be planned for 3 p.m. on a weekday afternoon so that the announcement from Ottawa could be made on the Orders of the Day.³⁸

N. A. R[OBERTSON]

³⁸Voir Canada, Chambre des Communes, *Débats*, 1943, volume 5, p.4820. Le consul général, Per Wijkman, fut nommé ministre.

³⁸Sec Canada, House of Commons, *Debates*, 1943, Volume 5, pp.4686-7. The Consul General, Per Wijkman, was appointed Minister.

SECTION L
TURQUIE/TURKEY

72.

DEA/4585-40

*Mémemorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*
*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] September 2, 1943

I am attaching an extra copy of the High Commissioner's telegram No. 1437 of June 28^t transmitting an enquiry from the Turkish Government as to whether the Canadian Government is agreeable to Turkey opening a Legation in Ottawa.

On August 4th we asked Mr. Massey to inform the Chargé d'Affaires of the Turkish Embassy in London that the Canadian Government appreciated the proposal of the Turkish Government and hoped to send a final answer soon. I see no particular advantage to be gained from the reception of a Turkish Minister here. At the same time I see no reasonable ground for objecting to their doing so. We have agreed to receive a Swedish Minister without question of reciprocity and presumably a Turkish representative would come on the same footing.

I think you had it in mind to mention the question to Mr. Churchill informally to see if he thought in the present stage of the war our acknowledgement of a friendly gesture from Turkey would be helpful. Did you have any opportunity to mention the matter to Mr. Churchill?³⁹

An Ankara report in today's *New York Times* reports that Turkey will shortly appoint an Ambassador to Washington and would meanwhile accredit here the Turkish Ambassador in Washington. This report is obviously incorrect and the proposed arrangement would be quite unacceptable. Its currency, however, makes it desirable to clear up the question quickly by returning an early answer to the Turkish Government's enquiry.⁴⁰

³⁹Note marginale:

³⁹Marginal note:

No. K[ING]

⁴⁰La note suivante était écrite sur ce mémorandum: ⁴⁰The following note was written on the memorandum:

It was agreed, I thought, that we would be prepared to have a Turkish Legation opened in Ottawa. Conditions similar to those with Sweden - advantages are, I think, similar in light of war situation. W. L. M[ACKENZIE] K[ING]

73.

DEA/4585-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1572

Ottawa, September 6, 1943

SECRET. Reference your telegram No. 1437 of June 28th.

You may inform the Turkish Ambassador in London that the Canadian Government welcome the proposal of the Turkish Government to appoint a Minister to Ottawa.

It is our understanding that the Turkish Government in proposing the establishment of a Turkish Legation in Canada, is waiving the question of the reciprocal establishment of a Canadian Legation in Ankara. Recent press reports from Ankara indicate that the Turkish Government may have in mind designating their Ambassador in Washington to be also their Minister to Canada. To avoid any misunderstanding or subsequent difficulty on this point, it might be helpful if you would explain to the Turkish Ambassador that such an arrangement would be quite unacceptable to Canada.

74.

DEA/26-NE-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2208

London, September 13, 1943

Appointment of Turkish Minister to Canada.

2. In accordance with the instructions contained in your telegram under reference, I have informed the Turkish Ambassador that the Canadian Government agree to the establishment of a Turkish Legation in Ottawa.

3. The Turkish Ambassador called today to express his pleasure at Canadian acceptance of Turkish Mission. At the same time he said that there was no foundation for press rumours referred to in your telegram under reference. He said he quite understood Canada's attitude in the matter.

4. Meanwhile, I have heard from the Foreign Office that the British Ambassador at Ankara reports that Mr. Nebil, who is described as "a former Minister" is to be appointed Turkish Minister to Canada.⁴¹

5. Foreign Office have no further information regarding Nebil's background, but they are telegraphing to British Minister, Ankara, to find out anything they can about him.

MASSEY

⁴¹Sevki Alhan fut nommé ministre.

⁴¹Sevki Alhan was appointed Minister.

PARTIE 2/PART 2
ÉTABLISSEMENT DU CONSULAT GÉNÉRAL À NEW YORK
ESTABLISHMENT OF CONSULATE GENERAL IN NEW YORK

75.

DEA/9323-A-40

*Mémoire du deuxième secrétaire*⁴²*Memorandum by Second Secretary*⁴²

Ottawa, September 19, 1942

CANADIAN CONSULATE GENERAL IN NEW YORK

SUGGESTION FOR OPENING AN OFFICE IN CONNECTION WITH
THE ACTIVITIES OF THE WARTIME INFORMATION BOARD

The question of establishing a Canadian consular service in the United States, which has been surveyed for some time, acquires urgency in view of the decision to open a New York office of the Wartime Information Board.

Mr. Vining is of the opinion that there might be a tendency in some quarters to regard such an office as merely a temporary propaganda agency unless it were attached to an established governmental service. As it is to be located outside the capital it cannot be attached to the Legation in Washington. To be an adjunct of the Canadian Government Trade Commissioner's Office in New York would give rise to the inference that its functions were primarily commercial.

The only remaining expedient would be to attach the office to a Canadian consulate general, which is what Mr. Vining urges.

From the legal standpoint, no obstacle exists since, as was done under the authority of P.C. 2111 of May 21st, 1940,⁴³ in respect to the consulates in Greenland, Paris and Tokyo, the establishment of the consulate general in New York would be submitted for approval to His Majesty, who would issue the necessary commission. Indubitably no objection would be raised by the United States authorities.

The only matter requiring consideration is whether or not the general effect and the advantages to be derived by the Wartime Information Board would be sufficient to justify the opening of a consulate general at this juncture.

Until general consular instructions can be drafted and issued, and the relationship between the Commercial Intelligence and consular services definitely determined, it would be impossible for a Canadian consulate general to take over all the functions presently exercised on behalf of Canadian interests by the British consular service and the Canadian Government Trade Commissioner's Office in the New York district.

⁴²H. F. Feaver.

⁴³Volume 7, Document 158.

However a consul general and his staff could (a) relieve the legation in Washington of much of the burden of issuing and renewing passports, and granting visas, (b) attend to such matters as authentication of documents and accepting declarations of intention to maintain Canadian domicile, (c) answer the many inquiries arising from wartime legislation and conditions, (d) provide Canadian nationals with the varied forms of assistance which fall within the scope of consular activities and (e) generally handle all the strictly non-commercial matters now attended to by the Trade Commissioner's Office.

In order that the organization of the Wartime Information Board be not delayed, Mr. Vining is anxious that policy in this matter be established at the earliest possible date.

76.

DEA/9323-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au secrétaire du Gouverneur général*

*Memorandum from Under-Secretary of State for External Affairs
to Secretary to Governor General*

Ottawa, February 22, 1943

It is proposed to establish a Consulate General in New York and to appoint Mr. Hugh D. Scully, at present Commissioner of Customs, as Consul General. The United Kingdom Government has been informed by our High Commissioner in London of the Government's plans. The Consulate General will perform the duties in relation to Canadian interests and Canadian nationals which are now performed by the existing British Consulate General in New York.

It is possible that this course of action may be followed elsewhere, and it is therefore desirable that a procedure should be followed which would meet with His Majesty's approval.

Before submitting formal advice with regard to this matter, an informal discussion is desirable because it concerns a field in which His Majesty is interested and in which there are no Canadian precedents.

It is thought that it would be desirable, in view of this being the first important consular office to be established, that His Majesty should be requested to approve the establishment of the Consulate General in New York.

It is assumed that His Majesty would not want to be directly concerned with the establishment of consulates or vice-consulates, or even with additional consulates general within a country such as the United States of America, in which he would have already approved the establishment of a consulate general. It might be a convenient practice, therefore, for the Government to inform the Governor General in such matters, in the same way in which the Government of the United Kingdom would inform His Majesty with regard to the extension of the British Consular service.

It is proposed that all appointments of Consuls General and Consuls should be made by commission passed under the Great Seal of Canada, in the name of

His Majesty the King, signed by the Governor General, with the counter-signatures of the Secretary of State for External Affairs and the Secretary of State of Canada.

The basic lines that will be followed in these matters will of course be embodied in the Royal Instructions upon the next occasion upon which they are revised. Meanwhile, it is thought that we should be able to deal with the New York consulate general upon an ad hoc basis.

77.

DEA/9323-40

Mémorandum du secrétaire du Gouverneur général

Memorandum by Secretary to Governor General

Ottawa, March 2, 1943

1. The establishment of a Consulate General in New York and the appointment of Mr. H. D. Scully as Consul General raises a question of procedure.

2. On February 17th the Under-Secretary of State for External Affairs wrote to the Secretary to the Governor General[†] informing him of the proposal and asking for the Governor General's approval which was given on February 20th.[†]

3. On February 22nd the attached memorandum was sent by the Under-Secretary of State for External Affairs to the secretary to the Governor General.

4. My comments are as follows:

(i) In so far as the Governor General is The King's representative, approval by the Governor General is tantamount to approval by The King.

(ii) As the Governor General has already approved the proposal, reference to The King is unnecessary as His Majesty could not very well be asked to approve something which his representative has already approved in His Majesty's name.

(iii) Whether this or, in fact, any other matter has to be referred to The King for approval or whether the Governor General can give approval on His Majesty's behalf is, I suggest, a matter for The King to decide. The practice in other Dominions is not irrelevant because The King might not, for instance, wish to delegate certain powers to the Governor General of Canada without delegating similar powers to the Governor General of Australia, South Africa or New Zealand. In any case it is a matter of arrangement between The King and the Governor General which matters have to be referred to His Majesty personally and which have to be dealt with by the Governor General on The King's behalf. So far as the Canadian Government is concerned it may be assumed that once a matter has been referred to the Governor General, it has ipso facto been referred to The King.

If, however, the Canadian Government requests that any matter should be brought before The King personally, it would be the duty of the Governor General to comply with such a request.

(iv) The Governor General as The King's representative performs a dual function. He relieves The King of a heavy burden of official business and he also enables the Canadian Government to go ahead with a large volume of official business without the delay involved in reference to London.

It follows that it is in the interests of the Canadian Government that The King should delegate as much as possible to his representative.

5. On the above basis I suggest the following procedure might be adopted in the establishment of Consulates General and other Consular Offices and in the appointment of officers to fill these posts.

(a) *Consulates General*

The establishment of new Consulates General and the appointment of Consuls General should be referred to the Governor General for approval as was done in the case of Mr. Scully and the new office at New York.

The Governor General will, as a matter of routine, inform The King of such approvals. (The Governor General will give formal approval later as Governor General in Council and the matter will come to his attention as a Minute of Council in the ordinary way).

(b) *Consulates and other Consular Offices and the appointment of personnel to these offices.*

The Government will inform the Governor General as a matter of routine. His Excellency would not normally inform The King of such establishments but any unusual extension of the consular service would be brought to His Majesty's notice as a subject of general interest.

(c) *Commissions*

All appointments of Consuls General and Consuls should be made by commissions under the Great Seal of Canada, in the name of His Majesty the King, signed by the Governor General with the countersignatures of the Secretary of State for External Affairs and the Secretary of State for Canada.

A. S. R[EDFERN]

78.

DEA/11336-18-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-917

Ottawa, March 16, 1943

With reference to my teletype of February 18, 1943, No. EX-585.[†] Canadian Consulate General, New York City.

The Governor General's approval of the proposal to establish a Canadian Consulate General in New York City has now been received. The Secretary of State for External Affairs intends to recommend the appointment of Hugh Day Scully as Consul General, of Douglas S. Cole as Consul, and of Leland H. Ausman as Vice-Consul. Mr. Cole will also carry the title "Chief Trade Com-

missioner in the United States" and Mr. Ausman will still occupy the position of "Assistant Trade Commissioner".

Will you please inform the United States authorities that we wish to establish the said Consulate General and ask their approval. You may inform the State Department of the nominations mentioned above but ask that the whole matter be treated as confidential until we are ready to announce the establishment of the office.

The area of responsibility and jurisdiction of the new Consulate General will be the same as that of the British Consulate General in New York namely the States of New York, Connecticut and New Jersey with the exception of the Counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem.

It is hoped that the Consulate General may be opened in the month of April. thus an early indication of United States approval would be greatly appreciated.

79.

DEA/11336-18-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1456

Washington, March 27, 1943

Further your EX-1005 of March 22nd,[†] our WA-1348 of March 22nd,[†] Consulate General in New York City, following is text of reply note dated March 26th from the Department of State, Begins:

"I have the honor to acknowledge the receipt of your note No. 148 of March 18th, 1943[†] informing the Department that it is the desire of your Government to establish a Consulate General in the city of New York and to appoint Mr. Hugh Day Scully as Consul General, Mr. Douglas S. Cole as Consul and Mr. Leland H. Ausman as Vice-Consul at that post.

This Government has noted with gratification that it is the intention of the Canadian Government to establish a Consulate General at New York. Upon receipt of information that those selected for their respective offices have been appointed thereto, you are assured that provisional recognition will be accorded them pending the receipt of their commissions.

Accept, Sir, the renewed assurances of my highest consideration.

For the Secretary of State: A.A. Berle, Jr." Ends.

80.

DEA/9323-40

*Le secrétaire du Gouverneur général au sous-secrétaire d'État
aux Affaires extérieures*

*Secretary to Governor General to Under-Secretary of State
for External Affairs*

Ottawa, April 15, 1943

My dear Robertson,

With reference to the appointments of Consuls General, I referred to Buckingham Palace the points mentioned in the Memorandum I left with you on March 3rd.⁴⁴ The Private Secretary to The King agrees that there was no necessity to seek The King's formal approval for this appointment.

As regards the proposed procedure for Canadian Consular appointments in general, the main point seems to Sir Alexander Hardinge to be whether the Commissions should be signed by The King or by the Governor General. The Government of the Union of South Africa (the only Dominion that has hitherto had its own Consular Officers) invariably submit such Commissions for The King's signature, the basic reason for the practice being that a Commission signed by the Governor General probably would not, in the eyes of the foreign Government concerned, command the same attention and respect as one signed by The King. On the same principle, The King's personal exequatur for a foreign Government's Consular Officer is not in general given save on a Commission signed by the Head of the foreign State in question.

If the Canadian Government should decide to follow the example of the Union Government in this matter, the always intricate problem of Seals arises. The Union Government has its own Royal Great Seal, established under its Royal Executive Functions and Seals Act, of 1934. Canada has no such Seal. But I am informed on excellent authority that the main purpose of using a seal on such documents (i.e. the authentication of the Sovereign's signature — a historical survival from the days when all documents were sealed and not signed) is in practice effected, even without a seal, by the countersignature of the responsible Minister. So perhaps the Seal problem could be solved in this case by not using one at all.

In the United Kingdom, Consular appointments are not, as a matter of general practice, submitted to The King for prior approval, and His Majesty is only made aware of them when he signs their Commissions of Appointment. Consequently there would not seem to be any constitutional necessity for the Governor General to be asked to give his prior approval, though this may be desirable on other grounds. It is, according to Sir Alexander Hardinge, certainly unnecessary for the Governor General to inform The King of such approvals.

Apart from these two points, the procedure suggested in my memorandum is acceptable to Buckingham Palace.

Would you kindly let me know if you have any comments on the above. I

⁴⁴Document 77.

should anyhow like to inform Sir Alexander what are the views of the Canadian Government as regards the signing and sealing of the Commissions.

Yours very sincerely,

A. S. REDFERN

81.

DEA/9323-40

*Le sous-secrétaire d'État aux Affaires extérieures
au secrétaire du Gouverneur général*

*Under-Secretary of State for External Affairs
to Secretary to Governor General*

Ottawa, April 22, 1943

RE: APPOINTMENTS OF CONSULAR OFFICERS

May I refer to your letter dated April 15, 1943, in which you let me know the results of discussions with Sir Alexander Hardinge.

I note that the Private Secretary to the King agrees that there is no necessity to seek the King's formal approval for the appointment of the Consul General at New York. I feel justified in assuming, therefore, that in future cases it will not be essential to bring prospective appointments to the attention of the Governor General.

Sir Alexander Hardinge has raised the question as to whether the Commission should be signed by the King or by the Governor General. He points out that the Government of the Union of South Africa submits such Commissions for the King's signature, the basic reason for the practice being that a Commission signed by the Governor General will not, in the eyes of the foreign government concerned, command the same attention and respect as one signed by the King. He points out that, on the same principle, the King's personal exequatur for a foreign government's consular officer is not in general given save on a Commission signed by the Head of the foreign State.

I think that the Government would prefer that such Commissions should be signed by the Governor General and passed under the Great Seal of Canada. The Commissions as drafted are Commissions from His Majesty the King appointing the officer in question. In the cases presently under consideration, I am satisfied that the Government of the United States will not question the validity of a document issued in the name of the King and under the Great Seal of Canada appointing a consular officer. The recognition of such a document by the Government of the United States will establish a weighty precedent for future cases. I do not think that other governments will be inclined to question such Commissions, if the precedent has first been established in the case of appointment in the United States of America.

The Government would, I am sure, be disinclined to follow any course which would appear to question the authority of an Instrument issued under the Great

Seal of Canada and signed by His Excellency the Governor General with appropriate ministerial countersignature. Such an act is an act of the Crown, having the same legal validity as an instrument under The Sign Manual and Signet. Under our constitution (B.N. A. Act s.9) the executive government and authority of and over Canada is vested in the King. The King exercises his constitutional authority directly and indirectly. Apart from rare and exceptional instances the King has, by Letters Patent constituting the office of Governor General, by the Commission appointing the Governor General, and by Royal Instructions provided for the exercise of this authority by the Governor General, carried on the government of Canada on behalf and in the name of the King. When the King is in Canada he may and will ordinarily exercise, himself, many of the authorities which are normally committed to the Governor General, but, when he is not in Canada, geographic facts compel him to exercise his constitutional authority for the most part through his representative the Governor General.

The actual Instrument, whereby the constitutional authority vested in the King is exercised is merely evidence of the legal act. In some instances, the legal act may be evidenced by an Instrument passed under the Great Seal of the Realm or under the Signet; in other instances, by an Instrument under the Sign Manual, but in most cases it will be evidenced by an Instrument passed under the Great Seal of Canada, signed by the Governor General and countersigned by an appropriate Minister.

You will therefore understand that the Government would be disinclined to cast any doubt upon the authority of a Commission issued under the Governor General's signature, and would prefer to take the responsibility of satisfying the foreign government concerned that the Commission was in every sense of the word an appointment by the Head of the State.

You also refer to the question of Seals and suggest that Canada has no seal comparable to that established by the Government of the Union of South Africa. I am inclined to think that Sir Alexander Hardinge may have overlooked the provisions of The Seals Act 1939. This Act was submitted to His Majesty the King for approval before introduction in the Canadian House of Commons. Under its terms it is possible to use the Great Seal of Canada for any Instrument which under present practice is issued by or in the name of the King and passed under the Great Seal of the Realm or under one of the Signets. Such Instruments may be issued by or with the authority of His Majesty the King and consequently may be issued in the way in which we are proposing to issue the Commissions of Appointment. Pending the establishment of a special Royal Seal, the Great Seal of Canada is available for such purposes; and you will remember that it was used during the King's visit in 1939 for Instruments of Ratification of Treaties and Agreements.

There is therefore no essential difference between the Canadian and South African position. We can prepare an Instrument and send it to England for signature by His Majesty, impressing the seal either before or after signature depending upon which course is preferred by the King. We could in the alternative issue the same Instrument here, providing for its signature by the Governor

General. Legally there would be no difficulty and no difference in the effect of the Instruments. It would of course be in accordance with constitutional practice to obtain the King's approval before establishing a substantial change in practice.

I should be grateful if you would bring these points to the attention of Sir Alexander Hardinge, and I am sure that he will agree that there is now no barrier to proceeding by appointment under the Great Seal of Canada, following the procedure which we had in contemplation. You will of course understand that, in intimating the preference for this course, I do not intend to suggest that there would be any disinclination to provide a different procedure if such a course was desired by the King.

Yours sincerely,

N. A. ROBERTSON

82.

DEA/9323-40

*Le secrétaire du Gouverneur général au sous-secrétaire d'État
aux Affaires extérieures*

*Secretary to Governor General to Under-Secretary of State
for External Affairs*

Ottawa, April 27, 1943

This is to acknowledge with thanks your letter of April 22nd, file No. 2165-40, on the subject of Consular Appointments.

There is no necessity to seek the Governor General's approval for these appointments, but he will presumably approve of them in due course when he signs the Minutes of Council in which the appointments are made. It would, however, be appreciated if as soon as such appointments are decided upon, you would let me have an informal note for His Excellency's information so that he knows about them before they appear in the Press.

All the other points in your letter I have referred to the Private Secretary to the King for his comments.

A. S. REDFERN

83.

DEA/9323-40

*Le secrétaire du Gouverneur général au sous-secrétaire d'État
aux Affaires extérieures*

*Secretary to Governor General to Under-Secretary of State
for External Affairs*

Ottawa, May 31, 1943

Reference your 2165-40 of April 22nd on the subject of Consular Appointments, I have referred the points raised by you to the Private Secretary to The

King who states that there is no objection to the proposed procedure for dealing with these appointments.

A. S. REDFERN

PARTIE 3/PART 3
 PROTECTION DES INTÉRÊTS CANADIENS EN TERRITOIRE
 CONTRÔLÉ PAR L'ENNEMI
 PROTECTION OF CANADIAN INTERESTS IN
 ENEMY-CONTROLLED TERRITORY

SECTION A
 EUROPE

84. DEA/1954-C-40

*Le secrétaire d'État aux Affaires extérieures
 au haut commissaire en Grande-Bretagne
 Secretary of State for External Affairs
 to High Commissioner in Great Britain*

TELEGRAM 1994

Ottawa, December 11, 1941

My telegram No. 1967 of December 7th.[†]

Please arrange for His Majesty's Minister at Berne to approach Swiss Government on behalf of the Canadian Government to request that the Swiss Legations at Berlin and Rome take over the protection of Canadian interests from the United States Embassies at those capitals.

It is assumed that when taking over as protecting power for British interests in Berlin and Rome, Switzerland will take over in Finland, Denmark, Rumania, Hungary, and Bulgaria. In any event the Minister's communication to Swiss Government on behalf of the Canadian Government should conform to that made on behalf of the Government of the United Kingdom.

Communications to the British Legation at Berne from this Department will be routed as stated in my above-mentioned telegram.

85. W.L.M.K./Vol. 312

*Le haut commissaire en Grande-Bretagne au
 secrétaire d'État aux Affaires extérieures
 High Commissioner in Great Britain to
 Secretary of State for External Affairs*

TELEGRAM 2406

London, December 16, 1941

Your telegram of December 11th, No. 1994. British Minister at Berne is being instructed today by telegram from Foreign Office

(a) To ask the Swiss to take over protection of Canadian interests in Germany, Italy, Poland, Denmark, Norway, Belgium, The Netherlands, Luxembourg, occupied France, Greece and Yugoslavia.

(b) To act similarly in regard to Hungary, Roumania, Bulgaria and Finland if and when relations between the United States and these countries are severed.

A similar communication has been made on behalf of the United Kingdom Government, except that they include unoccupied France in category (b) as above.

In view of Dupuy's position, it is assumed that you do not wish to include unoccupied France. South Africa is in a similar position to ours in this respect and has not included unoccupied France in their request.

In the event of severance of relations between the United States and Vichy, however, it is assumed that you would wish the Swiss to take over the control of Canadian interests in Vichy-controlled Africa. Please confirm on this point.

MASSEY

86.

DEA/1954-C-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 227

London, December 22, 1941

SECRET. Following for your Prime Minister, Begins: My telegram Circular M. 462 of December 17th, paragraph 2.[†]

Swiss Government agree to take over protection of Canadian interests in territories named⁴⁵ subject to the consent of the Governments concerned. Ends.

87.

W.L.M.K./Vol. 333

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 3

London, January 2, 1942

Swiss Legation at Sofia have taken over United Kingdom, Canadian, Australian, New Zealand and Union interests.

⁴⁵Voir le document précédent.

⁴⁵See preceding document.

88.

DEA/1954-C-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 3

London, January 2, 1942

My telegram of December 22nd, No. 227. German Government agree to Swiss Government's taking over Canadian interests in Germany and German-occupied territory.

89.

DEA/1954-H-40

Le secrétaire d'État aux Affaires extérieures
au ministre de Grande-Bretagne en Suisse
Secretary of State for External Affairs to
Minister of Great Britain in Switzerland

No. 24

Ottawa, January 26, 1942

Sir,

I have the honour to inform you that a formal notification[†] has now been received from the Secretary of State of the United States to the effect that the United States Embassy at Rome has handed over to the Swiss Legation there responsibility for the protection of Canadian interests in Italy and Italian-occupied territories.

I should be grateful if you would confirm with the Swiss Foreign Office the assumption of the protection of Canadian interests in Italy, expressing the gratitude of the Canadian Government in the usual form.

I have etc.

N. A. ROBERTSON
 for the Secretary of State
 for External Affairs

90.

DEA/1954-H-40

Le ministre de Grande-Bretagne en Suisse au
secrétaire d'État aux Affaires extérieures
Minister of Great Britain in Switzerland to
Secretary of State for External Affairs

1/2801/42

Berne, March 24, 1942

Sir,

I have the honour to refer to your despatch No. 24 of January 26th and to confirm that the Swiss Legation at Rome has taken over the protection of Canadian interests in Italy.

As regards the protection by the Swiss Government of Canadian interests in Italian-occupied territory, the Italian Government have not officially and specifically signified their agreement to the assumption by the Swiss Government of the protection of British interests in Greece and Yugoslavia, owing no doubt to the fact that the question of the division of the control of Greece and Yugoslavia between the German and Italian Governments is a delicate one.

Nevertheless, the Swiss Consul in Athens has been allowed to take over the charge of all interests previously protected by the United States Government and the protection of British interests there.

The Swiss Government have informed me that they feel confident that the Swiss Representatives in those countries will be able to ensure the protection of British and Dominion interests there by treating each question as it arises on an ad hoc and practical basis.

The position is the same in regard to the protection by the Swiss Government of United Kingdom interests in Italian-occupied territory.

I have etc.

DAVID VICTOR KELLY

91.

DEA/1954-G-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-2837

Ottawa, November 8, 1942

IMMEDIATE. SECRET. Following message is going forward tonight to the Secretary of State for Dominion Affairs.

Begins: Assume that His Majesty's Minister at Berne has been or is being instructed to enquire whether Switzerland would accept the responsibility of Protecting Power for British interests in Vichy France should the United States relinquish the protection of those interests. If so, please request him to make a similar approach on behalf of the Canadian Government with a view to ascertain whether Switzerland would be prepared to take over as Protecting Power for Canadian interests in Vichy France should the need arise. Ends.

Please inform the United States Government that it is the intention of the Canadian Government to ask Switzerland to take over the protection of Canadian interests in Vichy France should the United States find it necessary to relinquish the task of Protecting Power for Canadian interests in that area. In doing so please express the gratitude of the Canadian Government for the services rendered on the protection of Canadian nationals and interests in non-occupied France and French territories since the summer of 1940.

92. DEA/1954-G-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 232

London, November 9, 1942

My telegram Circular D. 452 of November 9th.[†]

We are asking Swiss Government to take charge of our interests in Vichy France. Swiss Government are being approached as requested in your telegram No. 243 of November 8th.⁴⁶

93. DEA/1954-G-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-3381

Washington, November 10, 1942

IMMEDIATE. SECRET. Your EX-2837 of November 8, 1942 concerning transfer of protection of Canadian interests from the United States to Switzerland in non-occupied France. In accordance with your instructions a note was taken by hand to the Special Division this morning, the text of which reads as follows:

"I have the honour to inform you that in view of the termination of diplomatic relations between the United States and Vichy, the Canadian Government have asked the British Minister at Berne to enquire whether Switzerland would agree to undertake the responsibility of protecting Canadian nationals and Canadian interests in non-occupied France. As in the past it is presumed that the United States Chargé d'Affaires at Vichy, France will have transferred provisionally the protection of our interests to his Swiss colleague there. In bringing this information to your attention I have been requested by the Canadian Government to express their gratitude and deep appreciation for the services rendered in the protection of Canadian nationals and Canadian interests in non-occupied France since the summer of 1940.

Accept, Sir, the renewed assurances of my highest consideration. Signed, Leighton McCarthy." Ends.

You will note from the concluding paragraph that the thanks of the Canadian Government was expressed for services rendered in the protection of Canadian nationals and Canadian interests in non-occupied France and that no mention of French territories was made.

In view of the Declaration made by President Roosevelt and by the Chief of the United States forces which landed in North Africa to the effect that their coming was to drive away the invader, it is felt there is a great possibility of the United States Consulates remaining open in North Africa. The breaking of

⁴⁶Non reproduit. Voir le document précédent pour le texte de ce télégramme.

⁴⁶Not printed. See preceding document for text of this telegram.

diplomatic relations will not affect these Consulates as Vichy has or will shortly have no more authority over North Africa. The State Department is sending us a note indicating that they are no longer in a position to protect our interests in France. This note has not yet been received but if the expression France is not used some other wording will indicate that the protection of our interests is no longer possible in territory controlled by the Vichy Government or something to that effect.

I venture to presume that you will agree with the action taken in this respect.

94.

DEA/1954-G-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-3403

Washington, November 11, 1942

IMMEDIATE. SECRET. In continuation of my WA-3381 of November 10th, 1942, concerning the transfer of the protection of Canadian interests from the United States to Switzerland, in non-occupied France, the State Department have sent us a note, dated November 10th, 1942, which was received this morning. The text of this note reads as follows:

"I have the honour to inform you that in view of the rupture of diplomatic relations between France and the United States this Government is no longer in a position to represent Canadian interests in France.

"The Department's representatives in France have been directed provisionally to entrust to their Swiss colleagues the protection of Canadian interests and to deliver to the Swiss representative against receipt any balance of Canadian funds on hand.

"The Department assumes that the Canadian Government will in due course communicate to the Swiss Government its wishes concerning the disposition of Canadian interests in France.

"Accept, Sir, the renewed assurances of my highest consideration," Signed, Breckinridge Long. Ends.

You will note that as indicated in the concluding paragraph of my message under reference, that the expression France is the one which has been used in the Department of State's note. Nothing is said of French colonies or possessions, and it is therefore safe to presume that the United States will continue to protect our interests in these areas. The situation will have clarified no doubt in the course of the next week or so and the question of the transferring of our interests in the former French colonies will be again discussed with the Special Division in the Department of State and a further report submitted.⁴⁷

⁴⁷La Grande-Bretagne assumait la protection des intérêts canadiens lors de la réouverture des consulats britanniques dans les possessions françaises.

⁴⁷Great Britain assumed the protection of Canadian interests when British consulates reopened in French possessions.

95. W.L.M.K./Vol. 334

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 239

London, November 17, 1942

SECRET. My telegram of November 9th, No. 232. Swiss Government have informed His Majesty's Minister that Vichy Government have agreed to representation by Switzerland of Canadian interests in Vichy France.

SECTION B

ASIE/ASIA⁴⁸

96. DEA/1954-E-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 728

London, December 8, 1941

IMMEDIATE. SECRET. His Majesty's Ambassador at Buenos Aires is being instructed to ask the Argentine Government to take over our interests in Japan and Manchuria, and His Majesty's Minister at Berne is being instructed to ask the Swiss Government to take over our interests in occupied China (excluding Manchuria).

His Majesty's Minister at Berne is being instructed as requested [in] your telegram No. 248 of December 5th⁴⁹ as regards Canadian interests in occupied China (excluding Manchuria). Presume Argentine Government is being approached through Canadian Minister at Buenos Aires regarding Canadian interests in Japan and Manchuria. If any action is desired by His Majesty's Ambassador please telegraph him direct.

97. W.L.M.K./Vol. 312

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1988

Ottawa, December 10, 1941

Your telegram No. 2321 of December 9th.[†]

In conformity with previous understanding Canadian Minister at Buenos Aires was instructed that he should on receipt of notification of war between

⁴⁸Au Canada, les intérêts du Japon étaient protégés par l'Espagne. Le Japon fut remplacé comme protecteur des intérêts de l'Italie par l'Argentine.

⁴⁸In Canada, Japanese interests were protected by Spain. Argentina replaced Japan as the protector of Italian interests.

⁴⁹Voir le volume 7, document 213.

⁴⁹See Volume 7, Document 213.

Canada and Japan, approach Argentine Government to confirm that the Argentine would take over the protection of Canadian interests in Japanese Empire and Manchuria. He was also instructed to keep in touch with British Ambassador to ensure parallel action. Notification was sent by cable 10 a.m. December 8th.[†] Argentine Minister called this morning December 10th accepting on behalf of his Government protection of Canadian interests as requested.

Please continue to keep us informed. It would be most useful for us to know in advance the instructions which the United Kingdom authorities propose sending to their embassies at Washington and Buenos Aires in order that we may draft our own instructions accordingly or suggest modifications where our special interests may be affected.

98.

W.L.M.K./Vol. 312

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2000

Ottawa, December 12, 1941

IMPORTANT. Your telegram No. 2346 of December 11th.[†] Canadian Minister at Buenos Aires reports that he saw the Minister for Foreign Affairs and Under-Secretary of State for Foreign Affairs yesterday and discussed the protection of Canadian interests in Japan. Both officials expressed willingness to do utmost, but explained that present Argentine Legation is under a Second Secretary acting as Chargé d'Affaires; while Consuls are in Kobe and Yokohama. Other Diplomatic and Consular officers, including Ambassador, are delayed in San Francisco seeking transportation to Tokyo post and a Consul delayed at Hong Kong.

In view of the above Argentine's ability to protect Canadian interests was, they admitted, limited and inadequate. Their agreement early in the current year to protect British and Canadian interests had not contemplated war involving the United States of America, ruptured transportation facilities, and deficient communications generally. Canadian Minister was informed that, under the circumstances, Argentine Government would not object to transfer of task of protection to Swiss authorities if this were considered desirable.

The Canadian Minister has informed the British Ambassador of above.

99.

W.L.M.K./Vol. 312

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2002

Ottawa, December 13, 1941

Your telegram No. 2346 of December 11th.[†] Indochina. Please arrange for British Minister at Berne to associate Canadian Government with any request

by the British Government to the Swiss authorities for the protection of British interests in Indochina.

100.

DEA/1954-E-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 779

London, December 28, 1941.

SECRET. My telegram of December 8th, Circular D. 728.

Japanese Government agree to Swiss Government taking over British interests in occupied China (excluding Manchuria).

101.

W.L.M.K./Vol. 319

Le secrétaire d'État aux Affaires extérieures au ministre en Argentine
Secretary of State for External Affairs to Minister in Argentina

TELEGRAM 55

Ottawa, December 29, 1941

My telegram No. 43 of December 19.[†]

Understand Argentine Government has not received with favour suggestion by the British Ambassador that they should hand over to the Swiss Government the protection of British interests in the Japanese Empire and Manchuria. His Majesty's Minister at Berne reported by telegram received today that Swiss authorities were prepared to take over, but in view of the reported attitude of the Argentine Government and as the existing arrangement is entirely satisfactory to the Canadian Government, it is not proposed to make any change unless a proposal to the contrary should be received from the Argentine Government.

If you think that any hint may have reached the Argentine authorities that the Canadian Government might propose that they should hand over to the Swiss, you should at the first convenient opportunity inform the Argentine Foreign Office that, in view of the cordial relations existing between Canada and the Argentine and of the recent exchange of Ministers which provides a satisfactory channel of communication, the Canadian Government does not desire any change unless at any time the Argentine Government should wish to relinquish the responsibility for the protection of Canadian interests.

102.

DEA/1954-E-40

*Le secrétaire d'État aux Affaires extérieures
au ministre de Grande-Bretagne en Suisse*
*Secretary of State for External Affairs to
Minister of Great Britain in Switzerland*

DESPATCH 18

Ottawa, January 20, 1942

Sir,

I have the honour to inform you that the Secretary of State for Dominion Affairs has informed me that the Thailand Government has agreed to representation of British interests in Thailand by Switzerland.

I should be grateful if you would inform the Swiss Government that it is understood that this includes also the protection of Canadian interests in Thailand and express the gratitude of the Canadian Government to the Swiss Government in the usual form, if this has not already been done.

I have etc.

[N. A. ROBERTSON]
for the Secretary of State
for External Affairs

103.

DEA/1655-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*
*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 616

London, March 4, 1942

My telegram No. 533 of February 25th.[†]

Protection of Canadian interests in Far East. British Ambassador at Washington reported February 27th that Under-Secretary of State had approached him regarding continuance of Argentine representation of British interests in Japan.

Under-Secretary of State said that Argentines were pressing United States to let them send Ambassador-designate to Tokyo and were urging this in part on grounds that they had to represent British interests. Under-Secretary of State added that he would be glad if the United Kingdom Government would deprive the Argentines of this excuse. He considered it "in the highest degree anomalous and undesirable" for the Argentines to continue to maintain their present position (meaning presumably their anxiety to improve their representation in Japan). As you will recall from second paragraph of my telegram No. 456 of December 22nd,[†] British Ambassador has already given Under-Secretary of

State to understand that Switzerland would take over British interests after Rio de Janeiro Conference. Lord Halifax now asks for further instructions.

Meanwhile Foreign Office have consulted British Embassy, Buenos Aires which reported on March 2nd that:

- (a) Swiss appear also to be in charge of Japanese interests in London;
- (b) Swiss Government have apparently bowed meekly to Japanese expulsion of their Consular officers at Hong Kong and elsewhere;
- (c) That with only a Minister and assistant at Tokyo it seems doubtful whether they can cope with British as well as United States interests;
- (d) Consequently the Swiss Government seems to be using the Japanese Legation in Berne who may not pass on inconvenient representations.

On the other hand Argentine Government have

- (a) Handled British enquiries promptly and championed British interests in Tokyo with energy;
- (b) Announced publicly their representations to Japan both at Tokyo and at Buenos Aires on behalf of civilian and military prisoners at Hong Kong.

British Embassy, Buenos Aires, go on to say that the Canadian Government have signified their desire not to change their representation until and unless the Argentine Government expressly wished this to be done.

British Embassy are further convinced that United States Ambassador, Buenos Aires, already realizes no action on the part of the British or even United States pressure can shake the Argentine Government's determination to remain neutral until they have seen how Germany and Japan fare during coming summer offensives.

British Embassy therefore suggest that before asking Argentine Government to give up British interests, it would be advisable to make sure Switzerland has at least equal machinery and desire to force Axis hand over question of British prisoners and other British subjects in the Far East, including now, it would seem the Americans.

Although further instructions have not yet been sent to British Ambassador, Washington, it seems likely that in the long run United Kingdom authorities will feel that they must give way, however reluctantly, to American pressure in this matter.

MASSEY

104.

DEA/1655-40

Le secrétaire d'État aux Affaires extérieures au ministre en Argentine
Secretary of State for External Affairs to Minister in Argentina

TELEGRAM 42

Ottawa, March 6, 1942

Your telegram No. 45 of March 2.¹ We have informed the Canadian High Commissioner, London, of the instructions sent in my telegram No. 55 of De-

ember 29 and of the substance of other telegrams exchanged between this Department and yourself, relative to the protection of Canadian interests in Japan.

I am informing the High Commissioner by telegram today that we are quite satisfied with the way in which the Argentine Foreign Office and the Argentine Embassy at Tokyo are serving our interests in Japan.

It is felt that any approach to the Argentine by the Canadian authorities with a view to having them relinquish the protection of our interests, would be contrary to our policy of developing friendly relations between the two countries. You should therefore continue to act in accordance with the policy outlined in this and in my telegram No. 55 of December 29.

105.

DEA/1954-E-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 183

London, April 1, 1942

SECRET. My telegram of December 28th, Circular D. 778.†

Question of transfer of representation of our interests from Argentine to Swiss Government has been discussed once more at length with United States authorities to whom disadvantages of such action were explained.

His Majesty's Ambassador at Washington has now received letter from Welles strongly reiterating his desire that we should withdraw charge of our interests from Argentine Government on following grounds:

(1) In view of form of resolutions of Rio Conference regarding severance of relations between American Republics and Axis Powers, activities involved in representation of British interests by the Argentine were inconsistent with whole intention of resolutions.

(2) Representation of British interests in Japan merely serves as additional pretext for unwillingness of the Argentine Government to break off diplomatic relations with the Axis Powers.

(3) In reply to our fears that interned British subjects and prisoners of war would suffer by transfer of our interests to Switzerland of whom it was obvious Japanese took no notice, Welles considered it was highly unlikely Japan would be influenced in its treatment of British prisoners by the fact that one nation rather than another was in charge of our interests. Letter concluded by stating that it was their firm belief that we would be rendering real service to the cause of the United Nations by requesting non-American Governments to represent British interests in Japan.

Matter has been further considered in the light of United States views and we feel it will be necessary to ask the Swiss Government to take charge of United Kingdom interests in Japan and Manchuria; Switzerland at present have no representative at Manchuria but we have asked them to make best arrangements possible as long as they do not recognize Manchoukuo.

We learn from His Majesty's Ambassador at Buenos Aires, who had been instructed to keep in touch with his Canadian colleague in earlier discussions, that notwithstanding your telegram of December 16th, No. 258,[†] Canadian Government do not desire change of their representation unless the Argentine Government expressly wish such change, and in the circumstances we assume you will not desire any approach to be made to the Swiss Government in the matter.

106.

DEA/1954-E-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 732

Ottawa, April 14, 1942

IMMEDIATE. SECRET. With reference to Dominions Office telegram No. Circular D. 183 of April 1st relating to the protection of British interests in Japan in the last paragraph of which reference is made to the statement reported in my telegram to yourself No. 430 of March 7th,[†] second paragraph beginning, "If you think" sent in an instruction to the Canadian Minister at Buenos Aires.⁵⁰ This statement should be read in context. The Canadian Minister had reported that the Argentine authorities might take offense if a request were made to them to relinquish the protection of Canadian interests in Japan. He had previously indicated that the Argentine authorities might wish to relinquish the protection of Canadian interests. Our statement was not intended to imply that at no time would the Canadian authorities consider the transfer except at the request of the Argentine Government. The Canadian Minister reported that he had not found it necessary to communicate a statement in these terms and therefore had not done so.

The Canadian authorities find themselves in a very awkward position. No indication has been received from the United States authorities that they wish the transfer of Canadian interests from the Argentine and as indicated in previous telegrams we fear that an approach by the Canadian Minister at Buenos Aires might damage the cordial relations which we have been attempting to foster. We would, therefore, prefer to take no initiative and to await developments. On the other hand too long a delay by the Canadian authorities in following the example of the United Kingdom in transferring the protection of British interests to Switzerland might focus unfavourable criticism on Canada.

We are replying to the last paragraph of the above-mentioned telegram from the Dominions Office to the effect that the British Minister at Berne might inform the Swiss that a similar request for the assumption of the protection of Canadian interests in Japan may be anticipated.

Please explain position to United Kingdom authorities in the light of this and previous telegrams and report their views by cable.

⁵⁰Document 101.

107.

DEA/1954-E-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1135

London, April 25, 1942

Your telegram No. 732 of April 14th. Position as outlined in your telegram under reference and previous correspondence has been explained to United Kingdom authorities. United Kingdom Government state that they realize that their decision to transfer protection of British interests to Switzerland has created difficulties for the Canadian Government, but as explained in Dominions Office telegram Circular D. 183 of April 1st, they had no alternative in view of pressure by the United States Government. United Kingdom authorities now feel that if the Canadian Government decide to transfer from the Argentine to Switzerland, United Kingdom Government would welcome this step. If on the other hand the Canadian Government feel that in view of their cordial relations with the Argentine they would prefer not to make any change, United Kingdom Government would not feel able to raise any objection.

The Foreign Secretary proposes to inform the Argentine Ambassador on April 28th of the decision regarding the protection of United Kingdom interests.

Meanwhile with reference to the last paragraph of your telegram No. 108 of April 14th to Dominions Office,⁵¹ the British Minister at Berne has been instructed to proceed as suggested therein.

MASSEY

108.

W.L.M.K./Vol. 323

Le ministre en Argentine au secrétaire d'État aux Affaires extérieures

Minister in Argentina to Secretary of State for External Affairs

TELEGRAM 103

Buenos Aires, May 2, 1942

Your telegram No. 95 of May 1st.[†]

Argentine Government have indicated no views on the question of Canadian transfer. I am of opinion they will not of their own accord express any wish to relinquish.

Official communiqué from Argentine Foreign Office published on April 30th states that transfer of interests of the "United Kingdom and Dominions" has been announced in London. Foreign Office immediately enquired of me by telephone to confirm if Canada was included, at the same time betrayed no feeling on the subject. They are awaiting our answer.

⁵¹Non reproduit. Voir l'avant-dernier paragraphe du document précédent.

⁵¹Not printed. See penultimate paragraph of preceding document.

Consider any action taken at once would not be resented in view of Argentine acquiescence in united action; whereas separate Canadian action taken at later date might require awkward explanations and be less readily understood.

109.

DEA/1954-E-40

Le secrétaire d'État aux Affaires extérieures au ministre en Argentine

Secretary of State for External Affairs to Minister in Argentina

TELEGRAM 97

Ottawa, May 4, 1942

IMMEDIATE. Your telegram No. 105, May 2nd.[†]

Canadian Government have decided to take parallel action with the United Kingdom for the transfer of protection of Canadian interests in Japan to Switzerland.

The Canadian High Commissioner, London, is being asked to cable the text of the statement which is to be made by the Foreign Secretary to the House of Commons on May 5th and if possible a similar statement will be made simultaneously by the Secretary of State for External Affairs, Ottawa. The Argentine Minister at Ottawa will be informed today that the Canadian Government are appreciative of the services rendered by the Argentine Government and by the Argentine Embassy at Tokyo in the protection of Canadian interests in Japan but that it is felt that it would be more convenient at this time for Canada to have its interests in all enemy countries handled by a single protecting power especially by the same protecting power as is being used by the other countries of the British Commonwealth.

Leave to your discretion exact terms of reply to enquiry from Argentine Foreign Office but suggest that you inform them that this Department will today inform the Argentine Minister at Ottawa of their desire to make the transfer. Please express strong appreciation of the services rendered by Foreign Office and by Argentine Embassy in Tokyo and in particular refer to the arrangements made by the Embassy to send liver extract by air to Hong Kong. If Argentine Minister agrees, statement will probably be made in the House of Commons, Ottawa, tomorrow simultaneously with that being made by the Foreign Secretary in London.⁵²

110.

W.L.M.K./Vol. 321

*Le ministre de Grande-Bretagne en Suisse au
secrétaire d'État aux Affaires extérieures*

*Minister of Great Britain in Switzerland
to Secretary of State for External Affairs*

TELEGRAM 32

Berne, May 15, 1942

Swiss Government inform me that Japanese Government agreed on May 14th to representation by Swiss Government of Canadian interests in Japan.

NORTON

⁵²La déclaration du Canada fut faite le 7 mai. Voir Canada, Chambre des Communes, *Débats*, 1942, volume 3, pp.2283-4.

⁵²The Canadian statement was made on May 7. See Canada, House of Commons, *Debates*, 1942, Volume 3, pp.2212-3.

PARTIE 4/PART 4
ÉLÉVATION DES LÉGATIONS AU RANG D'AMBASSADES
RAISING OF LEGATIONS TO EMBASSIES

111.

DEA/5930-40

*Le ministre en Union soviétique au secrétaire d'État
aux Affaires extérieures*

Minister in Soviet Union to Secretary of State for External Affairs

DESPATCH 85

Kuibyshev, July 8, 1943

SECRET

Sir,

Pravda of June 17th, 1943, published a statement to the effect that the Governments of the Soviet Union and Mexico had agreed to raise their respective diplomatic representations to the rank of Embassies. The Presidium of the Supreme Soviet of the U.S.S.R. have appointed Mr. K.A. Oumansky to the position of Soviet Ambassador to Mexico and the Mexican Government have nominated Mr. Luis Quintanilla as their Ambassador to the Soviet Union.

2. This step is a triumph for Mr. Quintanilla, who soon after his arrival here last March commenced to work for his elevation from the position of Mexican Minister to that of Ambassador. He first of all persuaded the Soviet authorities to send to Mexico a more important representative than the Soviet Consul General at New York with the result that Mr. Oumansky was nominated to the post at Mexico City. The departure of Mr. Oumansky at the end of May was attended by a terrible tragedy in that his young daughter, of whom he was very fond, was shot shortly before the plane was due to leave.

3. Mr. Quintanilla is now awaiting the receipt of his credentials as Ambassador. His Greek colleague has already received his credentials and is waiting until Mr. Kalinin⁵³ will be able to receive him. When these two representatives formally assume the position of Ambassador there will be fourteen diplomatic missions to the Soviet Union holding that rank out of twenty foreign missions including the semi-diplomatic mission of the French Committee of National Resistance [Liberation]. The remaining legations are those of Australia, Bulgaria, Canada, Cuba and Sweden. The position of the Cuban Legation is a peculiar one in that the Cuban Ambassador at Washington came to Moscow in May, presented his credentials as Minister, then returned to Washington, leaving the mission here in charge of a Chargé d'Affaires.

4. With Canada the only American country represented in Washington by a legation and with the dwindling number of legations in the Soviet Union, you may be giving consideration to the possibility of raising our representation in either Washington or Moscow or both to the rank of embassy. I have no strong

⁵³Président du Praesidium du Soviet suprême de l'Union soviétique.

⁵³Chairman of the Presidium of the Supreme Soviet of the Soviet Union.

views on this subject and have no personal desire to be promoted to the position of Ambassador. In fact I am finding it difficult enough to discharge adequately my responsibilities as Minister. The only advantage I can see so far as this post is concerned is that such a step would help emphasize to the Soviet people our growing importance in world affairs and that we follow a foreign policy independent of that of the United Kingdom.

I have etc.

L. D. WILGROSS

112.

W.L.M.K./Vol. 242

*Le sous-secrétaire d'État aux Affaires extérieures
au ministre en Union soviétique*

Under-Secretary of State for External Affairs to Minister in Soviet Union

PERSONAL AND CONFIDENTIAL

Ottawa, September 8, 1943

Dear Dana [Wilgress],

I cannot comment officially on your despatch No. 85 of July 8th in which you report the raising to the rank of Embassies of the Mexican Mission in Russia and the Soviet Mission in Mexico. The current seems strongly set in favour sooner or later of the universal substitution of Ambassadors for Ministers. The United States Government has now exchanged Embassies with all Latin American countries and with all the Allied European countries. There only remains in Washington a curious collection of Legations made up of the Missions from the Dominions, those from the smaller European neutrals and those from the small Asiatic and African countries. We learned informally the other day that it was the intention of the State Department after the war to propose the exchange of ambassadors to all countries now represented in Washington by Ministers.

It has already been intimated to us informally on the highest authority⁵⁴ that there would be no objection in Washington to our raising our Legation to the rank of Embassy at any time. If this is done, it will clearly be desirable to take similar action in Moscow and in several other capitals, including the Latin American capitals, in which Canada is directly represented. No decision has yet been taken by the Government. If, however, it is correct to assume that envoys heading diplomatic missions will before long all be given the rank of Ambassador, there is something to be said for our taking action in advance of this development. The information given in your despatch about the situation in Russia is useful in helping a decision to be taken in Ottawa.⁵⁵

Yours sincerely,

N. A. ROBERTSON

⁵⁴Voir le document 114.

⁵⁴See Document 114.

⁵⁵La note suivante était écrite sur cette copie de la lettre:

⁵⁵The following note was written on this copy of the letter:

Will Mr. Robertson please speak to me of this. K[ING]

113.

W.L.M.K./Vol. 242

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*⁵⁶

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*⁵⁶

[Ottawa,] September 12, 1943

RE MY LETTER TO WILGRESS OF SEPT. 8TH (COPY RETURNED)

Now that the United States Government is receiving Ambassadors from all the Latin American countries, irrespective of their size and importance, and has raised all its Latin American Legations to the rank of Embassies, the status of the Canadian Legation in Washington, as one of the larger and more important diplomatic missions of the United Nations, has become more anomalous in appearance at least.⁵⁷ If the situation in Washington alone is considered, there seem to be fairly compelling reasons for turning our Legation into an Embassy.

Apart from the altered rank of the missions of the smaller Latin American countries within the last two years, the United States Government, by agreement with the Allied European governments, has raised the status to Embassies of the Allied European Legations in Washington and has accredited Mr. Bidle as Ambassador to all the Governments in London. The Soviet Government and the United Kingdom Government have simultaneously raised the status of the missions they exchange with the smaller European Allies.

This has left a curious collection of countries which are represented in the principal capitals by Ministers only; Canada, Australia, New Zealand and South Africa from the British Commonwealth, the few remaining European neutrals, Sweden, Switzerland and Portugal; Denmark; and a few other small states such as Iran and Iraq. These changes in the status of missions have reduced the importance — never large in recent years — of the distinction between Legations and Embassies.

The fact that the British Commonwealth is represented in Washington by one Ambassador and four Ministers, not to mention the Agent General for India who is shown on the Diplomatic List on the staff of the British Embassy with the rank of Minister, tends to create an impression that the British Ambassador is the leader of the flock who speaks on occasion for them all. This impression is strengthened by the fact that the United Kingdom Embassy, under war conditions, has no less than six Ministers on its staff — all given the rank of "Envoy Extraordinary and Minister Plenipotentiary", i.e., the same as heads of Dominion missions. From the constitutional standpoint, I think that events have destroyed any validity that there may have been in the argument that the King could only be represented by one Ambassador in any country. This argument

⁵⁶Voir aussi le document 950.

⁵⁷Note marginale:

⁵⁶See also Document 950.

⁵⁷Marginale note:

I agree.

rests on the ancient doctrine that an Ambassador represented the person of the Sovereign in a way which gave him readier access to the Head of the foreign state.

The evident Russian misunderstanding of the Commonwealth constitutional position, which Wilgress and the Australian Chargé d'Affaires have been trying to clear up,⁵⁸ may have something to do with this senior-junior relationship between the diplomatic representation abroad of the United Kingdom and the other Commonwealth countries.

It seems to me there is a *prima facie* case for raising the status of the Canadian Minister in Washington and Moscow if one looks at the position in these capitals alone. If, however, one examines the effect of this change elsewhere, it seems likely that we should have to take complementary action at other posts and probably also in Ottawa as well.⁵⁹

It would, I think, be difficult for us to receive a United States Ambassador here while refusing to exchange Ambassadors with Brazil, Argentina and Chile. If we agree to an exchange of Ambassadors with the United States and the U.S.S.R. alone, I feel sure that we should receive requests from these countries and probably from all the other countries whose missions in Washington and London are now Embassies.

It seems not improbable that the distinction between Ambassadors and Ministers, having become purely formal and in some ways quite invidious, will disappear by general agreement. If so, the method of disappearance is almost certain to be through the alteration of all remaining legations to embassies. When we have Haiti represented by Ambassadors throughout the American continents and a country as small as Norway represented by Ambassadors in Washington and London, there is not much to be said for preserving an artificial distinction which now serves only to create an impression of inferiority which is not justified in fact. I understand this is, in fact, the intention of the United States, which plans to raise all of its heads of missions who are not now ambassadors to that rank immediately after the war. This would involve the transformation into embassies of the legations now operating in Afghanistan, Australia, Canada, Denmark; Egypt, Finland, Iceland, Iran, Iraq, Ireland, Liberia, New Zealand, Portugal, Saudi Arabia, Sweden and South Africa.

Since this change appears to be inevitable, I should not like to see Canada "promoted" in this last odd lot, and I think we might better initiate some action ourselves.⁶⁰

N. A. R.[OBERTSON]

⁵⁸Voir les documents 540 à 550.

⁵⁸See Documents 540 to 550.

⁵⁹Note marginale:

⁵⁹Marginal note:

I agree. K[ING]

⁶⁰La note suivante était écrite sur ce mémorandum: ⁶⁰The following note was written on the memorandum:

I agree: Please have steps initiated *at once* to effect the change. Also careful statement for press setting for[th] reasons for. W. L. M[ACKENZIE] K[ING]

114.

DEA/5930-40

Le Premier ministre au Président des États-Unis
Prime Minister to President of United States

PERSONAL AND CONFIDENTIAL

Ottawa, October 26, 1943

My dear Mr. President,

I have been giving further thought to the suggestion which we mentioned at our meeting last spring that the time had now come when it might be desirable to raise the Canadian Legation in Washington and the United States Legation in Ottawa to the rank of Embassies. I have concluded that such a change would be welcome and that the sooner it can be brought about the better its effect will be. I do not, of course, intend that this change in title would mean an alteration in the Canadian representation in Washington; Leighton [McCarthy] would only alter his style from Canadian Minister to Canadian Ambassador. I am sure that there will be universal public recognition that the importance of the relations between Canada and the United States amply warrants an exchange of Embassies.

I should be glad if you would let me have a personal word, as soon as possible, confirming my impression that this proposal is acceptable to you and that you are in accord with my view that it should be carried out without delay. When I know this, I shall immediately take the necessary steps to bring it into effect.

Yours sincerely,

W. L. MACKENZIE KING

115.

DEA/5930-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 172

Ottawa, November 2, 1943

PERSONAL AND CONFIDENTIAL. Following for your Prime Minister from Prime Minister, Begins: The Canadian Government has been considering raising the Canadian Legation in Washington to the rank of Embassy and has now decided that such a change would be desirable. You will recall that this matter was discussed with the President in your presence last spring and I have now been in touch with him again on the question. The change would, of course, be reciprocal, involving raising the United States Legation in Ottawa to an embassy.

It is probable that steps will be taken to have the change in rank made at a very early date. No change in personnel is contemplated.

The creation of a Canadian embassy in Washington may foreshadow a similar change in the status of other Canadian legations. Ends.

116.

W.L.M.K./Vol. 349

Le Président des États-Unis au Premier ministre
President of United States to Prime Minister

Washington, November 4, 1943

My dear Mackenzie,

Your letter of October 26 as to raising the Canadian Legation in Washington and the American Legation in Ottawa to the rank of Embassies has been duly received, and I am delighted to see that our views on this subject are wholly in accord. I agree with you that there will be universal public recognition of the appropriateness of this step.

I need hardly say to you that I shall be glad to welcome Leighton in his new capacity.

When we receive word through the regular channels that you are prepared to put this into effect, we shall take the necessary steps to raise our Mission in Ottawa correspondingly.

Very sincerely yours,

FRANKLIN D. ROOSEVELT

117.

DEA/5930-40

Le Premier ministre au Gouverneur général
Prime Minister to Governor General

Ottawa, November 6, 1943

I have had under consideration the desirability of providing for a change in the rank of certain of the Canadian Ministers abroad to that of Ambassador, and to this end it is desired to make a submission to His Majesty the King seeking his approval for the policy of raising Canadian Ministers to the rank of Ambassador in such cases as the Secretary of State for External Affairs deems it expedient to recommend a change in rank. It is contemplated that the first post in which immediate change will be desirable is that in Washington.

The United States Government is now receiving ambassadors from all the Latin American countries, irrespective of their size and importance, and the status of the Canadian Legation in Washington, as one of the larger and more important diplomatic missions of the United Nations, is becoming increasingly anomalous.

If a change is made in Washington, it may become necessary to make a similar change in respect of the Soviet Union and China and of other countries in which Canada is represented. It is clear, moreover, that the difference between legations and embassies is tending to disappear, and this is reflected in a more and more general promotion of legations to the status of embassies.

In these circumstances, I should appreciate it if Your Excellency would make an informal submission to His Majesty of the desire of the Canadian Government to receive approval of the policy of raising the rank of the Canadian Minister in Washington to that of Ambassador.

I should appreciate it if this matter could be brought to His Majesty's attention at an early date, and if you would inform me as soon as an indication is received of His Majesty's pleasure. Formal documents of submission are being prepared and will be forwarded for disposition when I receive word that His Majesty has informally approved the policy indicated.

[W. L. MACKENZIE KING]

118.

DEA/5930-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*
*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2005

Ottawa, November 8, 1943

SECRET. PERSONAL. The Canadian Government has come to the conclusion that the Canadian Legation to the United States should be raised to the rank of Embassy. In Washington, where all the Latin American countries and Allied Governments in the United Kingdom are represented by ambassadors the continued designation of the Canadian representative as Minister has become unsatisfactory. In a number of other countries an analogous situation prevails. In consequence, the Canadian Government has agreed with the United States Government on the desirability of arranging an exchange of ambassadors rather than ministers, and is submitting a proposal in this sense to the Governor General for transmission to the King in order to secure his approval.

While the present proposal with respect to raising the status of Canadian ministers has particular reference to Washington, this action will imply a willingness to extend the change so as to include, ultimately, all Canadian ministers abroad. Among other considerations, it is felt that the difference between ministers and ambassadors is no longer a real one. There is a clear tendency toward the elimination of legations in favour of embassies.

It is not contemplated that these changes will of themselves involve a change in personnel. The present Ministers will become Ambassadors. No change is contemplated in the position of Canadian High Commissioners.

The Prime Minister has taken the matter up personally with President Roosevelt and Prime Minister Churchill but I should appreciate it if you would confidentially inform the United Kingdom Government of this change which it is expected will be announced very shortly. The Governments of the other Dominions are also being informed.

119.

DEA/5930-40

*Le secrétaire adjoint du Gouverneur général au
sous-secrétaire d'État aux Affaires extérieures*

*Assistant Secretary to Governor General to
Under-Secretary of State for External Affairs*

Ottawa, November 10, 1943

Dear Robertson,

Referring to your letter to Redfern of the 8th instant¹, concerning the recommendation of the Prime Minister that the Governor General make informal submission to The King, seeking His Majesty's approval for the policy of raising Canadian Ministers to the rank of Ambassador, I desire to inform you that a cablegram has been received to-day from the Private Secretary to the King, informing us that His Majesty is pleased to give his informal approval. This confirms my telephone message to you at 1.00 p.m. to-day.

Yours sincerely,

F. L. C. PEREIRA

120.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, November 10, 1943

CANADIAN DIPLOMATIC REPRESENTATION; LEGATIONS; EMBASSIES

1. THE PRIME MINISTER submitted a recommendation to Council for authorization of recommendations to the King for raising the status of any Canadian Minister abroad to that of ambassador.

The particular case of Washington had been discussed with the U.K. Prime Minister, who had seen no objection. President Roosevelt favoured such a step in respect of Canadian representation in the United States and wished to raise the U.S. Legation in Ottawa to an embassy. Accordingly, a recommendation in this respect had been made to the King and approved. This change would give appropriate recognition to Canada's importance in Washington, and it was planned to announce it the following day.

Approval of the policy of taking similar steps in relation to other nations was desirable for the better representation of Canadian interests abroad, in accordance with the growing importance of Canadian participation in international affairs. Subject to the views of the government concerned, it would probably be advisable, in the near future, for the Canadian Ministers in the U.S.S.R., China and Brazil to be given similar rank. Consideration would also have to be given, at a later date, to similar action with regard to Belgium and Holland.

2. THE WAR COMMITTEE, after discussion, approved the Prime Minister's recommendations and, thereupon, passed the submission made, as Order in Council P.C. 8699, dated November 10th.

...

121.

W.L.M.K./Vol. 242

Décret en Conseil

Order in Council

P.C. 8699

Ottawa, November 10, 1943

The Committee of the Privy Council have had before them a report dated November 10, 1943,¹ from the Secretary of State for External Affairs, representing that it is desirable for the better representation of Canadian interests abroad in accordance with the growing importance of Canadian participation in international affairs that he should be authorized, in cases where he deems it expedient, to recommend to His Majesty the King that the rank of any Canadian Minister accredited to a foreign sovereign or government should be raised to that of ambassador, subject in all cases to the agreement of the foreign sovereign or government to the exchange of ambassadors.

The Committee, therefore, on the recommendation of the Secretary of State for External Affairs, advise that His Majesty the King be humbly moved to approve the policy of raising the rank of Canadian ministers to that of ambassador, and that the Secretary of State for External Affairs be authorized to make recommendations for specific alterations of status in accordance with that policy in such cases as he deems expedient.

The Committee further advise that the usual steps be taken to submit this matter to His Majesty.

A. D. P. HEENEY
Clerk of the Privy Council

122.

DEA/5930-40

Le secrétaire d'État aux Affaires extérieures au Gouverneur général

Secretary of State for External Affairs to Governor General

Ottawa, November 10, 1943

Your Excellency,

I have the honour to enclose herewith for the consideration of His Majesty the King a formal submission recommending that approval be given to the policy of raising Canadian ministers abroad to the rank of ambassador in such cases as the Secretary of State for External Affairs deems it expedient that such a change should be made, together with a formal submission[†] recommending that the

status of the Canadian Legation in Washington should be changed to that of embassy, and that the Hon. Leighton Goldie McCarthy, K.C. at present His Majesty's Envoy Extraordinary and Minister Plenipotentiary for Canada in Washington should be appointed as His Majesty's Ambassador Extraordinary and Plenipotentiary for Canada in Washington, the appointment being made by Commission issued under the Great Seal of Canada and the signature of Your Excellency.

I shall hope to receive an early indication of His Majesty's pleasure.

I have etc.

[W. L. MACKENZIE KING]

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire d'État aux Affaires extérieures
au Gouverneur général en Conseil*

Secretary of State for External Affairs to Governor General in Council

Ottawa, November 10, 1943

The Secretary of State for External Affairs has the honour to report that it is desirable for the better representation of Canadian interests abroad in accordance with the growing importance of Canadian participation in international affairs that he should be authorized, in cases where he deems it expedient, to recommend to His Majesty the King that the rank of any Canadian Minister accredited to a foreign sovereign or government should be raised to that of ambassador, subject in all cases to the agreement of the foreign sovereign or government to the exchange of ambassadors, and to recommend, therefore, that His Majesty the King be humbly moved to approve the policy of raising the rank of Canadian ministers to that of ambassador, and the authorization of the Secretary of State for External Affairs to make recommendations for specific alterations of status in accordance with that policy in such cases as he deems expedient.

The Secretary of State for External Affairs has the honour to recommend that the usual steps be taken to submit this matter to His Majesty.

All of which is respectfully submitted.

[W. L. MACKENZIE KING]

123.

DEA/5930-F-40

*Le secrétaire du Gouverneur général au sous-secrétaire d'État
aux Affaires extérieures*

*Secretary to Governor General to Under-Secretary of State
for External Affairs*

Ottawa, December 8, 1943

My dear Norman [Robertson],

I now enclose a copy, for your records, of the memorandum on the procedure

in raising the status of Legations to Embassies. This memorandum contains the amendments suggested in your letter of December 6th.[†]

I also sent a copy to Lascelles.

Yours very sincerely,

SHULDHAM [REDFERN]

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du secrétaire du Gouverneur général

Memorandum by Secretary to Governor General

Ottawa, December 3, 1943

RAISING OF LEGATIONS TO EMBASSIES

PROCEDURE

1. The Prime Minister requests the Governor General to make an informal Submission to The King for approval of the policy of raising the status of certain Legations to Embassies.

2. The King's informal approval is followed later by a formal Submission.

3. In the meantime or simultaneously with the request referred to in para. 1, the Prime Minister requests the Governor General to obtain The King's approval for the issue of a Commission, under the Great Seal of Canada and signed by the Governor General, to the individual whose appointment as Ambassador is desired.

4. The Letter of Credence is, in each case, sent by the Prime Minister to the Governor General for transmission to London for His Majesty's signature.

5. To summarize, The King's approval is obtained *informally* for the promotion of a Minister to the rank of Ambassador and the raising of a Legation to that of Embassy. A formal Submission is subsequently made covering this and a Letter of Credence follows for The King's signature. A Commission is issued under the Great Seal of Canada and signed by the Governor General to cover the promotion of the Minister to Ambassador.

In cases where a Legation is to be raised to the status of Embassy, but the same Minister is not to continue as Ambassador, it may be desirable to have separate formal Submissions to The King or, alternatively, the one Submission may simply be modified as required. The Letter of Credence and Commission will be issued as before.

6. The King's approval is thus required for three purposes:

(i) The general policy of raising Legations to Embassies. (This has been obtained and need not be referred to again).

(ii) The application of (i) to a specific Legation.

(iii) The promotion or appointment of an Ambassador.

(ii) and (iii) may be combined in cases where a Minister is promoted on his Legation becoming an Embassy.

124.

DEA/5930-F-40

*Mémorandum du troisième secrétaire*⁶¹*Memorandum by Third Secretary*⁶¹

Ottawa, December 28, 1943

Sir Shuldham Redfern called on Mr. Robertson on the afternoon of December 27 to say that a letter had been received by the Governor General from Lascelles concerning the formal submission which was sent under date of November 10 for signature of the King, requesting approval for the policy of raising Canadian ministers to the rank of ambassador "in such cases as the Secretary of State for External Affairs recommends". According to Lascelles, the King has expressed concern with regard to this submission in connection with two points:

(a) It does not say to whom the Prime Minister must recommend an elevation of status in order that the legation may be changed to an embassy.

(b) There is also the possibility that it might be suggested that approval of this submission would be interpreted as a curtailment of the prerogative right to examine each and every recommendation for the elevation and approve it or not as the King saw fit. The thought is that in approving the submission the King would thereby commit himself in advance to giving automatic approval to all recommendations for change in legations to embassies. Lascelles pointed out that while there was no apprehension in this connection with regard to advice which might be tendered by Mr. King, there was some fear as to the possibility of advice received from a minister with less experience in foreign affairs than the Prime Minister. Lascelles suggested that the approval given by the King to four elevations in status⁶² is now sufficient to indicate approval of the policy without any formal approval of the general submission referred to.

Mr. Robertson recognized the points raised by Lascelles. He thought that the practice that had been followed in four cases now might be regarded as a "gloss" on the terms of the formal submission and said that, although it was not explicitly stated, nevertheless the intention was that recommendations in all cases should be made to the King. He agreed that the practice in four specific cases was now adequate to indicate approval of the general policy. The intention in preparing the general submission had been that it should be a prior document establishing the foundation for later specific recommendations. He thought that in actual practice there would be no harm done if the recommendation were signed by the King or, alternatively, if it were dropped. He outlined to

⁶¹R. G. Robertson.

⁶²L'élévation des ministres au Brésil, en Chine, en Union soviétique et aux États-Unis. L'échange d'ambassadeurs avec la Belgique fut approuvé aussi mais, malgré l'élévation du ministre de Belgique au rang d'ambassadeur, le rang du représentant du Canada auprès du gouvernement belge en exil ne changea pas.

⁶²The elevation of the Ministers in Brazil, China, the Soviet Union and the United States. The exchange of ambassadors with Belgium was also approved but, while the Minister of Belgium assumed the rank of Ambassador, the rank of the Canadian representative to the Belgian Government-in-exile was not changed.

Sir Shuldham the view that had been taken here that the tendency in diplomatic representation is in the direction of equating all representatives to the status of ambassador. The real distinction is dying out and the view put forward by Lascelles seemed to indicate an over-emphasis of the ancient distinctions between ranks of diplomatic representatives which are now almost meaningless.

Sir Shuldham stated that he would pass on to the Governor General for transmission to Lascelles the information received, particularly to the effect that if it was desired by the King there would be no harm in dropping the formal recommendation.

PARTIE 5/PART 5
RELATIONS ENTRE LE MINISTÈRE DES AFFAIRES EXTÉRIEURES
ET LE BUREAU DES RENSEIGNEMENTS COMMERCIAUX
RELATIONS BETWEEN DEPARTMENT OF EXTERNAL AFFAIRS
AND COMMERCIAL INTELLIGENCE SERVICE

125.

DEA/2446-A-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre par intérim du Commerce*

*Under-Secretary of State for External Affairs to
Acting Deputy Minister of Trade and Commerce*

Ottawa, May 27, 1943

Dear Mr. Master,

You will recall our recent conversations on the advisability of setting up a small joint committee to study the problems involved in the various proposals for the establishment of a closer relationship between the External Affairs Service and the Commercial Intelligence Service of the Department of Trade and Commerce.

The recent establishment of the Canadian Consulate General in New York with personnel drawn from the two Services presents an example of the kind of thing that may happen in a number of other instances in the comparatively near future. It crystallizes also some of the problems that will require consideration if the two Services are to work to the best mutual advantage and, in particular, if amalgamation should eventually become a practical proposition.

Under the circumstances I think that it would be desirable to form the suggested Committee at once and for our part I have decided to nominate Mr. John Read, Legal Adviser, and Mr. H. L. Keenleyside, Assistant Under-Secretary, as the representatives of the Department of External Affairs. If you will let me have the names of your nominees an early date for the first meeting can then be arranged.

As for terms of reference, I would suggest that they be left very broad in order that the Committee may have a free hand to explore the whole field. Perhaps something like this might do:

"The Committee is directed to examine the relationship of the External Affairs Service and the Commercial Intelligence Service, and to prepare recommendations designed to improve the efficiency of Canadian representation abroad."

Yours sincerely,

N. A. ROBERTSON

126.

DEA/2446-A-40

*Procès-verbal d'une réunion du Comité interministériel pour
étudier les relations entre les Affaires extérieures
et le bureau des renseignements commerciaux*

*Minutes of a Meeting of the Interdepartmental Committee
to Study Relations between External Affairs and
the Commercial Intelligence Service*

Ottawa, November 11, 1943

Present:

Department of Trade and Commerce

O. Master
H. W. Cheney
C. M. Croft
F. Sim

Department of External Affairs

J. E. Read (Chairman)
H. L. Keenleyside
W. D. Matthews
K. B. Bingay

1. Mr. Read stated that there were two memoranda[†] before the meeting — Dr. Keenleyside's, which advocated amalgamation of the two services, and the memorandum prepared in the Department of Trade and Commerce, which advocated close coordination, short of amalgamation. Mr. Read asked Dr. Keenleyside to elaborate his points, in the light of discussions held in London and in the United States.

2. Dr. Keenleyside said he had discussed the question of coordination or amalgamation with Mr. Hickerson of the State Department, and that the latter was strongly for complete unification. The U.S. had gone a long way towards amalgamation of the State Department, the diplomatic service, and the consular and trade services. In theory, the amalgamation was complete. In practice, it was

almost complete. The Americans have found that there is more efficiency in organization with one body, and that there are better relations between the personnel if they are all on the same basis. In the U.S. they have gone even farther than in the U.K. Technical personnel (such as representatives of the Department of Agriculture) in offices abroad must opt for the foreign service or return to the U.S.

3. Dr. Keenleyside said he had discussed the question with Mr. Ashton-Gwatkin of the Foreign Office, who spent twenty-five years in the foreign service, and was now in charge of the organizational set-up to institute the reforms of the British White Paper, in collaboration with Mr. Mallett of the Administrative Section of the Foreign Office. Dr. Keenleyside's impressions, after talking to these men, were:

(a) That it is impossible to bring about complete amalgamation of the British trade and political representation abroad because of the historic position and vested interests of the Department of Overseas Trade which is run jointly by the Foreign Office and the Board of Overseas Trade. There would also be great opposition from some quarters to treating representatives in the Dominions on the same basis as representatives in foreign states.

(b) Subject to these limitations, it is government policy, and the Foreign Office is doing everything possible to unify all British representation abroad.

(c) If the British were starting afresh without too heavily vested interests, they would certainly unify all representation abroad.

(d) Under the new British scheme, there will be common recruitment, a scholarship period, and common activities for 6-10 years; then specialization to be followed by reunion at the highest levels. At no time will it be impossible or unusual for a man to move from one branch of activity to another.

(e) There is to be a complete interchangeability between the Foreign Office and the offices abroad for clerical as well as officer staff.

(f) The U.K. is arranging an allowance system for men who return to the Foreign Office from abroad, as it is felt that there is too great a difference between the remuneration of officers at home and abroad;

(g) Either Mr. Ashton-Gwatkin or Mr. Mallett will visit the U.S. shortly to discuss organizational problems and would be glad of an opportunity or invitation to visit Canada. Such an invitation would be accepted and a visit from either would be useful.

Dr. Keenleyside did not have an opportunity to discuss the question of amalgamation with the representatives of the trade departments of the U.K. or the U.S. governments.

4. Mr. Master stated that there was no evidence that the placing of all representation abroad under one department had made for a more efficient foreign service in the U.S. He did not think that the American and British position was comparable to the Canadian. Canada had developed one of the best foreign trade services in the world. In view of the relatively few[sic] number of exporting firms, our trade commissioners could get to know all the firms exporting, and could establish direct contacts for these firms abroad. From the intimate rela-

tionship between the exporters and trade commissioners had grown up a mutual confidence which might be destroyed if trade commissioners ceased to be in a separate service. The British and U.S. can throw aside their trade service with far less loss, for neither had this intimate and direct contact between exporters and trade commissioners. Mr. Master stated that in his view amalgamation of the two services would not guarantee the continuity and effectiveness of this work.

5. Mr. Master stated that there had been a great deal of pressure on the Department of Trade and Commerce to announce its position on post-war trade plans, and that neither he nor his Minister felt that the announcement on reorganization of the foreign service could be delayed any longer. He felt the matter should be decided this week.

6. The Chairman read over the Department of Trade and Commerce memorandum, with a view to seeing whether it would be suitable as a recommendation from this Committee. Several amendments were suggested, and will be incorporated in Mr. Read's redraft. If the plan is accepted, it was felt that the details of working it out could be left until the Committee which it envisages is set up. One major suggestion made by Mr. Read was that the plan recommended that a committee be set up to coordinate the service outside Ottawa, and to study the administrative problems involved, but that no suggestion had been made with regard to coordination of broad policy in Ottawa on economic matters. Consideration might be given to the setting up of a separate policy committee.

7. Mr. Read stated that the Department of Trade and Commerce memorandum would have to be considered by representatives of External Affairs, before a decision could be reached as to whether it should constitute the plan to be submitted by this committee.

8. Mr. Master reiterated that it was felt that his Minister should make a public statement at the earliest possible date. It was agreed that the Committee should meet at 4.00 p.m. on Wednesday, November 17th, unless it was found possible to arrange a meeting on Monday, the 15th.

127.

DEA/2446-A-40

*Le président, le Comité interministériel pour étudier les relations
entre les Affaires extérieures et le bureau des renseignements
commerciaux, au secrétaire d'État aux Affaires extérieures
et au ministre du Commerce*

*Chairman, Interdepartmental Committee to Study Relations between
External Affairs and the Commercial Intelligence Service, to
Secretary of State for External Affairs and
Minister of Trade and Commerce*

CONFIDENTIAL

Ottawa, November 17, 1943

PROPOSALS FOR CO-ORDINATION OF EXTERNAL SERVICES,
EXTERNAL AFFAIRS, AND TRADE AND COMMERCE

This Committee, representative of External Affairs and of Trade and Commerce, was appointed to consider problems which have been latent for several

years. These problems were emphasized by the establishment of the Canadian Consulate-General at New York.

I. In his letter to the Acting Deputy Minister of Trade and Commerce of May 27, last, the Under-Secretary of State for External Affairs pointed out that the New York appointment crystallized "some of the problems that will require consideration if the two Services are to work to the best advantage and, in particular, if amalgamation should eventually become a practical proposition".

The terms of reference, suggested in the letter from the Under-Secretary of State for External Affairs as the directive for this Committee, were readily accepted by Trade and Commerce in the light of the above reference. It seemed clear that the purpose was to further a closer working relationship between the two Services, and that amalgamation was regarded as an eventual possibility, not necessarily as a matter of immediate or early concern.

II. The Committee studied the developments which had taken place in the external services of the United States of America, the United Kingdom, Australia, South Africa and other parts of the British Commonwealth, and was assisted by consultations with representatives of the United States service; of the United Kingdom Foreign Office, Dominions Office and Department of Overseas Trade; and of other Commonwealth Governments. A marked trend towards complete amalgamation of diplomatic and commercial services was observed, and it was noted that this trend was not confined to English-speaking countries but was of world-wide extent.

III. The Committee considered two proposals for close co-ordination between the External affairs and the Trade Commissioner Services. They were:

(a) Complete merger of existing External Affairs and Trade Commissioner Services under the administration of a re-organized Department of External Affairs, with transfer to the reorganized Department of appropriate executive officers and staff.

(b) Administrative reform with a view to promotion of co-ordination and co-operation of the services; and co-operation and interchange of personnel, without loss of identity by either department or service.

IV. There was a difference of opinion with regard to the proposals. Certain members of the Committee considered that the first proposal was in accordance with the world-wide trend in such matters and would lead to substantial gains in efficiency of administration, in the raising of Service morale and the solution of personnel problems, in the improvement of conditions for the wise formulation of policy and in the centralisation of responsibility. On the other hand, they recognized that the second proposal, assuming that the first was unattainable, would be preferable to the present state of affairs, and would lead to improvement in the effectiveness of Canadian representation abroad which would become progressively greater with the passing of the years.

Other members of the Committee thought the first proposal was not feasible, as it would cause too much disruption to the existing departmental organization and they feared that it would impair the effectiveness of the trade promotional activities of the existing Trade Commissioner Service. They therefore preferred the second proposal, being largely influenced by these main considerations.

(a) They recognized the value of close co-ordination between the External Affairs and the Trade Commissioner Services.

(b) Owing to exceptional conditions, Canada has been able to develop the most efficient Trade Commissioner Service in the world, and it was feared that there would be no gain and that there might be serious loss if the present standing and identity of this organization as a specialized commercial service were impaired.

(c) The economy of Canada depends in a peculiar degree upon export trade, and it was feared that the export community would look with disfavour on any move which might be regarded as likely to weaken rather than to strengthen Government aid in the promotion of export trade.

(d) The proposals for co-ordination and co-operation between the services could provide the framework for continuous study of ways and means of securing more effective co-ordination of the two services by officials who would have the best opportunity to detect weaknesses in existing methods of operation and the strongest incentive to correct them.

V. The Committee was able to reach the conclusion that, in view of the opinions of the members referred to in the preceding paragraph, the only practicable course would be to recommend measures based upon the second proposal. There was general agreement that such a proposal would bring about substantial improvement in the co-ordination of the activities of the two services and in the promotion of co-operation between them. It was also recognized that such a course would not preclude the adoption of measures based upon the first proposal if, after a period of experiment it was possible to reach general agreement that such a course would be desirable.

VI. The Committee therefore recommends that the following proposals for co-ordination of the activities of the External Affairs and Trade Commissioner Services, and in the promotion of co-operation between these services in all matters relating to Canadian representation abroad and related problems of home administration, be put into effect forthwith.

PROPOSED FRAMEWORK OF CO-ORDINATION

1. METHOD OF OPERATION:

In order to attain the maximum degree of efficiency and also to regularize the ad hoc arrangements of past years, the External Affairs Service and the Commercial Intelligence Service should be co-ordinated, and the whole considered the External Service of Canada.

The two existing Services should continue to operate under present departmental auspices with the functions of each maintained as heretofore, that is, the External Affairs Service being responsible for diplomatic and political work and the Commercial Intelligence Service for commercial and allied work and both services being responsible, as heretofore, for general economic work within their respective fields.

2. COMMITTEE FOR ADMINISTRATIVE CO-OPERATION:

The co-ordination of the two Services in Ottawa would be effected by a standing Personnel and Administration Committee appointed to consider such ques-

tions as (1) selection and training of officers; (2) assignments to posts at home or abroad; (3) transfers and promotions; (4) correlation of salaries, allowances, leave regulations and similar matters; and (5) general administrative problems.

This Inter-departmental Committee should consist of six appointed members, three representatives to be named by each Department, with the Under-Secretary of State for External Affairs and the Deputy Minister of Trade and Commerce as members, *ex officio*.

As its first duty the Committee should conduct a detailed survey of the personnel of the External Affairs Service and of the Commercial Intelligence Service with a view to presenting proposals, to take effect at the time co-ordination is instituted, with regard to —

- (a) which officers, if any, of each Service should be recommended for retirement;
- (b) which officers, if any, of each Service should be recommended for transfer to another branch of the Public Service;
- (c) which officers should be continued as members of the Co-ordinated Services.⁶³

3. INTERCHANGEABILITY OF OFFICERS:

The officers of the two Services should be interchangeable so far as this can be attained. To permit this to be done, the ranks and salaries of the two Services should be correlated. Thus, the salary of a Counsellor should be the same as that of a Trade Commissioner of top grade. Admittedly, some difficulty would be encountered in the early stages of co-ordinated Service, but with common recruiting and uniform training of junior officers, this difficulty would soon disappear.

Complete interchangeability will be difficult at the outset, due primarily to lack of knowledge of officers of either Service of the detailed duties of the other, but this difficulty will be less acute than that which would be faced by recruiting personnel who have no knowledge of the Government Service or of procedure abroad. Thus, a senior Trade Commissioner who has had experience in a Legation would presumably be well qualified to serve as Consul General, or, if occasion required, as Counsellor. In general, Trade Commissioners would perform commercial work but they would be available as Counsellors or Secretaries under special conditions such as those in London, Pretoria, and St. John's, where Trade Commissioners are now acting as Secretaries to the offices of High Commissioners. With a change in the method of recruiting and basic training, co-ordination would become progressively more complete.

4. COMMON RECRUITING:

There should be common recruiting by means of competitive examinations, both written and oral, at such times as the Inter-departmental Committee may recommend. Appointments would be made to a classification such as "Probationary Officer, External Service" and after a probationary period in this grade

⁶³La note suivante était écrite à côté de ce paragraphe:

⁶³The following note was written beside this paragraph:

I've objected to this. N. A. R[OBERTSON]

candidates would be considered for appointment as Third Secretaries, Vice-Consuls, or Assistant Trade Commissioners. During this probationary period, the candidates would spend part of their time in External Affairs and part in the Commercial Intelligence Service, where their work and aptitude would be carefully watched so that the Personnel Committee could decide whether they should be appointed and if so to which branch of the External Service each should be assigned.

The foregoing method of recruiting would not ordinarily be followed in the case of the selection of specialists, whose services are required primarily for work in Ottawa but who may, as occasion requires, be assigned to overseas posts for special duties.

5. ASSIGNMENTS TO FOREIGN COUNTRIES:

On assignment to capitals where there is a Canadian diplomatic mission, a commercial officer would be given a rank dependent upon his standing in the Service, ranging from Assistant Commercial Secretary to Commercial Counsellor. In other foreign cities the commercial officer would have a standing dependent upon his rank in the Commercial Service, ranging from Vice-Consul and Assistant Trade Commissioner to Consul General and Trade Commissioner, but he would in respect of standing be interchangeable with officers posted to diplomatic missions or to offices in Commonwealth countries.

6. ASSIGNMENTS WITHIN THE BRITISH COMMONWEALTH:

In these countries the commercial officers would normally retain the title of "Canadian Trade Commissioner". Where, however, they were assigned to duty in the capital they would receive a standing dependent upon their position in the Service, ranging from Assistant Commercial Secretary to Commercial Counsellor. Their relationship with the High Commissioner would be substantially the same as the relationship between corresponding officers and heads of diplomatic missions in foreign countries.

7. ESTABLISHMENT OF CONSULATES:

In the establishment of Consulates, the "ranking" officer would normally be determined by the nature of the work to be done. If the work were predominantly of a commercial nature, the Consul General would normally be selected from the Commercial Intelligence Service, with a consul or vice-consul from External Affairs, whereas the reverse would apply if the work of the Consulate were quasi-diplomatic. Most, if not all, of the present Trade Commissioners have had considerable experience in consular work in general dealing with such subjects as Canadian customs and immigration regulations, distressed Canadians, passports, pure food certificates, witnessing oaths and affidavits, etc.

8. DEVELOPMENT OF PERSONNEL FOR HIGHER APPOINTMENTS:

It would be expected that, in the early stages of career, the personnel in both Services would be freely interchanged. After several years the Personnel Committee would presumably decide to which branch of the External Service a recruit should be assigned. During succeeding years, those who were assigned to the commercial side would be under Trade and Commerce and would be engaged predominantly in trade promotion and similar work; those who were as-

signed to the political side would come under External Affairs and would be concerned principally with the work of diplomatic missions and with the political side of consular work. During this period it would be necessary, in planning movements of personnel, to provide for periodic interchanges for the purpose of training and experience. It would then be possible to ensure that, when personnel reached a stage at which they were suitable for appointment to senior posts, they would have sufficient experience on both political and commercial sides to ensure that they were well equipped for undertaking such duties.

If such a programme of periodic interchange were followed, it should be practicable to make the appointment to senior posts available to suitable personnel, both on the commercial and on the political side.

It would be desirable to extend existing arrangements for Trade and Commerce personnel, under which they are provided with opportunities to become fully acquainted with conditions in this country during leave periods and periods between change of assignment, so that they would be applicable, with necessary adaptations, to External Affairs personnel. This would have the double advantage of keeping such personnel in touch with the economic background in its relation to Canadian representation abroad and of enabling them to maintain contact with this country, and thus be in a better position to represent Canadian interests.

Submitted on behalf of the Committee.

J. E. READ

SUPPLEMENTARY NOTES

1. A consideration of these problems brought out the urgent need for co-ordination and co-operation in economic matters at the home offices. There is an obvious need for an economic organization which would be charged with the responsibility of considering the results of the economic reporting made available by the above proposal and facilitating the translation of these results into economic policy by the interested departments of the Government. This would presumably involve other departments besides External Affairs and Trade and Commerce, and the Committee did not regard it as a matter upon which it should report.

2. The membership of the Committee consisted of the following:

Department of External Affairs

J. E. Read
H. L. Keenleyside
W. D. Matthews

Department of Trade and Commerce

O. Master
C. M. Croft
F. Sim
H. W. Cheney

J. Willis and K.B. Bingay acted as secretaries to the Committee.

128.

W.L.M.K/Vol. 345

Le ministre du Commerce au Premier ministre
Minister of Trade and Commerce to Prime Minister

CONFIDENTIAL

Edmonton, December 4, 1943

Dear Mr. King,

I have just received a copy of the Report, forwarded to me from Ottawa, containing the recommendations of the officials of External Affairs and of Trade and Commerce, who have been giving close study to the manner in which the Foreign Services of the two Departments can best be co-ordinated in future.

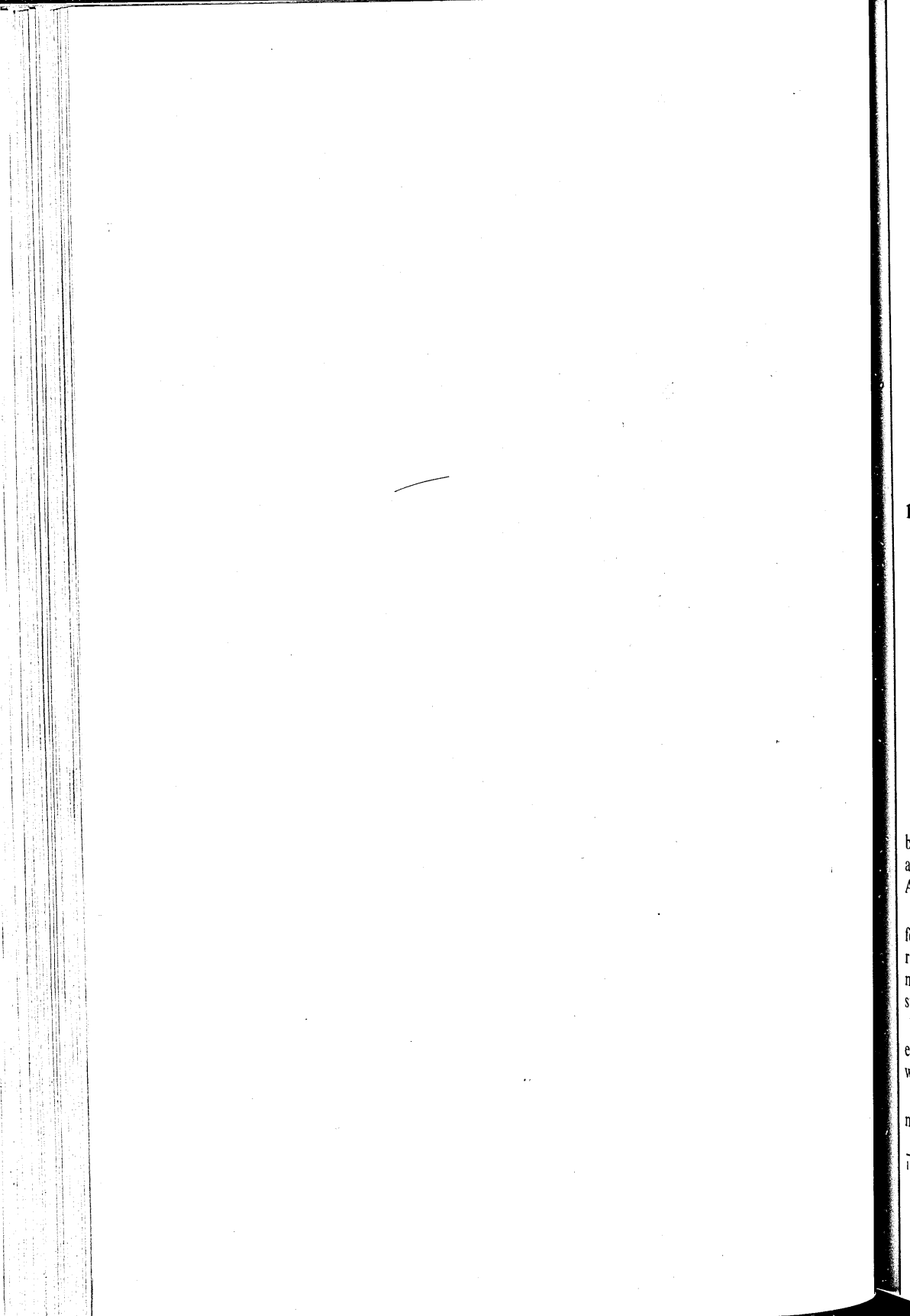
I understand that this Report is already in your hands and that in submitting it to you Mr. Robertson had a reservation to make in regard to one recommendation, i.e., the part of Section 2 under VI, which appears at the top of page 4. The reservation which Mr. Robertson has made in respect of this section is one in which Trade and Commerce would readily concur.

My purpose in writing you is to let you know that I am well satisfied with the recommendations made by the Committee, and with the "proposed framework of co-ordination" which the Committee has submitted. It represents, I think, a thoroughly practicable method of ensuring the closest co-operation between the External Affairs offices abroad and the Trade Commissioner offices, and it provides a most useful means of regular consultation between the senior officials of the two Departments at Ottawa.

I am rather anxious, therefore, that this plan should be put into effect as soon as possible — especially so as it will facilitate progress in some measures of re-organization which I have in mind in connection with the Commercial Intelligence Service and which I think should be carried through with the least possible delay. I hope, therefore, that it will be possible for you to give early consideration to these recommendations.

Yours faithfully,

J. A. MACKINNON



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CHAPITRE II/CHAPTER II

CONDUITE DE LA GUERRE CONDUCT OF THE WAR

PARTIE I/PART I

CONDUITE ET BUTS DE L'EFFORT DE GUERRE ALLIÉ DIRECTION AND GOALS OF THE ALLIED WAR EFFORT

SECTION A

DÉCLARATION DES NATIONS UNIES, 1^{er} JANVIER 1942
UNITED NATIONS DECLARATION, JANUARY 1, 1942

129.

DEA/3014-40

Projet de déclaration
Draft Declaration

[n.d.]

JOINT DECLARATION BY THE UNITED STATES OF AMERICA, CHINA, THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THE UNION OF SOVIET SOCIALIST REPUBLICS, AUSTRALIA, BELGIUM, CANADA, COSTA RICA, CUBA, CZECHOSLOVAKIA, DOMINICAN REPUBLIC, EL SALVADOR, GREECE, GUATEMALA, HAITI, HONDURAS, NETHERLANDS, NEW ZEALAND, NICARAGUA, NORWAY, PANAMA, POLAND, SOUTH AFRICA, AND YUGOSLAVIA.

The governments signatory hereto,

Having subscribed to a common program of purposes and principles embodied in the Joint Declaration of the President of the United States of America and the Prime Minister of Great Britain dated August 14, 1941, known as the Atlantic Charter,¹

Being convinced that complete victory over their enemies is essential to defend life, liberty, independence and religious freedom, and to preserve human rights and justice not only in their own lands but everywhere, and that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world, DECLARE:

(1) Each Government pledges itself to employ its full resources, military or economic, against those members of the Tripartite Pact and its adherents, with which such government is at war.

(2) Each Government pledges itself to co-operate with the other Governments signatory hereto; and to continue war against, and not to make a separate

¹Voir le volume 7, document 327.

¹See Volume 7, Document 327.

armistice or peace with the common enemies or any of them.

The foregoing declaration may be adhered to by other nations which are, or which may be, rendering material assistance and contributions towards the defeat of members or adherents of the Tripartite Pact.

130.

DEA/3014-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa], December 29, 1941

NOTES ON PROPOSED JOINT DECLARATION OF ALLIED POWERS

1. PREAMBLE:

(i) The segregation of Great and Small Powers in the preamble is novel and open to some objection. The classical diplomatic arrangement is in French alphabetical order. Any departure from this order is bound to be troublesome and invidious. In terms of war potential or of immediately effective contribution to the struggle, it is difficult to put what is left of Free China in a separate and higher category than that which will contain Canada, The Netherlands and India.

(ii) The omission of India from the proposed list of signatories is still, Mr. McCarthy reported, under consideration in London. I note that India and Burma were separately represented at the Inter-Allied meeting in London, held on September 24th, 1941. With the turn the war is taking, it would seem wise to take advantage of every opportunity for the recognition of their developing international status rather than reverse the trend which is already in process of establishment.

(iii) The omission of Luxembourg, which was also represented at the Inter-Allied meeting in London, is probably inadvertent. It has as much claim to be included in the list as some of the tiny Central American republics which have declared war against Germany and Japan in the last fortnight.

(iv) More important is the studied exclusion of any recognition of the Free French Movement. General de Gaulle, as "Leader of Free Frenchmen" was represented at the London Conference. The Free French Movement is making a more effective military contribution at the present time than a number of the Allied Governments whose status and legitimacy is [sic] unchallenged. The colonial territories under its control are also of very considerable economic and strategic importance. In the particular circumstances in which the Declaration was drawn up in Washington, it is understandable that no provision was to be made for the Free French Movement in the list of immediate signatories. It would, I am sure, be a mistake, however, to slam the door finally against their reinstatement, and I think the adhesion clause of the Agreement should be so drafted as to permit Free French accession to a declaration of principles for

which they are doing a good deal more active fighting than many of the nominal signatories.

2. The draft revision of paragraph 2 which you suggested in Washington² is, I think, much more logical in its order than that contained in the text. Revised, it would read as follows:

Being convinced that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world and that complete victory over their enemies (or complete subjugation of these forces) is essential to defend life, liberty, independence and religious freedom, and to preserve human rights and justice, not only in their own lands but everywhere,
DECLARE

3. The meaning of sub-paragraph (1) would be clearer if after "full resources" it read "*whether* military or economic" or, alternatively, "military *and* economic".

In commenting on this passage of the Declaration in the War Committee of the Cabinet this morning, the Prime Minister of the United Kingdom made it clear that, according to his understanding, each Government was the best judge of how its full resources could be most effectively employed against the enemy. The obligation to employ the "full resources" of a country did not imply an obligation to use any particular method of organizing the national effort such as conscription.

131.

DEA/3014-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
 au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
 to Prime Minister*

[Ottawa], December 31, 1941

I gave you a note on Monday about the proposed Joint Declaration which had been prepared for early signature by Allied Governments in Washington. Attached are two telegrams on the subject, No. 625[†] and No. 626[†], received last night from our Minister in Washington, together with a revised text of the Joint Declaration,³ incorporating all the modifications mentioned in telegram No. 626.

The inclusion of India, which is all to the good, may make the omission of Burma more pointed. Technically, their constitutional status is similar, and Burma was, like India, separately represented at the last Allied Meeting in London. I have mentioned the position of Burma informally to Earncliffe, as it is just possible that its omission from the list of signatories is inadvertent.

² Le Premier ministre avait été à Washington du 25 au 28 décembre.

² The Prime Minister had been in Washington from December 25 to 28.

³ Pour le texte définitif, voir Canada, *Recueil des traités*, 1942, N° 1.

³ For definitive text, see Canada, *Treaty Series*, 1942, No. 1.

You will note that Mr. McCarthy wishes to be informed, as soon as possible, whether the draft Declaration as revised is acceptable to the Canadian Government.

[PIÈCE JOINTE/ENCLOSURE]

Projet de déclaration

Draft Declaration

[n.d.]

A JOINT DECLARATION BY THE UNITED STATES OF AMERICA, THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THE UNION OF SOVIET SOCIALIST REPUBLICS, CHINA, AUSTRALIA, BELGIUM, CANADA, COSTA RICA, CUBA, CZECHOSLOVAKIA, DOMINICAN REPUBLIC, EL SALVADOR, GREECE, GUATEMALA, HAITI, HONDURAS, INDIA, LUXEMBOURG, NETHERLANDS, NEW ZEALAND, NICARAGUA, NORWAY, PANAMA, POLAND, SOUTH AFRICA, YUGOSLAVIA.

The Governments signatory hereto,

Having subscribed to a common program of purposes and principles embodied in the Joint Declaration of the President of the United States of America and the Prime Minister of Great Britain dated August 14, 1941, known as the Atlantic Charter,

Being convinced that complete victory over their enemies is essential to defend life, liberty, independence and religious freedom, and to preserve human rights and justice in their own lands as well as in other lands and that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world, DECLARE:

(1) Each Government pledges itself to employ its full resources, military or economic, against those members of the Tripartite Pact and its adherents with which such government is at war.

(2) Each Government pledges itself to co-operate with the Governments signatory hereto and not to make a separate armistice or peace with the enemies.

The foregoing declaration may be adhered to by other nations which are, or which may be, rendering material assistance and contributions in the struggle for victory over Hitlerism.

SECTION B

ORGANISATIONS DE GUERRE COMPOSÉES

COMBINED WAR ORGANIZATIONS

132.

DEA/3265-A-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELEGRAM 30

Ottawa, January 14, 1942

When General Macready was in Ottawa recently he indicated to Chiefs of

Staff here that machinery would be set up in Washington and London to ensure maximum degree of efficiency and co-operation in prosecution of common war effort; that co-ordination in Washington would take following general form

- (a) Small war council to make decisions in respect of war policy;
- (b) Joint service planning committee;
- (c) Joint service allocation (material supply) committee;
- (d) Joint supply committee, covering wide field of raw materials, production and transportation.

Macready rather assumed that Canada would not be separately represented on the Planning Committee but that Canadian representatives would be part of British Commonwealth delegation which would act vis-à-vis the United States. It was not clear whether Canada would have a separate independent representation on the other committees or form part of British Commonwealth representation. Naturally we see difficulties in any form of representation which would not take Canadian interests fully into consideration and would not provide for a Canadian representative with full rights of participation at discussions where Canada was directly concerned. Without, however, bringing up the question of our attitude toward these matters at the present time, it would be most useful if you could ascertain whether Macready was expressing an official British viewpoint when he was in Ottawa; whether discussions have been taking place between the United States and the United Kingdom on this matter and, if so, what stage those discussions have reached. It would seem that if the matter had developed as far as Macready indicated we should have been consulted before this. Certainly sending him to Ottawa to talk informally to our Chiefs of Staff would hardly be considered adequate consultation. It would also be interesting to know if the Australian Minister had any information on these matters and whether the Australian Government had expressed any viewpoint concerning them.

133.

DEA/3265-A-40

*Mé morandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa], January 17, 1942

RE SIR JOHN DILL'S VISIT

Wrong has just reported a conversation he had with Dill this morning about the arrangements for coordinating the general war effort which have developed out of the Roosevelt-Churchill and parallel Joint Staff conversations of the past three weeks. Dill confirmed, in general, the accuracy of the information which our Chiefs of Staff had obtained from General Sir N. Macready, and which Mr. Ralston had reported to the War Cabinet (vide para. 9 of the Minutes of January 14th¹ and our telegram to the Canadian Minister at Washington No. 30 of the same day). He stressed, however, the importance attached to the fact that the organizations to be set up in Washington would have their exact counterpart in

London and that it was contemplated that participation of the countries of the British Commonwealth and of the European Allies in the planning of the general war effort would be effected through their membership of the London Committee rather than the Washington committees. I suspect that Churchill himself would welcome the coordination of Commonwealth representation in London and, from a talk that Casey, the Australian Minister, had with President Roosevelt, it is clear that the latter is of much the same mind. He gave Casey to understand pretty clearly that Australian requirements and views about war strategy should be cleared through the proposed London Committees rather than be taken up directly by the Australian representative in Washington.

Wrong pointed out to Dill that the Canadian position was quite different in a number of respects from that of any other country of the British Commonwealth. We had, for example, a primary interest in plans for North American defence which could hardly be cleared through a London committee, but would have to be taken up directly between Canada and the United States. At the same time, the Government was bound to be interested in the work of the London Committees as well because it would be interested in the planning of operations in any theatre of war where any Canadian troops were engaged, and the bulk of Canadian forces were now in the European theatre, for which the Joint Staff Committees established in London would be responsible. Dill appeared to recognize the reasonableness of these considerations, and threw out the suggestion that, while contacts between the United Kingdom, Australia, New Zealand, South Africa, India, etc., might reasonably be centralized in London, which was responsible for the strategic direction of the war in Europe and the Middle East, there might be room, not for a Joint Commonwealth Mission in Washington, but for a Joint United Kingdom-Canadian Mission, which could maintain closer contacts with the United States Service authorities than a comprehensive and therefore cumbersome mission could do.

In connection with the rest of our military representation in Washington, I learned from the Chief of the General Staff today that it is planned to bring Brigadier Letson, who has done extremely well as Military Attaché in Washington, to Ottawa to be Adjutant General and to replace him in Washington by Major-General Pope, who is also a very good man. Pope will not be designated as Military Attaché, but would be the obvious representative of the Chief of Staff in any top level military discussions in Washington.

134.

DEA/3265-A-40

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

[Ottawa], January 19, 1942

Mr. Keenleyside and I, along with Mr. Heeney, attended a meeting this morning with the Chiefs of Staff and Field Marshal Sir John Dill.

Sir John Dill outlined various proposals that had been made in Washington during Mr. Churchill's visit for the establishment of machinery for joint co-operation, as follows:

1. **JOINT SHIPPING BOARD.** This was accepted by the President and the Premier. It was designed to ensure the most efficient use of the shipping of all the united nations, something according to Sir John very much to be desired, in view of the present divided control in this vital matter, which is now the rule in the United States. It would be a Board of two members, Sir Arthur Salter, representing the United Kingdom, and probably an Admiral, representing the United States, and it would have complete authority over all American and British shipping.

2. **RAW MATERIALS COMMITTEE.** This has also been agreed to by the President and the Premier. It was to be a Joint United States-United Kingdom Board for planning the most effective utilization for the prosecution of the war of the raw materials of the united nations. The United Kingdom member of the Board would be Sir Clive Baillieu (under Lord Beaverbrook as Minister of Supply), while the United States representative might be Mr. Donald Nelson. In its mission of organizing the production and utilization of raw materials, the Board would collaborate with the other united nations concerned, conferring with them when necessary.

3. **JOINT ALLOCATION BOARDS.** There were to be two such Boards, one in London and one in Washington. The Joint Board in Washington would be presided over by Mr. Hopkins and would consist of representatives of the Joint Chiefs of Staff. The Board, however, would report through the Chiefs of Staff and not direct to Mr. Hopkins. This procedure is to be given a month's trial.

It was recognized that other allies would have an interest in the activities of the above Board. These allies were divided into two categories, those "protégés" of the United Kingdom and those "protégés" of the United States. The first included all Empire countries, Free France, Norway, Yugoslavia, Holland, Belgium and Czechoslovakia, the latter, China, Russia and Latin American states.

It appeared from discussion that no real consideration has yet been given in Washington to the position of Canada in relation to these allocation Boards. As they were visualized at present, it seems that Canada might have to submit her claims both to the London Board and to the Washington Board. It was pointed out that our special interest in this matter would seem to justify separate Canadian representation on the Washington Allocations Board, and Sir John Dill accepted this point of view. He thought possibly Canada's special interest might be recognized by the establishment of a Joint United Kingdom-Canadian Allocations Board in Washington, the representatives of which would represent the British Empire on the Joint Allocations Board referred to above. The difficulty here would be that Australia and New Zealand would not be likely to accept this machinery.

On the other hand, it might be argued that Australia and New Zealand would recognize Canada's special position on these supply matters in the same way that it is proposed that we should recognize their special position by accepting

Australian and New Zealand representation on the Council of Governments which it was proposed to set up in London to deal with Far Eastern matters. Canada would not be represented on this Council.

In any event, it was made clear to Sir John Dill by the Canadian participants in this meeting that Canada would certainly expect to be consulted on all decisions regarding allocation which affected her. As the third most important supplier to the war effort of the Allies, she would be justified in taking this stand. Such a stand would not prejudice in any way the principle of the pooling of all supplies and using them where they were needed most at any given time.

4. JOINT PLANNING BOARD. Sir John Dill had little to say about this. He thought it might be difficult for Canada to be separately represented because the Board must be kept small and if Canada were represented the other Dominions would expect representation. At the same time, he agreed that Canada should be kept carefully and continuously informed of the work of the Committee. This might be done by having Canadian Staff Officers attached to the British Staff Mission in Washington.

L. B. P[EARSON]

135.

DEA/3265-A-40

*Le ministre-conseiller, la légation aux États-Unis, au
sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States to
Under-Secretary of State for External Affairs*

SECRET

Washington, January 20, 1942

Dear Mr. Robertson,

In our Telegram No. 44 of January 17th[†] and my letter of January 16th[†] I gave you the chief points arising from discussions with Sir John Dill and the Australian Minister, respectively, concerning the proposed arrangements for the co-ordination of the war effort. Doubtless Sir John Dill during his Ottawa visit has filled in the outline so that fairly complete information is now available in Ottawa on the results in this field of the discussions between the President and Mr. Churchill and their Staffs.

In this letter I want to bring up informally a number of questions which have occurred to me in connection with the Canadian place in the arrangements which are now in process of completion. I am enclosing with it a copy of a draft report which has been prepared by the British Joint Staff Planners[†], who are the senior Staff officers attached to the representatives in Washington of the British Chiefs of Staff. This plan, if it is approved by the British Joint Staff Mission, will be tabled at a meeting of the Combined Staff Planners. The word "Combined" is used to indicate an international body, and the word "Joint" is used to indicate an inter-Service body which is not international. The enclosed paper is interesting in itself, but my principal purpose in forwarding it to you is because of the light it throws on the method of operation of the new Combined bodies.

The paper will be sent to the Canadian Chiefs of Staff direct by the Service Attachés of the Legation.

The information brought to Ottawa by General Macready, which was summarized in your Telegram No. 30 of January 14th, was accurate on the whole but misleading on one or two points. It may be that the position here changed after his departure for Ottawa. The chief difference between the outline given in your telegram and the situation which has now developed relates to the first international body, which he described as a "small War Council" to make decisions in respect to war policy. It was understood in Ottawa from him, I think, that this would not be a Service body but would be on the political level. It appears, however, that what is contemplated is the organization in London and in Washington of Combined Chiefs of Staff — i.e., a body on the highest Service level.

The principal question causing me concern is the nature of the Canadian representation which should be sought and the status with respect to their British and U.S. colleagues which should be claimed for Canadian representatives on any of the combined organizations. There are now 26 Governments at war with the Axis Powers, and there are also the Free French to take into account. Of these, 10 Governments and the Free French have substantial forces in the field — the United Kingdom, the United States, U.S.S.R., China, Netherlands, India, and the four Dominions. Poland, Belgium, Norway, Yugoslavia, Greece, and Czechoslovakia all have a reasonable claim to participate to some degree in the direction of the war. Any Allied war organization which gave full representation to all the belligerents would be like the Assembly of the League of Nations and would inevitably be so ineffective that it could not exercise real control. (We may have to have some such body with a resounding title and no power as a sort of face-saving device.)

How far, then, is Canada entitled to go in pressing a claim to participate in inter-Allied bodies which are designed to co-ordinate the war effort? It is easy to state the general principle, but remarkably difficult to apply it. The principle, I think is that each member of the grand alliance should have a voice in the conduct of the war proportionate to its contribution to the general war effort. A subsidiary principle is that the influence of the various countries should be greatest in connection with those matters with which they are most directly concerned. Among suppliers of war materials for the use of the United Nations, Canada ranks third and only after the United States and United Kingdom. In her direct military contribution of trained fighting men, Canada ranks perhaps fifth or sixth, but comparison here is very difficult. With regard to her direct interests in the conduct of the war, Canada is most immediately concerned with, first, the defence of North America, and, secondly, with operations in any theatre of war in which a substantial number of Canadian forces are engaged.

It is apparent, I think, that during the visit of Mr. Churchill to Washington full consideration was not given to the means of integrating in the combined organizations the other belligerent Governments. The matter of first importance was undoubtedly to develop an effective scheme for co-ordinating the policies of the United Kingdom and the United States, and it may be that the

question had to be faced from this point of view alone before the broader aspects could be carefully examined. No one should blame the President of the United States and the Prime Minister of the United Kingdom for concentrating on the effective co-ordination of the war machinery of their own countries. Complaint becomes justified only if the legitimate rights of other belligerent Governments are ignored as the machinery is developed or if decisions vitally affecting a particular Government are taken without consultation with it, as the Dutch claim was the case in the establishment of unified command in the South-west Pacific.

One can think of a large number of permutations and combinations to provide for Canadian representation on the combined bodies which are in process of formation. I do not possess sufficient knowledge of several important aspects of the problem to enable me to formulate definite suggestions. Here are some of the possibilities:

1. To seek Canadian representation on all the combined bodies, both in London and in Washington, with the Canadian representatives at least formally equal in status to those of the U.S. and the U.K. If this were done, several other Governments could justly claim equal treatment, and I think that such a proposal would be rejected both here and in London.
2. To seek Canadian representation on all the combined bodies either in London or in Washington. To this there is the grave objection that the bulk of our troops are in the United Kingdom theatre of war, whereas we are vitally concerned in the defence of North America, which will inevitably be directed from Washington. I have gathered that the President and Mr. Churchill reached the conclusion that the influence of the Dominion Governments and of the Governments-in-exile in the United Kingdom should be exerted in London. At any rate, the Australian Government has been so informed.
3. To seek representation only on those combined bodies, either in London or in Washington, with whose activities Canada is most vitally concerned. Clearly any process of selection, however, is very difficult. We might easily forego any representation on the proposed Combined Shipping Organization, and we might be satisfied with representation on the body in Washington concerned with raw materials. The Combined Service bodies, however, in both capitals (which present the most serious problems) will all be dealing frequently with matters of immediate concern to Canada.
4. To seek representation on all or most of the combined bodies in collaboration with the United Kingdom representatives or as part of a general Commonwealth representation. This presents obvious political difficulties, but it may be the best way out, especially since it would help to avoid claims for equal treatment from belligerent Governments outside the Commonwealth. The combined organizations must be kept small if they are to be efficient and rapid in action. Through joining forces on them with the British, we ought to be able to ensure that we are fully informed of their activities and can participate in their discussions when our interests are directly involved. If this is the line we adopt, the question will become in the first place one for arrangement between Canada and the United Kingdom.

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5. To refrain from pressing for representation on any of the combined bodies and to seek to exert our influence through separate channels in both London and Washington. This seems to me to be quite impossible, for both political and military reasons which are sufficiently obvious. We might be able to handle questions concerning the defence of North America in this manner, but we would be in constant danger of being faced with decisions already taken by the United States and United Kingdom after consideration at top Staff levels. These decisions would doubtless involve from time to time the employment of Canadian forces.

I appreciate that there are other possible alternative courses, and it is probable that whatever is agreed upon will not correspond to any of the alternatives which I have mentioned. I have also not discussed in this letter the possibility of the evolution of some sort of Supreme War Council on the political level. There is, of course, no such thing as a *Supreme Council*, since its supremacy would involve the surrender of sovereignty by the participating States. I think that there is no intention to constitute a consultative inter-Allied body here on the political level. There may be fresh suggestions from London on the advisability of setting up a British Commonwealth War Council there to play a part in the machinery of inter-Allied co-operation.

I conclude by saying that I think that this letter is not particularly helpful. These matters are much in my mind. I hope you will be able to keep us fully informed on what goes on in Ottawa in this connection.

Yours sincerely,

H. H. WRONG

136.

DEA/3265-B-40

Mémorandum du sous-chef de l'état-major au chef de l'état-major
Memorandum from Vice-Chief of the General Staff
to Chief of the General Staff

SECRET

Washington, January 24, 1942

CANADIAN ARMY REPRESENTATION WASHINGTON

1. As previously arranged, I duly paid a three-day visit to Washington in order informally to explore the situation with regard to the nature and scope of our proposed Army representation vis-à-vis the British Joint Staff and the United States Chiefs of Staff.

2. I arrived in Washington on 22nd January and proceeded to the Canadian Legation Annex where I met the Canadian Military Attaché. I informed Brigadier Letson that my visit was purely of an exploratory nature and I gave him a brief resumé of the position as we saw it in Ottawa, that is to say, as outlined in your draft memorandum of 12th January[†]. Brigadier Letson at once gave me to understand that he fully agreed with your plan of achieving an appropriate measure of Canadian representation in Washington and that I would probably find that very similar views were held not only at the Canadian Legation but also by General Wemyss of the British Joint Staff.

3. I then called on Mr. Hume Wrong with whom I discussed the question at some length. It was at this stage that I telephoned you in order to ascertain if, as a result of your conversations with Field Marshal Sir John Dill in Ottawa and Montreal on Wednesday, 21st January, your views had changed or been modified in any way. As you will recall, it was on this occasion that you told me that the Field Marshal had said that he proposed to telegraph the British Chiefs of Staff in London an outline of how he thought the Canadian Army representative might work with the British Joint Staff.

4. On Friday morning, 23rd January, I called on Lieut.-General Wemyss, the Commander of the Army branch of the British Joint Staff, to whom I first carefully explained the informal and exploratory nature of my visit. I then gave him a brief summary of how we thought that the Canadian Army could share in and contribute to the work he was engaged in. Wemyss, as usual, was friendly. He was also careful in what he said and I understood him to infer that the telegram Sir John Dill was sending to London would not necessarily bring about a speedy British approach to Ottawa.

5. I have not outlined the conversations I have so far mentioned because Wemyss arranged that I should meet the Field Marshal later in the day so that I might obtain the latter's views at first hand.

6. Accompanied by Brigadier Letson, I called on Sir John Dill late on Friday afternoon by whom I was cordially received. I began saying that my object was solely to ascertain how the question in our minds was viewed by the interested parties actually on the spot. So far as Canada was concerned, I said that there was no thought in our minds of claiming an equal voice in the direction of the united war effort in respect of theatres in which we had but a general and perhaps somewhat remote interest. On the other hand there were theatres, of which the Western Hemisphere was one, in which we were directly and vitally concerned and in respect of which we did expect to be represented on the highest Service level. I observed, moreover, that from our point of view the question was not without important political aspects.

7. This being the case, I continued, we were desirous of sitting in with the Chiefs of Staff when questions affecting Canada were under discussion and it therefore followed that it would be of advantage for us to be represented on the Joint Planning Section and probably on the Joint Intelligence Section as well. Both of these Sections form part of the British Joint Staff. The need for active participation in the work of the Allocations Committee was, of course, clearly apparent; indeed, as he was aware, a Canadian officer (Colonel Mavor) was already in Washington in an unofficial capacity but nevertheless actively participating in the business in hand. So far as the proposed shipping Committee was concerned, I had little or no information but felt that as and when the general principle of Army representation was agreed upon, a satisfactory solution would follow as a natural consequence.

8. Sir John then said that he was fully alive to the importance of the political aspects of the question and he clearly indicated that he had in mind not only those of the moment but also those that might become apparent during the post-war period. As for the Canadian Army representative, he entirely agreed that in

addition to his own office in the Canadian Legation Annex he should be provided with a desk in the building housing the Army Branch of the British Joint Staff; that he should be kept fully informed as to all that was going on and that not only should he alone represent the Army side when questions of direct Canadian concern were under discussion with the United States Chiefs of Staff but that it seemed to him but natural that on other occasions when questions farther afield were being considered, the Canadian representative might well represent the Senior British Army Member, should the latter for any reason be unable to attend.

9. As regards the Joint Planners, Sir John remarked that the Army section consisted of a Grade one staff officer and two second grade. He reminded me that some ten or twelve years ago I had served in the War Office as a second grade staff officer in the Directorate of Staff Duties and he suggested that the present situation might be looked upon as being somewhat parallel, namely, that one of the grade two Joint Planners might well be a Canadian officer. Otherwise, Sir John went on, if a Canadian officer were appointed to Washington solely to work on matters connected with the defence of the Western Hemisphere, he might be idle for an appreciable part of his time. It therefore would seem preferable all round that he should take his share of the work of the Section irrespective of the theatre of operations. Such an arrangement, he thought, would actually work out to the advantage of everyone concerned. A similar arrangement he felt might also apply to Canadian representation in the Joint Intelligence Section should it be considered desirable to appoint a Canadian officer to that body.

10. So far as the Allocations Committee was concerned, the position was clear. He was aware that Colonel Mavor had already come to Washington. In view of the importance of Canada's war production, he saw the Canadian member of the Allocations Committee filling a distinct role as Canada's representative in this particular field. Indeed, as with the Senior Canadian Army representative, he would be entirely free to report to Ottawa whatever he might wish.

11. Sir John told me that he had drafted, but had not yet dispatched, a telegram to the Chiefs of Staff in London in this connection. In answer to my question, he said he did not think its form was such as to bring about a British reference to Canada.

12. With regard to the measure of participation which the other Dominions might desire, he was without information. Australia and New Zealand would in all probability wish to be represented, South Africa possibly not at all. It would be for them to say. Sir John made no mention of the suggestion reported by Mr. Wrong to the Department of External Affairs that Australia might be represented chiefly in London rather than in Washington.

13. I feel I should not conclude this report without referring to some points which will require clarification should the plan sketched out commend itself to the Canadian Government and perhaps I might add to that of the United Kingdom. The first has to do with nomenclature. The British organization in Washington is now known as the British Joint Staff. Should Canada and possibly one or more of the other Dominions associate themselves in the work being

carried out in Washington, I suggest that the title British Commonwealth Joint Staff should prove acceptable. Again, as each of the heads of the three British Services are respectively charged with the responsibility of representing the British Chiefs of Staff vis-à-vis the United States Chiefs of Staff, so I would suggest that the Canadian Army representative be similarly considered as being the representative of the Canadian Chief of Staff.

14. A second point would be the relationship between the Canadian Army representative and the Canadian Military Attaché. I suggest that while there should be the closest liaison between the two, their duties lie in different fields and that consequently the latter should continue to report to the Canadian Minister and to the Director of Military Operations and Intelligence as heretofore.

15. Not having been instructed to do so, I have made no inquiry as to the action which may be taken to provide for the further representation of the R.C.N. and R.C.A.F. in Washington.

16. Nor have I included any remarks on the question of the proposed Committee on Raw Materials as I gathered the impression that this Committee, if created, would be set up outside the Military field.

17. In conclusion, I would add that Mr. Wrong, to whom I have read the draft of this report and who was good enough to offer several helpful suggestions, suggested to me that I should not come to Washington officially until such time as both the Canadian and British Governments have reached agreement on this question.

M. A. POPE
Major-General

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*Le ministre-conseiller, la légation aux États-Unis, au
sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States, to
Under-Secretary of State for External Affairs*

SECRET

Washington, January 27, 1942

Dear Mr. Robertson,

With reference to my letter of January 20th, I saw Sir John Dill this morning, at his request, for a further discussion of the question of Canadian Staff representation here. He began by expressing his keen pleasure over his recent visit to Ottawa, which he said was both productive and enjoyable. After his return here, he had a talk with Major-General Pope, who has doubtless furnished you with a copy of his report on his visit, of which I saw a draft.

Sir John had told General Pope that he would telegraph to London, giving his views on the best procedure to adopt in arranging for Canadian participation in the combined Service organizations here. He read me a draft of his telegram, which he later said he would revise in the light of his talk with me. Evidently his mind has been dwelling on the practical difficulties, of which I

gave you a summary account in my previous letter. He told me that General Marshall had recently emphasized again to him the need for reducing to a minimum the number of persons present at the meetings here of the Combined Chiefs of Staff. These are now attended on the British side by Sir John Dill, Admiral Little, General Wemyss, and Air Marshal Harris, and on the U.S. side by Admirals Stark and King and Generals Marshall and Arnold. There are also present members of a joint secretariat. Sir John considers that it would not be wise to increase the number of persons present at these meetings, but he expressed himself as perfectly ready to have a Canadian officer present in place of one of the British representatives whenever matters of special concern to Canada were under discussion. Similar considerations affect the composition of the other Staff bodies at lower levels.

Starting from the assumption that the most effective means of protecting Canadian interests is through co-operation with the British Joint Staff Mission, Sir John left me with the impression that he would support a change in its title to "British Commonwealth Joint Staff Mission". He is puzzled, however, over the status and responsibilities of the Canadian representatives. He seemed at one time to have in mind that the senior Canadian representatives would be at the level next below the representatives of the British Chiefs of Staff. I told him that I felt that this was inadmissible from our point of view, and he seemed to be impressed by the case as I put it to him.

He also suggested that as a possible idea he himself might be charged with a sort of superior authority over all representatives of Commonwealth Chiefs of Staff in Washington. I said that this also seemed to be difficult, since he was not responsible to the Canadian Government and our military representatives could not avoid by any mechanism the fact of their responsibility to Ottawa.

He then mentioned the position of Canadian Staff officers other than the representatives of the Canadian Chiefs of Staff who might be put to work in the various committees. He wondered, for instance, what the position would be of a Canadian Staff officer working on the Joint Intelligence Committee. Whose orders would we take, and to whom would he be responsible? I answered that in my civilian ignorance I thought it ought to be possible for such an officer to work as a full member of the Joint Intelligence Committee, not concerning himself solely with matters of interest to Canada but accepting the direction of British officers if this were necessary, while at the same time not defining his status as one of subordination or independence. I added that I felt that any Canadian officers serving here might technically be a Canadian section of a Joint Mission, while in fact they were working as full partners in a joint enterprise.

He then raised the question of the position of other members of the Commonwealth, pointing out that a tentative decision had been reached (apparently between Mr. Churchill and Mr. Roosevelt) that the war effort of the Commonwealth should be co-ordinated in London. He was very receptive to my arguments that this did not meet the Canadian case, and he seemed to feel that equally it did not meet the Australian case in view of the latest development in the war. The conclusion from this would seem to be that it would have to be left

open, at any rate to Australia, to parallel whatever pattern of representation may be adopted for Canada.

He ended by assuring me that he would think the matter over further and re-draft his telegram to London. Our discussion throughout was most friendly and was in the nature of an effort to find an acceptable solution to a very tricky problem of organization. I think that he would have telegraphed sooner to London if it had not been that on going through the files he had found the record of the discussion in Ottawa last June, when Admiral Little, General Wemyss, and Air Marshal Harris were told at a meeting there that the Canadian Government had decided in favour of a separate Canadian Military Mission here.⁴ I said to him that I felt that circumstances had so altered since then with the entry of the United States into the war and the spread of the war to the Pacific that he should not regard this decision as still binding, especially since its execution had been opposed by the United States Government.

A satisfactory solution of the whole problem might be easier to secure if it were possible for the three Canadian Services to agree on one representative only at the top Staff level who could speak at this level for the Canadian Navy, Army, and Air Force. I do not know whether this would be feasible, but Mr. McCarthy and I both feel that it is worth study and consideration.

Yours sincerely,

H. H. WRONG

138.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D: 39

London, January 27, 1942

MOST IMMEDIATE. SECRET. My immediately succeeding telegram contains texts of three memoranda of agreements reached at Washington between the Prime Minister and President Roosevelt regarding setting up of joint organizations for control, supply and shipping questions.

We are urgently considering how best to implement these plans so as to ensure that fullest machinery is available for consultation with Dominion Governments on these matters, and our proposals will be telegraphed to you for your consideration at the earliest possible moment.

I regret it was not possible to communicate these texts to you before, but the President's telephonic concurrence in their final form has only just been received. He has also just informed us that he proposes to publish document immediately.

It is proposed to appoint Lord Beaverbrook as Chairman in London of "Munitions Assignment Board" and Mr. Henry L. Hopkins as Chairman in Washington.

⁴ Voir le volume 8, document 150.

⁴ See Volume 8, Document 150.

United Kingdom representative in Washington on Combined Shipping Adjustment Board will be Sir Arthur Salter and United States representative will be Admiral Emory S. Land.

The Combined Raw Materials Board will be composed of Mr. William L. Batt as representative of the United States Government and Sir Clive Baillieu as representative of United Kingdom Government.

139.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 40

London, January 27, 1942

MOST IMMEDIATE. My immediately preceding telegram. Following is text, Begins: To further coordination of Allied war efforts the President and the Prime Minister have set up bodies to deal with munitions assignments, shipping adjustment and raw materials. The functions of these bodies are outlined in the following documents. These bodies will confer with representatives of the U.S.S.R., China and such others of the united nations as are necessary to attain common purposes and provide for the most effective utilization of the joint resources of the united nations.

(a) Munition Assignments Board.

1. The entire munition resources of Great Britain and the United States will be deemed to be in a common pool about which the fullest information will be interchanged.

2. Committees will be formed in Washington and London under the combined Chiefs of Staff in a manner similar to the South West Pacific Agreement. These Committees will advise on all assignments both in quantity and priority whether to Great Britain and the United States or other of the united nations in accordance with strategic needs.

3. In order that these Committees may be fully apprised of the policy of their respective Governments, the President will nominate a civil Chairman who will preside over the Committee in Washington, and the Prime Minister of Great Britain will make a similar nomination in respect of the Committee in London. In each case the Committee will be assisted by a Secretariat capable of surveying every branch and keeping in touch with the work of every Subcommittee as may be necessary.

4. The civilian Chairmen in Washington and London may invite representatives of the State Department, the Foreign Office or Production Ministries or agencies to attend meetings.

(b) Combined Shipping Adjustment Board.

1. In principle the shipping resources of the two countries will be deemed to be pooled. The fullest information will be interchanged.

2. Owing to the military and physical facts of the situation around the British Isles, the entire movement of shipping now under the control of Great Britain will continue to be directed by the Ministry of War Transport.

3. Similarly the appropriate authority in the United States will continue to direct the movements and allocations of United States shipping or shipping of other Powers under United States control.

4. In order to adjust and concert in one harmonious policy the work of the British Ministry of War Transport and the shipping authorities of the United States Government, there will be established forthwith in Washington a Combined Shipping Adjustment Board consisting of a representative of the United States and a representative of the British Government who will represent and act under the instructions of the British Minister of War Transport.

5. A similar Adjustment Board will be set up in London consisting of the Minister of War Transport and a representative of the United States Government.

6. In both cases the executive power will be exercised solely by the appropriate shipping agency in Washington and by the Minister of War Transport in London.

(c) Combined Raw Materials Board.

A planned and expeditious utilisation of the raw material resources of the united nations is necessary in the prosecution of the war. To obtain such a utilisation of our raw material resources in the most efficient and speediest possible manner we hereby create the Combined Raw Materials Board.

This Board will:

(a) Be composed of a representative of the British Government and a representative of the United States Government. The British member will represent and act under the instructions of the Minister of Supply. The Board shall have power to appoint the staff necessary to carry out its responsibilities.

(b) Plan the best and speediest development expansion and use of the raw material resources under the jurisdiction or control of the two Governments and make the recommendations necessary to execute such plans. Such recommendations shall be carried out by all parts of the respective Governments.

(c) In collaboration with others of the united nations, work toward the best utilisation of their raw material resources and in collaboration with the interested nation or nations formulate plans and recommendations for the development, expansion, purchase or other effective use of their raw materials. Ends.

140.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 25

London, January 28, 1942

IMMEDIATE. SECRET. Addressed to Ottawa No. 25. Wellington No. 74, Cape-

town, No. 25. My telegram of January 27th, Canada, No. 22,⁵ New Zealand, No. 68, Union of South Africa, No. 23.

1. In connection with proposals put forward for consultation here on Ministerial level, we have also considered possible means of improving machinery for consultation below Ministerial level so as to ensure that every possible opportunity is given for such consultation at all stages before policy is finally settled.

2. With this in view, as regards *defence* questions, to agree that any Dominion Government which so desires should appoint a Service Liaison Officer or officers to keep in touch with Chiefs of Staff organization here. Such an arrangement would ensure that the Dominion representative in London would be informed of any plans that might affect the Dominion at an early stage before finality is reached, so as to afford an opportunity for expression of views while matter is still in a formative stage. It would be desirable that officer or officers should be of an appropriate rank, neither too junior nor too senior, and it is suggested that level of Colonel or Lieutenant Colonel in the army would be most suitable.

3. You will no doubt inform us if you wish for representation of this kind.

4. As regards foreign affairs, there is already machinery whereby special Dominion Officers appointed for the purpose can make contact with the Foreign Office. We are, however, examining machinery in the Foreign Office to see whether any improvement can be made to facilitate liaison of this kind.

5. As regards *supply* questions, see my telegram Circular D.39,⁶ paragraph 2. The following are our proposals:—

(1) *Raw Materials.*

It is proposed to form a clearing-house here under a Ministerial chair, on which Dominions and India and the Colonies would be represented, to cover supplies from all the Empire and needs of all the Empire. This clearing-house will make it possible to present Empire position as a whole in Washington through Sir Clive Baillieu, the Ministry of Supply representative there.

(2) *Munitions Assignments.*

The Committee in London referred to in paragraph 3 of agreement⁷ will consist of service representatives under Chairmanship of Lord Beaverbrook. It is proposed that Dominion Service Liaison Officers should be taken into consultation by this committee and its sub-Committees.

(3) *Shipping.*

It is proposed to continue and, as necessary, develop existing arrangements whereby shipping resources and needs of the Dominions are co-ordinated in London with our own.

6. There is also the question of allocation of *productive capacity*. It is proposed that a fairly senior United Kingdom officer, thoroughly conversant with machinery of defence and service Departments, should be appointed as a Liaison

⁵ Document 815.

⁶ Document 138.

⁷ Voir le document précédent.

⁷ See preceding document.

son Officer to whom Dominion Governments' representatives in London could turn when they wish to know how to obtain advice or to ensure that they are consulted on any particular question.

Similar message communicated to Sir Earle Page for Commonwealth Government.

141.

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*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures*⁸
*Memorandum by Assistant Under-Secretary of State for External Affairs*⁸

[Ottawa,] February 2, 1942

SUMMARY OF MEMORANDUM ON CANADA AND COMBINED U.S.-U.K. BOARDS

(a) PLANNING AND MUNITIONS ASSIGNMENTS BOARDS.

These are both "Service" in character, with three British and three American members.

Four alternative forms of Canadian association with their work are

(a) Full and complete representation.
 (b) Representation by participation as members of a "U. K.-Canada" or "Commonwealth" Joint Staff, which would have Canadian as well as United Kingdom members.

(c) Remaining outside the Combined Boards but providing special Canadian Liaison machinery with them in Washington and London.

(d) A combination of (b) and (c), e.g. Canadian officers attached to the British Joint Staff, but senior Canadian service representation outside that Staff, to whom the Canadian members could report and who would at the same time act as liaison between the Combined Boards and Ottawa.

One officer representing the Chiefs of Staff or the Minister of National Defence could fill this position. He should have both the ability and the rank to command the respect of the top U.K. and U.S. Service people.

(b) RAW MATERIALS BOARD.

This is civilian in character.

Canada's association to it would be through U.S.-Canadian machinery already in existence. In other words, it would become a U.K.-North American Board as the Assignments Board might become U.S.-Commonwealth.

⁸ L. B. Pearson. Ce mémorandum fut adressé au Premier ministre mais il n'y a aucune indication qu'il l'a vu et aucune copie ne fut trouvée dans ses documents. On trouve une version antérieure datée du 28 janvier dans le volume 352 des documents du Premier ministre mais elle n'est pas signée de ses initiales.

⁸ L. B. Pearson. This memorandum was addressed to the Prime Minister but there is no indication that he saw it and no copy was located in his Papers. An earlier version, dated January 28, 1942, is in Volume 352 of the King Papers but was not initialled by the Prime Minister.

(c) SHIPPING BOARD.

No special machinery is needed for Canadian representation.

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du sous-secrétaire d'Etat adjoint aux Affaires extérieures
Memorandum by Assistant Under-Secretary of State for External Affairs

[Ottawa,] February 2, 1942

UNITED STATES-UNITED KINGDOM COMBINED WAR BOARDS

Six United States-United Kingdom Combined Boards or Committees are now being organized to ensure the maximum degree of co-operation between the two Countries in the prosecution of the war.

As it was found impracticable to centralize this co-operation and control in either capital, all the Combined Boards (except that on Raw Materials) will have branches in London and Washington.

It is proposed that the London Boards will co-ordinate the war effort of the British Empire and of those nations whose Government is now in the U.K. The area to be covered from London will be Europe, Near and Middle East, and the Indian Ocean.

The Washington Combined Boards will cover the war effort in China and the Far East and will be responsible for consultation with the Latin American States, China and Russia.

It should be pointed out that neither Australia nor New Zealand have, so far as we know, accepted the proposal that all Empire questions should be cleared through the Boards in London. There is some indication that they may be reluctant to do this. The Far Eastern Political Council, for instance, was to have been set up in London. But Australia and New Zealand, who are on this Council, are both anxious to have it meet in Washington.

Furthermore, those responsible for the proposal that Empire co-ordination should be centred in London do not seem to have given adequate consideration to the nature and importance of U.S.-Canadian relations.

As at present proposed, however the set-up is as follows:

- (a) Combined U.K.-U.S. Chiefs of Staff Committees in Washington and London.
- (b) Combined U.K.-U.S. Planning Committees in Washington and London.
- (c) Combined U.K.-U.S. Munitions Assignments Boards in Washington and London, with Mr. Harry Hopkins and Lord Beaverbrook, as chairmen. The members of these Boards, however, will represent and report through their Chiefs of Staff.
- (d) Combined Shipping Adjustment Boards in Washington and London.
- (e) Combined Raw Materials Board — to sit in Washington, only, with Chairmen, Mr. William Batt and Sir Clive Baillieu.

The agreement between the U.K. and U.S. setting up these Boards makes it

unmistakably clear that they are to consist of representatives of *two governments only*.

There is, however, a provision in the agreement for associating other of the United Nations in the work of the Boards, as follows: "These bodies will confer with representatives of the U.S.S.R., China and such others of the United Nations as are necessary, etc."

This is the only reference, even by implication, to Canada in the agreement except a sentence of the section dealing with the Raw Materials Board, which reads: "in collaboration with others of the United Nations, work towards the best utilisation of their raw materials, etc."

On the other hand, the agreement does not purport to give any of the Boards set up authority or control over the resources of any other state than the United States and United Kingdom, without the consent of that state.

For instance, the Munitions Assignments Board, in theory at least, controls the munitions resources of Great Britain and the United States only. Canada's production is not covered.

It is most likely, however, that the Munitions Assignments Board expects to allocate the production of the U.S. *and* the whole of the British Empire — including Canadian production for Canadian use.

It is perfectly true that the Board, as at present constituted, has in theory no power to do this. In practice, however, some way will have to be found to make it possible. Canada cannot very well adopt an independent attitude on this question. The Board's activities will, therefore, doubtless cover eventually:

- (1) All completed war equipment of British or U.S. standard type ordered in the U.S. by Canada.
- (2) All completed War equipment manufactured in Canada whether to Canadian, British, U.S. or other order.

Present plans are that the Washington Board will allocate total production in bulk either to the U.S.A. *or* to Great Britain. The London Board will then allocate the British Empire share to the various parts of the Commonwealth.

It is on the understanding that this will be the system put into operation, that the suggestions made below with respect to Canadian representation are made.

Up to the present, the general Canadian position in respect of consultation or association with the above Boards has been obscure.

On January 28th the U.K. telegraphed proposals for machinery to ensure consultation within the Commonwealth on these matters.

These proposals seem to refer to consultation in London only and provide for Dominion Liaison with, but not membership of, the above organizations, as follows:

- (a) A Service Liaison Officer or Officers from each Dominion to keep in touch with the Chiefs of Staff Organization in London, to ensure that the Dominions would be informed at an early stage of any plans that might affect them.
- (b) Raw Materials — "A clearing house under a Ministerial Chair" to be set

up in London with Dominions representation to cover supplies from all the Empire — so that the Empire position as a whole might be presented at Washington.

(c) Munitions Assignments Board. Dominions Service Liaison officers are to be appointed to this Board in London.

(d) Shipping Board. Existing arrangements in London are to be developed whereby Empire shipping resources are co-ordinated.

Certain features of the British proposals stand out:

(1) They deal with consultation in London only and do not provide for association with the work of the Washington Combined Agencies.

(2) They do not take into account Canada's special position as a producer and supplier of raw materials and munitions.

(3) They ignore the special arrangements Canada has already made with the U.S. in the field of raw materials co-ordination.

(4) they do not establish any Commonwealth machinery, with the Dominions as integral parts thereof; merely liaison with U.K. Machinery.

(5) Even less do they provide for Dominion representation on any combined U.K.-U.S. Boards. They visualize the Empire speaking as one on such Boards but speaking through the U.K. representative.

What we have now to decide is whether these above arrangements are satisfactory: if not, what changes should be made to them?

I think it may be taken for granted that proposals which only deal with consultation in London will not do. How, then, are we to be associated with the work in Washington *and* London?

In this connection, I feel that our interest in the work of the Combined Shipping Boards is not sufficient to warrant any special provision for representation. So far as the Joint Staff, Planning and Munitions Assignments Boards are concerned, there are four alternatives for Canada, as follows:

(a) to request full and separate Canadian representation on three Boards or on any one of them.

This cannot, I think, now be secured. Full, formal representation on any of these Boards would mean that the Roosevelt-Churchill agreement would have to be amended and "U.S.-U.K." become "U.S.-U.K.-Canada". It is not likely the United States would agree to this. They would dust off and bring out the old argument that other states would demand similar representation.

(b) We can secure representation by attaching Canadian service representatives on various levels to the United Kingdom Joint Staff in Washington. This would, in fact, make that Staff a "Canadian-United Kingdom Joint Staff" or, if the other Dominions adopted this course, a "British Commonwealth Joint Staff".

On the planning side, this would work in practice as follows:

The Combined Staff Committee has six members — three from each side. Whenever a question was to be discussed that affected Canada, one of the Brit-

ish "three", would be a Canadian. In other words there would be a "panel" of British Empire representatives.

A similar procedure would be followed for the Munitions Assignments Board, both in Washington and London.

This arrangement by which Canadian representatives would become part of a British Commonwealth side of the Combined Boards would undoubtedly be the simplest and most easily worked of the possible alternatives. It is recommended by the Canadian Chiefs of Staff who add, however, the Proviso, "our representatives should act as representatives of the Canadian Chiefs of Staff, through whom they would have the right of appeal to the Canadian Government in the event they consider that at any time Canada's needs are not being adequately met."

In theory, this dual position of Canadian representatives might seem to present difficulties. In practice, those difficulties should not be any greater than those which exist in the case of a Canadian Corps Commander in a British Army. General McNaughton takes his orders from General Brooke, but he can always appeal against those orders to Ottawa. There has been up to the present no trouble over this divided military responsibility.

A more serious objection possibly, is that Canadian representation through a "Commonwealth", or "U.K.-Canadian Staff" would make impossible our association with the U.S.A. in questions where our interests were closer to Washington than London. An assignments Board of three might often result in a U.S.-Canada vs U.K. line-up on certain issues. It will be difficult for the Canadian representative to take any such position if we are part of a Commonwealth representation.

The answer to this argument is, however, that we can make our own special position felt in the Commonwealth discussions prior to meetings of the Combined Boards; that only by associating ourselves with the British can we, indeed, be sure of participating in all these discussions.

In short, if we want to know what is going on, and give the maximum protection to our special interests, we should have Canadian representatives actually part of a British Joint Staff, rather than rely on separate consultation outside the U.K.-U.S. Boards, as outlined in the third alternative discussed below.

(c) The Third alternative would be the maintenance of an independent position outside the three Combined Boards but the provision in Washington and London of adequate liaison machinery for consultation with them whenever our interests are affected.

This is, in essence, the solution advanced by the United Kingdom for the London end of the Combined Boards. It could also be extended to cover the Washington end. It would, in fact, merely be an extension of the status quo; at least so far as our participation in the planning and conduct of the war is concerned.

Before December 7th, 1939 [1941?], there was no intention of setting up any special Joint U.K.-Canada Staff, Planning or Production Committees in London. It may be argued, therefore, that there is no reason now why we should

claim separate representation in any combined U.K.-U.S. Committees or Boards, either in London or Washington.

After all, none of the Boards mentioned above can commit Canada to anything without our consent. If we leave the initiative to the United Kingdom and the United States in these matters, they will have to consult Canada whenever Canadian co-operation is required. In the case of the Assignments Board, at least, this consultation will be almost continuous.

No new or special machinery for it will be necessary in London. We already have Navy, Army, and Air Force staff representation there.

So far as the Washington end is concerned, the ideal course would be a Canadian Military Mission there with a formal existence separate from the British Chiefs of Staff though working, of course, in close co-operation with them. But the Americans do not want this.

Alternatively representatives of the Canadian Chiefs of Staff might be attached to the Legation or become a Washington Office of the Canadian Section of the Joint U.S.-Canadian Defence Board.

It is true that this arrangement would put Canada, in theory, in exactly the same position as any of the other United Nations, so far as the Combined Boards and Committees are concerned. In theory, no account would be taken of our special position. In respect of the Assignments Board, however, the facts themselves would soon dictate such a special position for Canada.

Liaison machinery with, rather than specific membership of the U.K. Joint Staff would be best in theory. Whether it would be best in practice is doubtful.

(d) There is a fourth alternative which is a compromise between (b) and (c).

Canadian officers would become part of the British Joint Staff but above them and outside that Staff would be a Senior Canadian officer or officers — possibly attached to the Canadian Legation.

I should think there is much to be said for having *one* officer represent the Minister of National Defence in this connection; and acting for all three Services. If this is impossible, then presumably there would have to be three, acting as Washington representatives of their respective Chiefs of Staff. Consideration might be given to using the existing attachés for this purpose in Washington, where the duties are not so important as to warrant a separate appointment. In London, we already have Navy, Army and Air Force Headquarters available to which liaison officers could be attached, if new appointments were necessary.

My own view is that this fourth alternative would be the most satisfactory. If we appoint a Canadian officer (or officers if all Services have to be represented) who by their position and abilities will command the respect of the top-level men on the Combined U.K.-U.S. Staff, we will help to ensure that Canadian interests are not disregarded. If at the same time we attach Canadian officers directly to the U.K. Joint Staff, we will ensure that this senior officer is kept accurately and continually informed of detailed developments in the work of the Combined Boards which could be of interest to Canada.

THE RAW MATERIALS BOARD.

This deserves special consideration, for three reasons:

(1) It deals with matters in which the position of Canada is of special importance.

(2) There is already in existence Joint U.S.-Canadian machinery for the co-ordination of the production and use of raw materials.

(3) This Board will meet only in Washington.

Proposals received from the United Kingdom suggest that the Empire is to be considered as a whole by the British representative on this Combined Board and that, for this purpose, a "clearing house" representing all parts of the Empire will be set up in London.

Information from Washington indicated, however, that the United States hope to deal with total North American, rather than merely United States, production through Mr. Batt, their representative on the Board. If this is the case, the Canadian approach to association with the Board would be from the North American rather than Empire angle; our "clearing house" would be in Washington with the Americans, not in London with the British.

This is all the more reasonable because we have already Canadian-United States machinery for such a purpose in the Joint Raw Materials Co-ordinating Committee, of which Mr. Batt is also the United States member.

It is felt that we would have a better chance of making Canada's position felt and getting Canada's needs supplied by associating ourselves with the United States rather than the United Kingdom side of the Raw Materials Board. This would be the reverse procedure to that adopted in the case of the other Boards but that should not cause any difficulty.

In conclusion, I think it is important that the United Kingdom be informed as soon as possible of our attitude to Canadian association with the work of all these Boards, both in London and Washington. We should also make our position clear to the Americans. They are, I think, at the moment almost as ignorant of Canada's desires in this matter as we are of their plans, if any, for Canada's inclusion in the new set-up.

That set-up is now liquid to the point of confusion. If we wish to participate in it, except as merely one of 20 odd "United Nations", we should make our proposals for such inclusion known both to Washington and London at once. Otherwise the present fluid situation will harden and we will be frozen out.

142.

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*Le ministre-conseiller, la légation aux États-Unis, au
sous-secrétaire d'État adjoint aux Affaires extérieures*

*Minister-Counsellor, Legation in United States, to
Assistant Under-Secretary of State for External Affairs*

PERSONAL AND CONFIDENTIAL

Washington, February 3, 1942

Dear Mike [Pearson],

I gather that there is a general feeling in the Department (and presumably elsewhere in Ottawa) that the position of Canada has not been fully recognized

in the establishment of the new bodies for the co-ordination of the conduct of the war.

It is possible to make a strong case for this view, and we may have some cause for resentment. Resentment, however, is not a useful emotion in winning a war.

There are also strong arguments on the other side. I am writing to you personally because we have so often talked over the role of Canada in international affairs. I know that we think much alike on these matters and also that you are in a position to help other people get the situation in proper perspective.

In the first place, the primary duty of the President and Mr. Churchill has been to work out the machinery with respect to their own countries. We only have cause for resentment when that machinery is used without our participation so as to affect Canadian interests. Up to the present it does not seem to have been employed in a manner to affect Canadian interests as the Government has regarded them since the outbreak of the war.

Secondly, the business of running a grand alliance in wartime is too difficult to combine efficiency with constant respect for the status of each of the members of the alliance. This was abundantly illustrated in peacetime by the record of the League of Nations, in which respect for the status of the Member States prevented effective action by the League as a whole.

Thirdly, what has happened so far with regard to Canadian participation in these bodies does not seem to me to be at variance with the position hitherto taken by the Canadian Government. You and I know of a hundred instances since the war began in which Canada has refused to take responsibility for decisions of policy with which we were not immediately concerned. One difference now is that these decisions tend to be joint decisions of the United Kingdom and the United States in place of decisions by the United Kingdom alone. If Canada has been satisfied before, and if the means of consultation have been as effective as the Prime Minister maintains, should this change cause dissatisfaction now?

I advance these arguments only to plead against a spirit of resentment and recrimination in Ottawa. I am not for a moment satisfied with the part which we have played in the conduct of the war, and I believe that in fact we shall be compelled to play a greater part, no matter what the machinery of consultation may be. I believe that we would have played a greater part long ago if there had been heavy casualties in the Canadian Army. In the panorama of the war today the Hong Kong affair is a minor skirmish, yet it seems to have caused more interest among the Canadian public (and even among the Canadian Cabinet) in our part in determining the strategy of the war than anything that has happened in the last two and a half years. The sole reason, of course, is that Canadian lives were lost and Canadian soldiers taken prisoner. When the bulk of the Canadian Army gets into action, opinion in Canada will compel the Government to take an active part in determining the use to which the Canadian forces are put. That is perhaps the chief political lesson to be learned from Hong Kong.

Mainly for reasons of internal political balance the Government has hitherto adopted in these matters what may unkindly be called a semi-colonial position. With the entry of the United States into the war we are not as well placed to

influence the conduct of the war as we were when the United States was neutral. Canadian influence can be greatest when there is a divergence of policy between the United Kingdom and the United States. Now that they are partners, we become only a junior member of the partnership. If we had sought earlier to undertake more extensive political responsibilities, it would be easier now to maintain our status. We have tended, however, to be satisfied with the form rather than the substance. Are we still looking mainly for the formal preservation of our status, or are we actually seeking to exert greater influence on the conduct of the alliance?

I cannot answer this last question. I do not yet know what the real desires of the Canadian Government are in this respect. I feel inhibited in talking to both the British and the Americans on these matters because we have had no sure guidance from Ottawa.

In any case, let us not sulk or be querulous. We have done well in the provision of fighting forces, munitions, supplies, and money. We have done little hitherto in the direction of the joint war effort. We must not now endanger our direct contribution by indulging in recriminations and charges that we have been left out.

I conclude by saying that this letter has no particular purpose, except to enable me to blow off some steam in your direction.

Yours ever,

HUME [WRONG]

143.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, February 4, 1942

CANADIAN REPRESENTATION ON COMBINED WAR ORGANIZATIONS

11. THE MINISTER OF MUNITIONS AND SUPPLY reported that officers of his department had been concerned as to Canada's relationship to the new combined U.K.-U.S. Raw Materials Board which had been set up in Washington.

Canada, at this time, should refrain from pressing for representation on this Board. Officials of Munitions and Supply had, accordingly, been instructed not to sit upon sub-committees or agree to Canadian representation at the lower levels, but to retain their independence of action.

So far, no request had been made to Canada to pool her resources in raw materials, with the United States and the United Kingdom; in present circumstances, the government should not agree to do so, for it was far better for Canada to retain her present trading position and let any initiative come from the United States. Washington might contemplate the common pool as already including Canadian raw materials, but it did not do so.

12. MR. HOWE said that, with regard to allotments of munitions and war equipment, he had expressed a similar view to the Chief of the General Staff. The government should not seek to have Canada represented on the Munitions Assignments Boards.

This was not, however, a matter for Munitions and Supply which ceased to have an interest when the goods were manufactured.

13. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS referred, briefly, to the various bodies set up in Washington and London to deal with combined strategy, allotments, shipping, and raw materials.

The U.K. government had made certain suggestions for improving the machinery for consultation with the Dominions in London. Canada had not, however, been consulted either by London or Washington in regard to the combined organizations set up as a result of the Churchill-Roosevelt conversations. The information received through Sir John Dill and other British officers, and through the Legation in Washington, had been wholly informal.

14. THE SECRETARY drew attention to the fact that the U.K.-U.S. combined Munitions Assignments Boards, Shipping Adjustment Boards and Raw Materials Board did not, as announced, purport to deal with other than British and American interests. There was provision for conference with "representatives of the U.S.S.R., China and such others of the united nations as are necessary to attain common purposes and provide for the most effective utilization of the joint resources of the united nations".

15. THE PRIME MINISTER said that he had informed Sir John Dill that, while Canada realized the practical necessity of limiting representation upon combined bodies for the efficient conduct of the war, and would not seek to complicate the situation by unreasonable requests, at the same time Canada had been in the war for more than two years and Canadians would expect that their interests would not be ignored in any of these fields.

The present position was unsatisfactory but there was, at present, no useful initiative that Canada could take.

(Secretary's note, February 3, 1942 — C.W.C. document 80).†

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144.

DEA/3265-A-40

*Le ministre-conseiller, la légation aux États-Unis, au
sous-secrétaire d'État adjoint aux Affaires extérieures*

*Minister-Counsellor, Legation in United States, to
Assistant Under-Secretary of State for External Affairs*

SECRET

Washington, February 10, 1942

Dear Mike [Pearson],

I was glad to get your letter of February 5th[†] with its voluminous enclosures on the position of Canada with respect to the new U.K.-U.S. organizations. You ask for my comments, and I may have some more to send in a day or two.

All I want to say now is that I am not sure that the alternative which you suggest on pages 8 to 9 of your memorandum of February 2nd⁹ would prove to be feasible. Your idea is that we should infiltrate Canadian officers into the British Joint Staff Mission (which would remain the *British* Joint Staff Mission

⁹Document 141.

but should have preferably one senior officer or, if necessary, three officers representing the Canadian Chiefs of Staff). There would be a danger that this plan would not be acceptable to the United States authorities inasmuch as the senior officer or officers would constitute in effect a Canadian Military Mission. He or they would have to be known by some descriptive title in which the word "Canadian" would appear.

Furthermore, we would have to settle the status of this officer or group of officers before they came here and ensure that they had in fact the right of access at a high level on problems with which Canada is directly concerned.

In short, I fear that this suggestion might prove to be a blind alley and that to follow it further might lead only to delay in reaching a decision on a matter which is becoming constantly more urgent. It is becoming more urgent because the procedure for the actual operation of the Combined Committees is being developed. Colonel Mavor came to see me about this yesterday with regard to his position in relation to the Munitions Assignments Board. I suggested to him that he should report his views direct to the Master General of the Ordnance and should suggest to the latter that he take the question up urgently with the Minister of National Defence.

Yours sincerely,

H. H. WRONG
PER G. M[AGANN]

145.

DEA/3265-A-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 39

Ottawa, February 10, 1942

SECRET. Your telegram No. 25 of January 28th. Proposals for Commonwealth consultation in London. It is noted that these proposals refer only to the London end of the work of the combined Boards referred to in your Circulars D. 39 and 40 of January 27th. The Washington end is, of course, of equal importance for us, especially in view of arrangements we have previously made, both domestically and jointly with the United States, covering the production and use of munitions and raw materials for defence. We are now giving careful consideration to ways and means by which these arrangements can be co-ordinated with those to be made through the United Kingdom-United States Boards now set up to deal with munitions and raw materials produced by the United Kingdom and the United States of America. You will, of course, appreciate Canada's interest in, and indeed, importance to, the problem of the maximum production and most effective use of war supplies in view of our position as a producer of such supplies. It is clear that some way must be found for associating Canada closely with the work of the Munitions Assignments and Raw Materials Boards in Washington and also, though possibly to a lesser degree, with the other agencies for United States-United Kingdom co-operation now set up.

So far as the Raw Materials Board is concerned, the joint machinery already in existence for co-ordinating production and use of essential raw materials of

Canada and the United States would have some effect on our relationship to the proposed "clearing house" in London covering Empire production and needs.

So far as the Combined Shipping Board is concerned, the present Canadian liaison machinery with the Ministry of War Transport is working satisfactorily and probably will require little change.

I would be glad to receive further information on first, the proposals for consultation on the Ministerial level mentioned in paragraph 1 of your telegram No. 25 and second, information on the question of allocation of productive capacity mentioned in paragraph 6.

146.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, February 12, 1942

CANADIAN REPRESENTATION — "COMBINED" U.K.-U.S. WAR ORGANIZATIONS

29. THE MINISTER OF NATIONAL DEFENCE pointed out that, so far, no invitation had been received for Canadian participation in the various "combined" bodies which had been set up in Washington and London as a result of the Churchill-Roosevelt conversations, nor had the government made any representations to that end.

The U.K. and U.S. governments, however, were already proceeding on the basis of pooling their resources and, apparently, it was assumed in Washington that Canadian production and requirements would be dealt with by the Anglo-American allocations machinery.

The Deputy Minister of Munitions and Supply had been informed that a clause would be added to contracts for purchase in the United States of Canadian Army automotive requirements providing that deliveries be subject to the authority of the Quartermaster General of the U.S. Army under the new system of allocation by the Combined Chiefs of Staff. This information had been passed on by Mr. Sheils to the Master General of Ordnance.

This was a suggestion with serious implications. If such a clause were to be inserted in U.S. contracts, consideration would have to be given to inserting a similar stipulation in our own contracts.

30. THE MINISTER OF MUNITIONS AND SUPPLY referred to the position regarding raw materials. Canada had not been invited to be represented on the Combined Raw Materials Board nor upon the Munitions Assignments Board, nor had the government ever agreed to pool Canadian resources under these Boards' authority.

Canada was, however, in a strong position in having more to sell to the United States than she required to buy from her and, in the present confused situation, the government should take no initiative. Munitions and Supply representatives in Washington had been instructed not to become involved in the

organization of the combined boards and to act on the assumption that Canada was not affected.

The particular difficulty to which the Minister of National Defence had referred regarding a clause in our U.S. contracts should not have been referred to the Master General of Ordnance. The Department of Munitions and Supply would undertake to straighten this matter out with the U.S. authorities.

At the same time, it should be remembered that officials in Washington were anxious to work out common problems with us, and satisfactory solutions of these problems would be found.

31. THE SECRETARY described the arrangements suggested by the U.K. government for liaison in London with Lord Beaverbrook's Committee (Munitions Assignments Board). A Committee with Dominion representation, to evaluate Empire demands on North American production and to present a united case for the Empire in Washington, was in contemplation; allocations within the Empire to be made in London.

Liaison arrangements with the other bodies in London had also been suggested, and an interim reply on these proposals had been sent to the Dominions Office.

(Telegram No. 25, Dominions Office to External Affairs, January 28, 1942; telegram No. 39, External Affairs to Dominions Office, February 10, 1942.)

32. MR. RALSTON expressed the view that it should, at once, be made clear to the U.K. and U.S. governments that Canada had not yet been consulted with regard to participation in the work of the combined bodies set up in London and Washington, and that, in consequence, Canada was not included in the arrangements which had been made for the allocation of munitions and raw materials.

It should also be pointed out to the United Kingdom that the only approaches which had been made to the Canadian government, in this connection, were by way of informal conversation with members of the British Staff in Washington, and that these discussions had been on the basis of direct Canadian representation in respect of the allocation of production.

33. The War Committee, after further discussion, agreed that a draft telegram to the U.K. government and to the Canadian Minister in Washington for transmission to the U.S. government, in the sense suggested by Mr. Ralston, be prepared by External Affairs, for approval of the Prime Minister, the Minister of National Defence and the Minister of Munitions and Supply.

...

147.

DEA/3265-A-40

Mémorandum des chefs d'état-major aux ministres de la Défense nationale
Memorandum from Chiefs of Staff to Ministers of National Defence

SECRET

[Ottawa,] February 14, 1942

As a result of the British Prime Minister's recent visit to Washington, specific

machinery has now been set up in London and Washington to ensure the maximum degree of co-operation in the prosecution of a common war effort.

2. It was found that effective co-ordination and control could not be exercised either from Washington alone or from London alone, but that it would have to be done from both London and Washington. It is understood that London will co-ordinate the war effort of the British Empire and of those nations whose seat of government is now in the United Kingdom. Co-ordination from London will be concerned with the European, Near and Middle Eastern and the Indian Ocean theatres. Washington, it is understood, will co-ordinate the war effort of the United Nations in China and in the Far East. The position to be assumed by Australia is not clear.

3. The machinery now set up in London and Washington in which the Canadian Armed Services are most concerned comprises the following:

(a) Combined Joint Planning Committees composed of Service representatives only.

(b) Combined Joint Munitions Assignments Boards composed of Service representatives with civilian Chairmen.

4. It may be noted that the terms "Joint" and "Combined" have now been standardised. "Joint" refers to a national committee comprising representatives of different Services. "Combined" refers to an international committee comprising representatives of two or more countries. The term "Combined Joint" is a combination of both.

5. (a) THE COMBINED JOINT PLANNING COMMITTEES.

The Washington Committee consists of the U.S. Chiefs of Staff and the representatives of the U.K. Chiefs of Staff.

The London Committee comprises the U.K. Chiefs of Staff and the representatives of the U.S. Chiefs of Staff. Each of these committees has the necessary staff composed of Planning Officers from the Services.

6. In our opinion, Canada is not in a position to press for equal representation in planning except where Canadian interests are vitally concerned. On the other hand we must be kept fully informed of what is taking place in order to determine when our interests are affected. When this is so, we must take a leading part in discussions which result in decisions and the consequent preparation of plans. In order to achieve this, we consider our senior representatives should act as representatives of the Canadian Chiefs of Staff and that they should work in the closest liaison with the representatives of the Chiefs of Staff of the United Kingdom and of such Dominions as may nominate representatives. In order that their line of direct responsibility back to Canada should not be impeded, we feel that they should not be looked upon as forming an integral part of the British (Commonwealth) Joint Staff in which, even if for reasons of rank alone, they would find themselves on a lower level than that of their British colleagues. On the other hand we feel that good purpose would be served by having their assistants form part of the Commonwealth Joint Staff.

7. Although the question has not previously been raised, it would now appear desirable, in view of the increasing size of Canadian Armed Forces in

Great Britain, that Canada should be similarly represented on the London Planning Committee. So far we have had no part in the planning of the disposition and employment of Canadian Forces allocated to United Kingdom control, except for ad hoc discussion with Senior Canadian Commanders as and when emergent conditions required to be confronted.

8. (b) THE COMBINED JOINT MUNITIONS ASSIGNMENTS BOARDS.

Under the recently introduced system, the Washington Committee allocates in bulk, either to the United States or to Great Britain, all finished war equipment of U.S. and British types manufactured in the U.S.A. whether ordered under Lease-Lend or by the U.S. War and Navy Departments for their own use. It is to be noted that both the London and Washington Munitions Assignments Boards will have civilian Chairmen, whose principal duty will be to keep in view political considerations. The Committees will nevertheless report through the Chiefs of Staff of the two Nations direct to the Prime Minister and the President.

9. The Canadian position in respect to pooling and allocation has not been defined. In our opinion the principles involved in respect to pooling are as under:

(i) Completed equipments should be distributed in accord with strategic need.

(ii) The Canadian Government cannot, in spite of (i), divest itself of responsibility regarding the equipping of our forces at home and abroad.

10. The principles defined above are in conflict, and can only be reconciled in application by Canada insisting upon equal representation with the U.K. and the U.S. on the Joint Munitions Assignments Boards in Washington and London. If equal representation is agreed to by the U.S. and the U.K., then we consider that Canada should join the U.S.-U.K. pool in respect to:

All completed armament and war equipment manufactured in Canada whether to Canadian, British, United States or other order.

11. If equal representation on the Joint Munitions Assignments Boards is not agreed to by the U.S. and the U.K., then the only alternative is for Canada to retain the right of allocation in respect to all completed armament and war equipment manufactured in Canada whether to Canadian, British, United States or other order.

P. W. NELLES
Vice-Admiral
Chief of the Naval Staff

K. STUART
Lieutenant-General
Chief of the General Staff

L. S. BREADNER
Air Marshal
Chief of the Air Staff

148.

DEA/3265-A-40

*Mémorandum du ministre-conseiller, la légation aux États-Unis,
au ministre aux États-Unis*

*Memorandum from Minister-Counsellor, Legation in United States,
to Minister in United States*

Washington, February 16, 1942

I telephoned to Robertson this afternoon to ask the position about our relationship to the Combined Boards. He said that he felt that the position was quite unsatisfactory but there was a probability that General Pope and Mr. Pearson would come to Washington later this week in an effort to get something definite settled. One reason for the unwelcome delay has been a divergence of view between the Department of Munitions and Supply and the Defence Departments. The Department of Munitions and Supply have been inclined to remain aloof from the Raw Materials Board, apparently on the ground that Canada is so important a supplier of several materials that the Board will have to come to us. I do not like this attitude particularly, as it seems to have an element of pique in it. The Defence Departments have not expressed any very clear ideas, and I rather gather that the outcome of last week's discussion in the War Committee was an agreement to request further information and consideration. A telegram destined for both London and Washington was drafted after this discussion, but has not yet been sent because its despatch was subject to the approval of Mr. Ralston and Mr. Howe, and the latter has been in North Bay.

I told Robertson that I thought we were in some danger of missing the boat. Drury said to me this morning that Captain Hastings of the Joint Staff Mission had remarked to him that we had better get Pope down soon or he would be missing out. The Netherlands Military Attaché had told him that he was eagerly accepting the suggestion that the Netherlands military representatives should have an office in the Public Health Building, where the Combined Chiefs of Staff are housed, and had asked what Canada was doing. I said to Robertson that without some indication of the policy of the Government we felt precluded from even pressing enquiries here, as we were in no position to answer any questions on what Canada wanted.

H. W[RONG]

149.

DEA/3265-B-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 307

Ottawa, February 17, 1942

IMMEDIATE. Following draft message for your advance information and subject to confirmation which may be expected shortly¹⁰, Begins: You will have seen our

¹⁰ Confirmé le 18 février.

¹⁰ Confirmed February 18.

telegram to Dominions Office, No. 39 of February 10th, on proposals for Commonwealth consultation in London arising out of establishment of United Kingdom-United States Combined Boards. I would be grateful if you would supplement this telegram by making clear to the United Kingdom Government our present position in this matter. We appreciate that Combined Boards already set up represent United Kingdom and United States governments only and that production and use of Canadian raw materials and Canadian war supplies does not fall within the competence of the Combined Boards. There has as yet been no agreement to pool Canadian resources with those under the Boards' authority. If proposals are to be made to that end, the initiative will no doubt be taken by the United Kingdom or United States Governments. Meanwhile it should be made clear that this has not yet been done. The only approaches that have been made to Canada in this matter have been in telegrams from the Dominions Office outlining machinery for Empire liaison in London and by informal conversations with certain members of the British staff in Washington. From these conversations we had the impression that it would probably be proposed that we agree to have Canadian production included in the activities of the Combined Boards and that, in this event, provision would be made for direct Canadian representation on these Boards. We have, however, received no such proposals.

Please do not give the impression that we are being querulous in this matter. What we wish to ensure, however, so that there will be no confusion now or later, is that the facts above stated are clearly understood and appreciated. Canada's position is that of a large-scale producer as well as a substantial consumer of raw materials.

That confusion seems already to have developed is shown among other things by the fact that while the United Kingdom Government in London have suggested a "clearing house" there for raw materials covering Empire production and needs, we have also been informed from Washington that it has been proposed to form there an Empire Committee to function as a "clearing house" with Sir Clive Baillieu.

Please emphasize in your discussions on this matter that we are, of course, actuated by the sole consideration of how we can best ensure that Canada will make her most effective contribution to the common cause. Ends.

150.

DEA/3265-A-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 37

London, February 18, 1942

SECRET. Your telegram of February 10th, No. 39.

We are grateful for views of Canadian Government. We have always had in mind the special position of Canada in relation to the Combined Boards in Washington and the proposals for Commonwealth consultation in London but did not mention this in telegram No. 25, since this dealt generally with the

Dominions position and it seemed obvious that some little time would be required to examine the questions of Canadian association properly.

2. We were ourselves about to consult you on the position of Canada and Canadian production in the general scheme for munitions assignments. We have set out our views for your consideration in my immediately following telegram.

3. We shall be glad to receive the further views of the Canadian Government in relation to the Raw Materials Boards. We are making arrangements for setting up the proposed clearing house in London.

4. As regards the last paragraph of your telegram, the proposals for consultation on the Ministerial level mentioned in paragraph 1 of my telegram No. 25 were those in my telegram No. 22 of January 27th¹¹ regarding representation in relation to the War Cabinet.

5. We will communicate with you further on the second question mentioned in the last paragraph of your telegram.

151.

DEA/3265-A-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 38

London, February 18, 1942

SECRET. My immediately preceding telegram.

The machinery for munitions assignments as outlined in the agreement between the Prime Minister of Great Britain and the President of the United States of America is now being established in Washington and London and we wish to consult you about the position of Canada and Canadian production in the general scheme.

2. As you know the entire output of finished munitions of war whether produced in the United States or Great Britain is to be regarded as a common pool to be allocated in accordance with strategic needs. The scheme assumes that all existing commitments such as yours to China will be met by allocations from this pool. The allocation will be done by two Boards, one in Washington and one in London, both acting under the general strategical direction of the combined United States and British Chiefs of Staff. There are a very large number whose requirements have to be taken into account in making allocations and some practical scheme must be worked out for presenting their claim and securing their interests. If each claimant for material from the common pool puts forward requirements both in Washington and in London, confusion will result. The broad principle on which it is proposed to work therefore is that the United Nations should be divided into two groups, one of which would obtain its requirements from the London Board and the other from the Washington Board. It would be the responsibility of Great Britain to present at the Washington Assignments Board the demands for allocations to the British group of

¹¹ Document 815.

nations. Similarly it would be for the United States to present in London demands from their group.

3. The procedure would be that acting on strategical directions from the combined Chiefs of Staff, the Board in Washington would allocate the United States output in bulk as between the United States and British groups of United Nations. Acting on the same directions the Board in London would allocate the British production in bulk between the United States and British groups. It would then be for the Board in London to sub-allocate among the British group of nations the bulk allocations received from both British and United States production.

4. Assuming that Canadian production is to be brought into the common pool the two questions for consideration are:

- (a) Should it be included in the Washington or the London pool;
- (b) Should Canada be included in the British or the United States group of nations.

5. We think that it is essential that the whole of the Canadian production should be in one pool or the other. It would be impracticable to divide it between the two on the basis of whether the material had been ordered on Canadian or British contracts on Lease-Lend or on United States contracts. In some cases the same articles are being made on more than one type of contract and it would be impossible to differentiate the output.

6. If this view is accepted we think there would be great advantages in dealing with Canadian production in the British pool. In the first place the great majority of the output of finished munitions is of British type and is for use by the British Empire and the Allies who fall naturally into the British group. In whichever pool the output was included the greater part of it would thus be allocated to Canada, Great Britain or other of the British group of nations. It would therefore appear simpler to deal with it in the first place in London. Such comparatively small allocations as would be required for the United States group of nations would be demanded in London by the United States representative.

7. We also suggest that Canada like the other Dominions should be included in the British group of nations. This would mean that all Canadian requirements for munitions wherever produced would be communicated to London and demands for allocations from the Washington Board would be put across by the British representatives. Canadian requirements would be dealt with by direct consultation in London between Canadian and British representatives at all appropriate levels. Similarly Canadian representatives would take their full part in drawing up the combined demands to be made in Washington and would if they so desired be able to reinforce these demands in Washington through their own representatives there. We feel this would be much the most advantageous arrangement for Canada and would be one which would continue the close contacts on these matters already established in London on allocation questions.

8. Nothing in the new scheme will affect the supply to Russia by the United

States of America or ourselves of war material promised under the Moscow Protocol.¹²

9. We would very much welcome an early expression of your views on these proposals. It is entirely for you to decide the way in which you associate yourselves with the machinery, but we have stated our views because we are convinced that the arrangement we propose will produce the best results.

152.

DEA/3265-B-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 41

London, February 21, 1942

We received yesterday through Mr. Massey further observations of the Canadian Government as to their position in relation to the Combined Boards in which inter alia attention is drawn to the fact that as yet no agreement has been reached to pool Canadian resources with those resources which will come under the authority of the Combined Boards. It is understood that these observations were formulated before the receipt of my telegrams Nos. 37 and 38 of February 18th. We hope that the Canadian Government will have appreciated from my telegram No. 37 that there was no intention on our part to assume that a decision in favour of such pooling had been reached by the Canadian Government, although the reasons which in our view would make such an arrangement advantageous in the case of munitions have been set out in my telegram No. 38. In case it should not have been sufficiently clear from my telegrams under reference we should like to emphasize again that Canada's special position both geographically and as an important producer has always been very much in our mind and that our telegram No. 38 was intended to be read as an invitation to agree in principle to a policy of pooling munitions. In view of the urgent need of developing the most effective machinery in these matters we should be grateful for an early expression of the Canadian Government's views.

2. My immediately following telegram sets out for your consideration in some detail the machinery we have in mind for dealing with the allocation of aircraft, engines, bombs and other ancillary air equipment.

3. A further message¹³ will follow as to raw materials after an exploratory meeting has been held here on February 24th.

¹² Pour le texte du Protocole de Moscou du 12 juillet 1941 voir États-Unis, *Department of State Bulletin*, vol. 5, September 27, 1941, pp. 240-1.

¹³ Non trouvé.

¹² For text of Moscow Protocol of July 12, 1941 see United States, *Department of State Bulletin*, Vol. 5, September 27, 1941, pp. 240-1.

¹³ Not located.

153.

DEA/3265-B-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 42

London, February 21, 1942

My immediately preceding telegram. We have been considering the machinery that it would be desirable to set up in London under the Munitions Assignments Board to deal with the allocation of aircraft, engines, bombs and other ancillary air equipment, and are proposing the following arrangements to the Governments concerned. It is desired to get the machinery into operation at the earliest possible date.

2. Our proposal is that an Air Assignment Sub-Committee should be set up under the Chairmanship of the Air Member for Supply and Organisation including representatives of Empire countries and Allies within the British group and a representative of the United States Chiefs of Staff. The object of the Committee would be to formulate requirements and agree on allocation of the resources available. In the event of disagreement on any important item the matter would be referred to the Munitions Assignments Board in London under Ministerial Chairmanship, and if for example the difference of opinion were to affect a particular Dominion the representative of that Dominion would be present at the Munitions Assignments Board when the matter was considered.

3. We envisage the first task of the Air Assignment Sub-Committee as being to establish a provisional plan of allocation of combat aircraft for say three months ahead and a firm allocation for the month of March. The Air Ministry are preparing proposals for the sub-allocation of combat aircraft among the countries in the British group in the light of their knowledge of the stated requirements and planned aircraft production of these countries and for a provisional allocation of United States combat aircraft to the British group during 1942 which has been tentatively discussed between the Chief of Air Staff and the Chief of the United States Army and Air Forces.

4. Once an agreed plan of allocation of combat aircraft has been reached, we contemplate that the Sub-Committee should meet as often as may be necessary to deal with any variations in requirements. To take account of any changes in the production forecast in the British group or in the anticipated deliveries from the United States group. To revise the previous allocations as may be necessary and to decide on any representations to be made regarding the allocation of aircraft from the United States group.

5. In the light of the agreed plan of allocation of combat aircraft the requirements of the different countries in other items of aeronautical equipment, e.g., bombs, would be formulated and the Sub-Committee would seek similarly to reach an agreed allocation for these items and subsequently to review the allocations periodically.

6. We should be grateful if in considering their policy towards the question of munitions assignments the Canadian Government would take into account the question of Canadian representation on this Sub-Committee. It would be

appreciated if the Canadian Government would consider the nomination of an authoritative officer to attend the meetings of this Sub-Committee.

154.

DEA/3265-C-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 383

Ottawa, February 27, 1942

SECRET. Your telegram No. 524 February 25th.[†] Combined United Kingdom-United States Boards. You will be wondering why no reply has yet been received to your telegrams on this matter. The question is, however, a most complicated one from the Canadian point of view and government policy here is not yet definitely settled. Pearson has been in Washington securing information on working of Boards there and Mr. Howe goes to Washington this weekend. It is hoped that on his return some definite policy may be announced. For your own information, there is a division of opinion as to whether it is desirable or necessary to pool Canadian production and if it is pooled whether this could be in Washington or London. One view is that Canadian production for United States order would be included by United States in its figures and for United Kingdom order in United Kingdom figures, leaving only Canadian production for Canadian use which need not be included in pooling or allocation arrangements. It is also felt that much can be said for the view that Canadian requirements for finished munitions should be submitted and met through the Washington Board rather than the London Board. In fact, Canadian Ordnance Officers are already sitting along with United Kingdom officers on the Army Section of that Board in Washington and submitting requirements for Canadian share of United States production. So far as raw materials are concerned, the feeling is that our approach to the Combined Raw Materials Boards should be through existing Canadian-American joint arrangements already made rather than through an Empire Clearing House in London. It is difficult for us to see how Canada can function effectively in the raw materials co-ordination field otherwise than in Washington. Any detailed information from you as to how the Empire Pool there is meant to work and also on the procedure and operations of the Munitions Assignments Board in London would be helpful. Is it contemplated, for instance, that Canada should make known her munitions requirements in London, that these should then be submitted to the Combined Boards in Washington, and that after a British Empire bulk allocation is made there, Canada should appear before the Board in London to request her share of that allocation? Is this not a cumbrous procedure? In the figures for United Kingdom production submitted to the London Assignments Board is Canadian production for United Kingdom order included? Are the United Kingdom throwing into the London pool their total production for allocation or merely that portion in excess of their own requirements?

155.

DEA/3265-B-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-108

Ottawa, March 2, 1942

Following for Wrong from Pearson, Begins: A study of the various communications and memoranda seems to me to indicate that there is no clear idea as to the exact scope of the activities of the Munitions Assignments Board. For instance, your Teletype WA-121[†] quotes Self's view that if Canadian production were pooled this would include all production, except that required for our own use. That exception is important and I doubt if it was visualized in the Dominions Office telegrams dealing with pooling. Mr. Ralston in his memorandum to Howe[†] takes the view that the Washington Board deals with all United States production and also Canadian production to United States order. Colonel Mavor, on the other hand, in his conversations with me over the weekend indicated that the Washington Board covered Canadian production to United States order but not United States production for Canadian order. Mr. Howe in his letter to Robertson understands that pooling Canadian production applies only to that portion of our production which is manufactured on direct orders from United States or United Kingdom Governments.

I think it is essential in attempting to solve this problem that we get a clear understanding as to what pooling Canadian production actually means in terms of the working of the Assignments Board. Ends.

156.

DEA/3265-B-40

Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs

TELEGRAM 599

London, March 3, 1942

SECRET. Your telegram No. 383 of February 27th. Following are answers as supplied by United Kingdom authorities to three questions at the end of your telegram under reference, regarding workings of Munitions Assignments Board in London:

A. United Kingdom Government state that on assumption that Canadian production was placed in British pool, and that Canada formed one of British group of nations, the procedure would be as follows: (for purposes of simplification the month of April has been taken as an example).

Early in March representatives of British group would meet in London in the appropriate sub-Committees to frame their bids for allocations from United States production. The facts would all be put on the table, i.e. forecast of United States production of each item for April, the stocks held by each claimant and

their requirements for every purpose. These would be scrutinized to ensure that everyone was working on the same basis (e.g. scales of ammunition) and to weigh up relative urgency of various requirements put forward. As a result of this meeting, a combined bid, backed up with full reasons would be telegraphed over to Washington to British representatives on Washington Assignments Board.

The Washington sub-Committees would then meet and allocate United States production for April. The case for the British group's bid for each item would be put by British representatives supported by arguments received from London. The requirements of the British group would have to be set against those of the American group and allocation would be made strictly in accordance with merits of each case, bearing in mind any strategic directions received from combined Chiefs of Staff. Allocations made by sub-Committees would be confirmed or modified by the Board itself and communicated to London.

On the receipt of allocation figures, the London sub-Committees would meet to sub-allocate not only amounts received from Washington but also the entire output for April of the British group. The latter on United Kingdom hypothesis would include whole Canadian production. In those cases, and they would be very many, in which the allocation received from Washington coincided with the bid made, the sub-allocation would be automatic. If, however, there was a deficiency, this deficiency would have to be shared round between the various claimants. Same would apply to a surplus. At this meeting American representatives would put forward any claims which they might have from the British group. In existing circumstances these would obviously be few.

The above procedure has been in partial operation for a good many months in such things as army equipment and small arms ammunition. The allocations of American equipment for March have actually been done on this system.

Although this system seems complicated, United Kingdom authorities consider it does not prove so in practice and that in their opinion it is the only practical way to handle the matter. It will be observed that the whole of the work is done in the sub-Committees by experts with full knowledge of crucial details affecting allocations. The main Boards in London and Washington would only give confirmation over the whole range of allocations, and settle points of difference or matters of great importance. United Kingdom authorities state that if the Canadian Government think it desirable it would of course be open to Canadian representative to attend the sub-Committee meetings in Washington to reinforce the argument put over on their behalf by British representatives.

B. With regard to inclusion in figures for United Kingdom production of Canadian production for United Kingdom orders, the answer to this question is stated to depend upon whether the Canadian Government place the whole of Canadian output in British pool or not. If they do, then the figures submitted to London Munitions Assignments Board would include the whole Canadian production, irrespective of how orders were placed. For example, the output of factories in the United States, established and paid for with British dollars, is included in the United States pool for allocation in exactly the same way as the

output from United States War Department factories or of United States contracts or contracts placed under Lend-Lease.

C. The inclusion of total United Kingdom production in common pool.

The United Kingdom authorities state that explanations given above will have made it clear that entire United Kingdom production is thrown into London pool. They further state that it would be contrary to the whole principle of the United Kingdom [*sic*], reached between President Roosevelt and Mr. Churchill, if either party made a unilateral decision as to what their own requirements were. The test applied is to be whose need is the greater.

MASSEY

157.

DEA/3265-B-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-145

Washington, March 3, 1942

IMMEDIATE. Following for Pearson from Wrong, Begins: Your message EX-108 of March 2nd. I agree that understanding of what pooling of Canadian production actually means is essential in order to decide our relationship to the Munitions Assignments Boards here and in London. I doubt, however, that we can get any clear answer to this question yet in Washington. The answer, indeed, must depend on what the Canadian Government is prepared to accept.

2. Literally and logically Canadian production of munitions includes all finished military stores produced in Canadian plants. Certainly when reference is made to United States and United Kingdom production in this connection, this is what is meant. The United States and United Kingdom authorities in calculating their own production do not deduct from it, for example, production in their countries on Canadian orders. If we follow their practice we should therefore consider Canadian production as meaning what is physically produced in Canada.

3. It is true that the United States authorities seem to be counting as part of their production munitions produced in Canada to their order. The United Kingdom authorities are probably doing the same thing, particularly with respect to aircraft. This is a matter, however, for us to arrange with the Governments in question.

4. The simplest position is that which Mr. Howe is inclined to favour — that Canadian production on Canadian Government account is not subject to pooling, that the Department of Munitions and Supply acts merely as contractors for British and United States orders placed in Canada, and that the United States and United Kingdom authorities should count as part of their own production for pooling purposes the munitions produced in Canada on their orders. This solution, which might well be acceptable to the United States and United Kingdom, would make our position unimportant in this respect, and it would not disturb the present methods of placing orders in Canada. Our approach to the Munitions Assignments Boards would become primarily that of a consumer of munitions seeking to draw from the pool in order to complete our

requirements of articles that we do not produce. With regard to British orders, however, this would have the curious result that under the billion dollar gift no payment would be received by Canada for Canadian munitions deducted for pooling purposes from Canadian production and treated as United Kingdom production. With regard to United States orders, financial considerations are important, as we must be sure of our continued receipts of United States dollars from our sales here, whether for United States use or to be lease-lent to other countries.

5. There is a possibility that a wide gap in the combined organizations may be filled by the appointment of a combined Munitions Production Board. At present, combined organizations have been set up looking to the common strategic direction of the war, the allocation of finished munitions, the control of shipping, and the provision of raw materials, but no new body has been created to direct the war production of the united nations in accordance with their joint interests. If such a body is effectively established, might it not become necessary to eliminate British and United States orders in Canada and to have the Canadian Government the sole munitions contractor in Canada, just as the United States and United Kingdom Governments are becoming the sole contractors in their own countries? This would involve, of course, a fundamental change in our financial relationships in order to protect our United States dollar position.

6. In the present state of the war, with acute deficiencies of nearly all finished military stores, the question of who placed a particular order, perhaps a year ago, should not matter in determining the final disposition of the product. Relative urgency of need is the only sound criterion. Canadian production of universal carriers for example, is now covered by large orders from the United Kingdom, Canada, and the United States. Suppose that an urgent need arises for the immediate delivery of universal carriers to a fourth country, such as Russia, the fulfillment of which would seriously upset production schedules on current orders. May we not find ourselves in an involved triangular dispute over whose deliveries under existing contracts are to be delayed or cancelled in order to meet Russian needs, unless our total production of universal carriers is allocated by the Munitions Assignments Board? The solution suggested in paragraph 4 above would seem not to meet this type of problem very effectively. It can also be argued that this solution would make Canada a sort of sub-contractor to the "arsenals of democracy" in the United States and United Kingdom — a position which does not accord with our fine record in this sphere.

7. With regard to your comment on Self's views, I think that you are right in assuming that the Dominions Office telegrams did not mean to except from the pooling proposals Canadian production for Canadian use. Self said, indeed, that he had tried out his formula on London, where it had not been viewed with favour. It seems to me, however, that there is really an implicit reservation in the pooling arrangements whereby producing countries will meet their own essential minimum requirements from their own production and will in practice pool only what is surplus to these essential minimum requirements. The words "essential minimum" are important, and their interpretation should depend on the strategic position as a whole.

8. I think that the draft telegram to London quoted in your message EX-96 of March 2nd¹⁴ would be helpful towards clearing up these difficulties, especially if a question about the financial consequences of pooling is added. I have discussed the terms of this message with Colonel Mavor. Ends.

158.

DEA/3265-G-40

Le ministre des Munitions et des Approvisionnements au secrétaire du Cabinet
Minister of Munitions and Supply to Secretary to the Cabinet

Ottawa, March 5, 1942

Dear Mr. Heaney,

RE: JOINT U.S.-U.K. BOARDS FOR ALLOCATION OF FINISHED MUNITIONS,
 DISTRIBUTION OF SHIPPING, AND DISTRIBUTION OF RAW MATERIALS

While at Washington on the 1st, 2nd and 3rd of March, I held some exploratory conversations to determine the position of Canada in relation to the three Joint Boards. I had interviews with Sir John Dill, General Burns and Sir Henry Self, of the Joint Allocations Board, with Sir Arthur Salter, of the Joint Shipping Board, and I attended a full meeting of the Joint Materials Board, where I secured an allocation to Canada of 2500 tons of crude rubber per month for the months of March and April, the situation to be reviewed again before the end of April. I also attended a meeting of the British Supply Council in North America, and a small dinner given by Messrs. Batt and Baillieu, of the Joint Materials Board.

As a result of these contacts, I feel that there is nothing in the Joint Boards situation that should be disturbing to Canada's war effort. I cannot see that our position has changed materially, and I think the course that we should pursue toward the Joint Boards is clear in all particulars. The U.S. membership of the Joint Boards are all men that in the past have worked closely with Canada in developing the very satisfactory relations that have been developed for munitions production, and I have every assurance that their relations will be as helpful in the future as in the past.

Regarding the Joint Allocations Board, both the American membership and the British membership seem to accept the position that munitions ordered by the United Kingdom of Canadian manufacture will be included in the United Kingdom pool, and munitions ordered in Canada by United States agencies will be included in the United States pool. Munitions manufactured in Canada for the armed services of Canada will be at the sole disposal of Canada. The only difference of opinion seems to have to do with munitions ordered in Canada by U.S. authorities for lend-lease to U.K. Sir John Dill and Sir Henry Self say that if these could be included in the U.K. pool, any objections they have to Canada's present position would be removed. I pointed out that this must be a matter for the Joint Board itself to settle, our only interest in the disposition of equipment ordered by either the U.K. or the U.S. being that of shipping instructions.

¹⁴ Non reproduit. Pour la version définitive du télégramme voir le document 163.

¹⁴ Not printed. For definitive version of the telegram see Document 163.

This Board will welcome a Canadian representative when Canadian matters are being discussed. Our people feel that the inclusion of our Colonel Mavor in the British Secretariat should be a satisfactory contact for the purpose of keeping Canada advised and for forwarding Canadian representations to the Board.

Regarding the Joint Shipping Board, we are in a weak position, as we have at present no ships included in the pool, but I have the assurance of Sir Arthur Salter that, as the organization of the Board proceeds, a satisfactory channel of approach will be arranged for Canadian representations. Here again, both Admiral Land and Sir Arthur Salter have been most considerate of Canadian requests in the past.

As far as the Joint Materials Board is concerned, the Board expressed a wish that Canada's contact would be through Canadian-U.S. Joint Materials Board, as in the past. This is most satisfactory, as we will have Canada's two-man Board dealing directly with the U.S.-U.K. two-man Board at the top level. Our dealings on raw materials will be almost exclusively with the Washington Board, and, as far as the Board in the United Kingdom is concerned, Mr. Banks, the representative of this Department in England, will be able to provide satisfactory contact.

I think that we are now in position to reply definitely to the several cables from the Dominions Office and outline Canada's position in relation to the three Joint Boards. I will be glad to assist Mr. Robertson to that end after the War Committee has discussed the situation in the light of my report.

Yours truly,

C. D. HOWE

159.

DF/Vol. 3992

*Mémorandum du secrétaire, le Comité de guerre du Cabinet,
au Comité de guerre du Cabinet*

*Memorandum from Secretary, Cabinet War Committee,
to Cabinet War Committee*

SECRET

Ottawa, March 11, 1942

RE: CANADA'S RELATIONS TO U.K.-U.S. COMBINED BOARDS

1. COMBINED CHIEFS OF STAFF

Full and formal Canadian membership cannot be secured.

Full right of representation before the Board when any question that affects Canada is under consideration, can be secured.

For this purpose there should be *one* service representative stationed in Washington with his office in the Combined Boards building.

He will keep in close and continuous contact with the Combined Staffs and the Combined Planning Committee.

He could represent the Canadian Chiefs of Staff, or the Minister of National Defence or the War Committee.

2. MUNITIONS ASSIGNMENTS BOARDS

A decision has to be taken on the principle of pooling Canadian production and requirements.

Against

- (1) The present position is satisfactory.
- (2) Equipment for our own needs would not be ensured by a United Kingdom-United States Board acting on directions from a Combined Staffs on which we were not represented.
- (3) We are only interested as a producer of equipment on specific order.
- (4) Allocation of orders by a Combined Board might prejudice our United States exchange position by diverting United States orders from Canada.

For

- (1) Pooling of all resources for assignment as the strategic situation dictates is the only efficient way to fight the war.
- (2) If we don't accept pooling for our production, this will weaken our position when we request from the Board assignments from United Kingdom or United States production to meet our deficiencies.
- (3) If we accept pooling, we can secure the same right to participate in the deliberations and decisions of the Board when Canadian requirements and production were under consideration, as the United Kingdom and United States members now possess.
- (4) We can't lose anything by pooling, because in any event the decisions of the Board are only recommendations to the governments concerned.

If we do not pool, the position will be that munitions ordered by the United Kingdom of Canadian manufacture will be included in the United Kingdom pool and munitions ordered in Canada by United States agencies will be included in the United States pool. Munitions manufactured in Canada for the Armed Services of Canada will be outside the Board and at the sole disposal of Canada. The assignment of munitions ordered in Canada by United States authorities for lend-lease to the United Kingdom will remain to be decided by the Board itself.

If we do pool, there remains to be decided whether we would pool in London, in Washington, or in both places.

If we pool in London, the procedure would be as follows:

Each month representatives of the British group of nations would meet in London and estimate what will be required from United States production to make up their own deficiencies after taking into consideration, (a) the stocks held by each claimant; (b) their requirements for every purpose; and (c) the relative urgency of the various demands put forward. The resulting bid for allocation from United States production on behalf of all the nations of the British group, would then be telegraphed to the British representatives on the Washington Board.

British and Canadian representatives would then appear before the Washington Board to support that bid, with arguments received from London and

Ottawa. The requirements of the British group would have to be set against those of the American group and allocation would be made strictly in accordance with the merits of each case, on the basis of strategic directions received from the Combined Chiefs of Staff.

The allocations made by the Washington Board, together with the entire production of the British group for the month in question, would then be sub-allocated by the London Board among the various nations of the British group. At the meeting in London, representatives of the American group would put forward any claims which they might have from the production of the British group.

The Americans might object to this procedure on the ground that by it Canadian production to their order would be allocated from London. This objection is, however, neither more nor less valid than the British objection that production in the United States to their order would be allocated in Washington.

If we pool in Washington, the procedure indicated above would simply be reversed. This would mean, in practice, that Canada would join the United States representative in claiming from British production what was required to meet the needs of the United States and Canadian forces; these requirements to be sub-allocated in Washington between the United States and Canada along with the total production of the two countries.

If we dealt with both boards, the following arrangements might be satisfactory:

Canada's requirements for her overseas forces would be made from Canadian and British production after discussion with United Kingdom authorities. These requirements would be cleared through the London Board as part of the requirements of the British group.

That part of Canada's production not required for the above purpose would be pooled in Washington. Canada would secure from this pool through the Washington Board requirements for her home forces.

3. COMBINED RAW MATERIALS BOARD

Canada's association with this Board should be through Joint United States-Canadian arrangements already working effectively.

4. COMBINED SHIPPING BOARD

Liaison with this Board is already satisfactorily established and no new machinery is required.

A. D. P. HEENEY

160.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 11, 1942

CANADA'S RELATION TO U.K.-U.S. COMBINED WAR ORGANIZATIONS- MUNITIONS ASSIGNMENTS BOARDS

1. THE SECRETARY reported that further information had been obtained through the Canadian High Commissioner concerning the procedure to be

followed if the government accepted United Kingdom proposals for Canada's participation in the work of the Munitions Assignments Board in London. These proposals and alternative methods of Canadian co-operation with the combined allocations machinery had been considered by the Ministers of National Defence and Munitions and Supply, and with officers of the Service Departments.

A decision was required, in the first place, on the principle of pooling Canadian production and requirements and, in the second place, if it were decided to pool, whether Canada's participation should be in London, as proposed by the United Kingdom, or in Washington, or by a division between the two based upon overseas and home requirements.

In this connection, a memorandum[†] prepared by the Assistant Under-Secretary of State for External Affairs (Mr. Pearson) was circulated.

(Secretary's memorandum re Canada's relation to U.K.-U.S. Combined Boards, March 11, 1942 - C.W.C. document 115).

2. MR. HEENEY read a report by the Minister of Munitions and Supply following Mr. Howe's recent conversations in Washington with British and American representatives concerned with allocations and the work of the Munitions Assignments Boards.

In this report, Mr. Howe expressed the view that Canada's position had not changed materially as a result of the establishment of the U.K.-U.S. combined organizations in Washington. British and American members of the Washington Assignments Board seemed to accept the position that munitions ordered by the United Kingdom, of Canadian manufacture, would be included in the U.K. pool, and munitions ordered in Canada by U.S. agencies would be included in the U.S. pool. Munitions manufactured in Canada for the Canadian forces would be at the sole disposal of Canada. The only difference related to munitions ordered by the United States for lease-lend to the United Kingdom; in this respect the U.K. representatives suggested that these be included in the London pool.

There would be no difficulty in having a Canadian representative received by the Board in Washington, when Canadian matters were being discussed. As to the Combined Shipping Board, Canada at present had no ships in the pool, but there would be no difficulty in arranging for presentation of Canadian representations.

The Combined Raw Materials Board had expressed the wish that Canada's contact continue to be through the Canada-U.S. Joint Materials Board as in the past, and this was satisfactory.

Mr. Howe suggested that a communication along these lines be addressed to the U.K. government. Copies of his report had been circulated.

(Letter, Minister of Munitions and Supply to the Secretary, March 5, 1942 - C.W.C. document 112).

3. THE ASSISTANT UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS (Mr. Pearson) read a telegram from the Canadian High Commissioner, describing the procedure which would be followed if Canada accepted the U.K. govern-

ment's proposals for Canadian participation in the work of the Assignments Board in London.

(Telegram 599, Canadian High Commissioner, London, to External Affairs, March 3, 1942.)

4. MR. HOWE expressed the opinion that it would be impossible to have Canadian production for U.S. account dealt with through the Board in London. Canada could not do business for the United States on this basis. If all Canadian production were to be allocated in London, Canada would not receive essential American exchange for munitions exported to the United States. This was an important additional argument against acceptance of the U.K. government's proposals.

At present, Munitions and Supply accepted and filled orders for the United Kingdom and the United States, as customers. They could agree between themselves as to the allocations of Canadian production for their accounts. Munitions ordered by the United States for lease-lend to Britain, however, offered some difficulty.

Canada should not participate in the pooling arrangements. Apart from the United Kingdom and the United States, all other participating nations had deficiencies rather than surpluses. The government's duty was to look first to the defence of Canada and then provide her surplus production for British and American use.

5. THE MINISTER OF FINANCE referred to the importance to Canada's war effort of the maintenance of exports for which U.S. dollars were received. Officers of his department had reported that a serious deficiency of U.S. exchange was likely in the coming year, in the neighbourhood of 100 million dollars. Other sources were tending to dry up or were precarious; reliance was being placed upon exports of war materials.

To change the present basis of U.S.-Canada financial relations to lease-lend or by asking U.S. credit would slow up our industrial war effort and produce undesirable results. If munitions ordered for lease-lend went to the London pool, it was unlikely that they would be paid for in hard currency.

6. THE MINISTER OF NATIONAL DEFENCE said that the Services were not altogether satisfied with the principle that Munitions and Supply's sole responsibility was to supply their customers. It should be understood that the right was reserved to take Canadian production for Canadian use, notwithstanding contracts, if and when circumstances made it necessary in the national interest.

Such a reservation was specifically stipulated in U.S. contracts so that deliveries, for example of automotive equipment for the Canadian Army were subject to release by the Quartermaster General of the U.S. Army. Munitions and Supply were, however, opposed to any such stipulation in our contracts with the United States.

7. MR. HOWE said that any such reservation in Canadian contracts would not be feasible and any attempt to insert such a clause would prevent our obtaining American orders.

Nevertheless, it was understood that there was an underlying reservation based upon the inherent right of Canada to take over munitions being manufactured within the country, in case of emergency.

8. MR. RALSTON described existing informal arrangements in Ottawa, whereby allocations of production between the United Kingdom and Canada were agreed upon by Canadian and British Service representatives. So far as Canada was concerned, *ad hoc* arrangements here and in Washington were working well.

With regard to exchange, Canada's position as a merchant must not be allowed to interfere with her position as a belligerent. Allocations should be made by the Services, not by Supply Departments. Only the Services knew the strategic needs which should determine the destination of war material. This had been admitted in the U.K.-U.S. organizations.

It was not sufficient simply to rely upon our final right to take our own production by strong arm methods. We had to work by agreement.

9. THE MINISTER OF NATIONAL DEFENCE FOR AIR said that he would be prepared to take the stand recommended by the Minister of Munitions and Supply, if he were satisfied that Canada was in a strong independent position. The government should be informed exactly to what extent the Canadian Forces were dependent upon articles supplied by the United States and the United Kingdom before making any such decision.

10. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS suggested that, if it were decided that Canada should not participate in the pooling arrangements, care should be taken to avoid opportunities for representing the Canadian position as a refusal to co-operate.

11. THE WAR COMMITTEE, after further discussion, agreed that a communication to the U.K. government, to the following effect, be prepared for despatch, upon approval by the Prime Minister, the Minister of National Defence, the Minister of Finance and the Minister of Munitions and Supply:

Informal arrangements in Ottawa for allocation of production by agreement between U.K. and Canadian Service representatives are at present working satisfactorily.

With regard to Canada's relation to the Munitions Assignments Boards, it is suggested that munitions of Canadian manufacture, ordered by the United Kingdom, be included in the London pool, and munitions ordered in Canada by U.S. agencies be included in the Washington pool. If, however, it is thought to be of the highest importance that Canada participate fully and directly with the United Kingdom and the United States in the work of the Boards, the Canadian government feel that considerations of geography, specifically ease and speed of communication, would make it desirable that Canada's main participation be in Washington, rather than in London as proposed by the United Kingdom; in this connection it is recognized that, in respect of equipment supplied to Canadian overseas Forces, direct access to the Board in London may, in any event, be necessary.

CANADA'S RELATIONS TO U.K.-U.S. COMBINED WAR ORGANIZATIONS —
COMBINED CHIEFS OF STAFF

12. THE PRIME MINISTER referred to the question of Canada's relation to the Combined Chiefs of Staff in Washington.

It was said that full and formal Canadian membership could not be secured, although the right of representation, when any question that affected Canada was under consideration, could be obtained. For this purpose, a senior Service representative, stationed in Washington, should be appointed to keep in close and continuous contact with the Combined Staffs and the Combined Planning Committee.

13. THE MINISTER OF NATIONAL DEFENCE observed that the Canadian Chiefs of Staff were not inclined to agree that one Service officer should represent all three Services in relation to the Combined Staffs. The same objection would not, however, apply if one Service officer were appointed to represent the War Committee.

14. THE ASSISTANT UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS (Mr. Pearson) said that the alternative to one representative was none at all. If, however, one officer were appointed he could and would send for officers of the other two Services where they were involved, and meantime keep continuously in touch with the Combined Staffs. 15. The War Committee, after further discussion, agreed that Major-General Maurice Pope be appointed as the representative of the War Committee in Washington, for the purpose of maintaining continuous contact with the U.K.-U.S. Combined Staffs and the Combined Planning Committee, and to represent the War Committee before the Combined Staffs when questions affecting Canada were under consideration.

It was understood that, when matters of concern to Canada, specifically Navy or Air Force in character, were before the Combined Staff, a Naval or Air Force officer, named for the purpose, would replace General Pope.

161.

DEA/3265-B-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-278

Washington, March 13, 1942

IMMEDIATE. SECRET. Following for Pearson from Wrong, Begins: I gave to Colonel Mavor copies of your message EX-162 of March 9th¹⁵ and EX-169 of March 10th¹ dealing with munitions assignments and asked him to discuss the position of Canada with the United States and United Kingdom officers with whom he is working. The substance of his conversations is reported below.

¹⁵ Voir le document 156.

¹⁵ See Document 156.

1. He showed your messages to Brigadier Campion on March 10th. Campion agreed that the explanation of the procedure given in London telegram No. 599 of March 3rd described what was at present being done, and he was personally of the opinion that if Canada tabled her total production in the United Kingdom this procedure was workable from the point of view of the assignment of finished military stores produced in Canada. Campion was personally of the opinion that a satisfactory arrangement could be made from the same point of view if Canada tabled her total production for assignment by the Munitions Assignments Board in Washington. He did not agree in detail with your draft of an arrangement for tabling Canadian requirements in Washington because the mere substitution of Washington for London in the text of London telegram No. 599 did not cover the situation thoroughly. In general, Campion recognized that there were many points in favour of tabling Canadian production in Washington and thought personally that this course presented no more difficulties in allocation than tabling in London.

2. Later Colonel Mavor met Brigadier-General Aurand of the United States Army in Campion's office and had a frank and informal discussion of your messages with him in Campion's presence. Aurand expressed the definite personal opinion that all Canadian production should be tabled and assigned in Washington, and he used the following arguments to support his contention:

(a) Arising from the Hyde Park Declaration, it was agreed in the recommendations of the Joint War Production Committees (approved by the Canadian and United States Governments in December, 1941) that "The production and resources of both countries should be effectively integrated and directed towards a common program of requirements for the total war effort. Each country should produce those articles in an integrated program of requirements which will result in maximum joint output of war goods in the minimum time". He referred also to the recommendation for the elimination of legislative and administrative barriers impeding the flow of war materials between the two countries.¹⁶

(b) The shipping of finished military stores from Canada and the United States to theatres of war was a problem which could not be dealt with separately from their assignment. Shipping arrangements and allocations therefore ought to be considered jointly, or at least in the same place. General Aurand said that it was the fixed policy of the United States Government to ship finished military stores from the United States to the authorities of the country to which they had been assigned. Stores assigned to the Dutch, for example, for use in the Netherlands East Indies were now being shipped to the Netherlands representative in Australia. The original assignment stood, but the shipping instructions had to be varied in accordance with the fortunes of war. If these stores were used by Australian forces, that would be a matter for arrangement between Australian and Dutch authorities.

(c) The assignment of finished military stores produced in North America could not, in practice, be dealt with partly by the Board in London and partly by

¹⁶ Voir le document 1096.

¹⁶ See Document 1096.

the Board in Washington. It was necessary, in particular, that Canadian production should be treated for assignment purposes as a whole, irrespective of the government which had originally placed the orders in Canada.

(d) The production of finished military stores in Canada and in the United States was so interdependent that it was not practical to allocate Canadian production in London and United States production in Washington.

3. General Aurand stated unofficially that he felt that the United States War Department would agree to the following procedure if the Canadian Government were to present to the United States Government a proposal to table the total Canadian production for assignment in Washington:

(a) Canada should have equal representation to the United States and the United Kingdom on the main Munitions Assignments Board in Washington of which Mr. Hopkins is Chairman.

(b) Canada should have a representative on the Army Ground Sub-Committee of the Munitions Assignments Board (which deals with the assignment of finished military stores other than those used by the Army Air Corps and Navy), and the Canadian representative should act as joint chairman with the United States representative of this Sub-Committee.

(c) Canada should have a representative on the United States Defense Aid Supply Committee in order to channel orders from the United Nations (or at any rate from governments other than the United States, United Kingdom, and Canada) through one organization and allocate these orders to the most desirable production facilities in Canada and the United States for example, it was undesirable that China or Russia should place orders directly in Canada unless the matter had first been considered in consultation with the United States authorities.

4. Lieutenant-General Macready joined in this discussion with Aurand and Campion towards the end and said that he did not feel that it mattered a great deal where the assignment of Canadian production was made. The discussion developed along broader lines and it became evident that those present felt that there was a general trend towards the idea of assigning finished military stores by territorial war zones rather than to individual governments. This idea may develop rapidly and something concrete may be evolved in the near future. At present, however, the method of allocation by two Boards sitting in London and Washington is all that can be considered.

5. Colonel Mavor recommends that the Canadian Government should approach the United States Government, stating that Canada is willing to table her total production in Washington provided that Canada is represented along the lines suggested by Aurand in the process of munitions assignments. I feel that serious consideration should be given to the adoption of this course. In addition to the arguments outlined earlier in this message, it is probable that we can get more effective representation on the Washington Assignments Board than we could secure on the London Board, where there would be greater pressure to treat all Dominion Governments on a basis of equality.

6. Colonel Mavor requests that a copy of this message should be passed to the Master General of the Ordnance as soon as possible for his information.

Could you see to this today, since Mr. Sifton is leaving Ottawa shortly to attend meetings of the Tank Committee? Ends.

162.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 18, 1942

...

CANADA'S RELATION TO U.K.-U.S. COMBINED WAR ORGANIZATIONS

3. THE PRIME MINISTER read from the Minutes the decision taken by the War Committee on this subject at the meeting of March the 11th.

4. THE SECRETARY explained that agreement upon the terms of the communication to be sent to the U.K. government had not yet been reached by the Ministers whose approval was required.

Since the last meeting, however, a message had been received from the Canadian Legation in Washington, reporting that the question had been further discussed there with U.S. and British officers concerned.

This message expressed the view that all Canadian production should be tabled and assigned in Washington, and that the U.S. government would, in such event, agree to Canada having equal representation with the United States and the United Kingdom on the Munitions Assignments Board and related committees. It was recommended, therefore, that the government approach the United States in this sense, it being pointed out that effective Canadian representation was more likely in Washington than in London. (Teletype WA-278, Canadian Minister, Washington, to External Affairs – March 13, 1942.)

5. THE MINISTER OF NATIONAL DEFENCE FOR AIR favoured adoption of the course recommended through the Canadian Legation. By pooling in Washington, rather than in London, more consideration was likely to be given to the needs of North American defence.

6. THE MINISTER OF NATIONAL DEFENCE stated that the Chief of the General Staff was agreeable to pooling in Washington with full Canadian representation on the Assignments Board there. It might later be found desirable to have equipment of Canadian manufacture for Canadian overseas forces earmarked as such. It was not anticipated that the U.S. Services would have any serious objection to such a course.

7. THE MINISTER OF MUNITIONS AND SUPPLY favoured participation in pooling arrangements in Washington.

8. The War Committee, after further discussion, agreed that, instead of communicating to the U.K. government in the sense agreed upon at the meeting of March the 11th, a message be sent to the following effect:

The government, after careful consideration, have come to the conclusion that, because of the close relationship of Canadian and U.S. war production,

existing joint arrangements between the two countries, the common shipping problem and relative ease and speed of communications, Canada should participate in the combined pooling arrangements for finished munitions in Washington, rather than in London, and that, to this end, it is proposed to communicate to the U.S. government, suggesting Canadian representation on the Washington Munitions Assignments Board; before doing this, however, the government wish to have the views of the United Kingdom.

...

163.

DEA/3265-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 547

Ottawa, March 20, 1942

Our telegram No. 502 March 14th.[†] Certain parts of message to be conveyed to the United Kingdom Government, as outlined in the above telegram have been changed. The amended message follows below. I would be glad if you could deliver it to the United Kingdom Government. Further consideration is being given to the points raised in your telegram No. 753 of March 18th,¹⁷ but this need not, I think, alter the text of paragraph 2 of the message in its present form. Message begins:

1. The Canadian Government have been giving careful thought to the proposals for improving the machinery for Commonwealth consultation outlined in your telegram No. 25 of January 28th, and more especially for associating Canada with the work of the Combined United Kingdom-United States Boards outlined in your telegrams No. 37 and 38 of February 18th and Nos. 41 and 42 of February 21st.

2. So far as liaison on Defence questions is concerned, consideration is being given to the question of appointing from Ottawa or from existing Canadian naval, army and air establishments in Great Britain special liaison officers to keep in touch with the Chiefs of Staff organization in London. We are also making appropriate arrangements for Service liaison with the Combined Chiefs of Staff in Washington, details of which we hope to be able to cable you very shortly.

3. So far as liaison with the Foreign Office is concerned, referred to in your telegram No. 25 of January 28th, we feel that existing arrangements are working satisfactorily, but we are glad to note that it is proposed to appoint a special liaison officer whose sole duty would be to keep in touch with the Dominions Office and the Offices of the Dominion High Commissioners.

4. We have given special consideration to the work of the Combined Munitions Assignments Board and have carefully examined methods by which

¹⁷ Voir le document 166.

¹⁷ See Document 166.

Canada can be associated most effectively with that work. In this regard, we are of the opinion that Canada should participate in the arrangements worked out for pooling of resources and requirements of finished munitions; but that this participation should be through the Washington rather than the London Board. In our view the following considerations make this preferable to the procedure outlined in your telegram No. 38 of February 18th to the Secretary of State for External Affairs:— (a) the close relationship between United States and Canadian war production (b) existing joint Canadian-United States arrangements between the two countries in this and related fields (c) the common shipping problem (d) ease and speed of communication with Washington.

5. The major difficulty in pooling our production and requirements in London, is that it would be, for us, extremely inconvenient and round about. It would seem to mean that Canada would have to go to London to make representations regarding Canadian requirements for inclusion in an Empire bid; then go to Washington to support this bid, and finally to London again to present claims for reallocation for Canada out of Empire allotments from the United States as well as Empire production. There might also be difficulty in securing United States approval of assignment from London of munitions manufactured in Canada for United States order and often from materials produced in part in the United States.

6. In participating in the work of the Washington Board we would expect full representation thereon along with United Kingdom and United States Governments and full powers of deliberation and decision on any questions affecting the assignment of Canadian munitions production.

7. The delay in replying to your telegram on this question is regretted, but we feel sure you will realize that this delay has not, in fact, caused any practical difficulties in respect of making Canadian assignments and meeting Canadian requirements, both of which have been dealt with through informal but satisfactory arrangements in Ottawa and Washington, worked out by United Kingdom, United States and Canadian Service representatives.

8. We would be grateful for an early expression of your views on the arrangements indicated in paragraphs 4, 5, and 6 above.

9. So far as the Combined Raw Materials Board is concerned, it is felt that Canada's association with the work of this Board should be through Joint United States-Canadian arrangements which have already been working effectively for some time in Washington. It is desired, however, that Canada should be represented on the Empire Clearing Committee in London for purposes of giving and receiving information and discussing raw materials questions of mutual interest, and we would be glad to make provisions for such representation.

10. So far as the Combined Shipping Boards are concerned, we feel that existing arrangements for liaison are satisfactory. Ends.

164.

DEA/50043-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 561

Ottawa, March 21, 1942

War Committee of the Cabinet have appointed Major-General Maurice Pope as military representative of the War Committee in Washington for the purpose of maintaining continuous contact with the Combined Staffs and the Combined Planning Committee, to represent the War Committee before the Combined Staffs when questions affecting Canada are under consideration. It is understood that when matters of concern to Canada, specifically Navy or Air Force in character, are under consideration by the Combined Staffs, a Naval or Air Force officer named for the purpose will replace General Pope.

165.

DEA/3265-B-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures¹⁸*

*High Commissioner in Great Britain to
Secretary of State for External Affairs¹⁸*

TELEGRAM 859

London, March 28, 1942

MOST IMMEDIATE. We have given careful consideration to paragraphs 4 to 8 of telegram No. 547 of March 20th from the Department of External Affairs, and have discussed the matter with your representatives in London. We hope you will be able to talk the matter over with Macready in the light of this telegram.

2. Since both the Washington and the London Boards work on the same principles, and assign according to strategic directives, laid down by the same authority, there should in theory be no difference in results whether the work is done in Washington or in London. The question of where to deal with Canadian production therefore mainly depends upon practical consideration of machinery. That centre should be chosen where it is most easy to marshal the relevant facts and thus to make the best appraisal of requirements.

3. We still adhere to the view which we previously expressed in telegram No. 38,¹⁹ paragraph 6, from Dominions Office, that the advantages to our combined war effort would be greatest if Canadian production were pooled in London. We fully recognise the predominant interest of Canada in disposing of her own production and whatever arrangement is made this must be given full weight.

¹⁸ Ce télégramme fut rédigé par le Dominions Office.

¹⁸ This telegram was drafted by the Dominions Office.

¹⁹ Document 151.

But we must not lose sight of the fact that a very great part of that production was planned and developed as part of the Imperial war effort long before the entry of the United States of America into the war and today far the larger proportion of your current output is being delivered to us. We still rely upon receiving that part as an essential factor in the equipment and expansion of Imperial forces. We must assume of course that it would be assigned to us if the production were pooled in Washington, but we should in that case be under the necessity of sending across to our representatives in Washington a mass of information in the form of briefs in support of bids for this material. If the assignment were done in London the information would be available on the spot.

4. The Lancaster heavy bomber may be quoted to exemplify what we mean. The production of this bomber was planned in Canada as part of the scheme on which the expansion of the R.A.F. depends. If Lancasters are placed in the pool in Washington and if there is a bid from any claimant other than ourselves we are then put to the necessity of briefing our representatives in Washington on the whole of the expansion programme, in order to substantiate our claim to receive the bombers. Taking the whole range of navy, army, and air force equipment of British type manufactured in Canada the administrative disadvantages of assignment in Washington are clearly very great.

5. A further point to which we have not previously referred is that the placing of Canadian production in the Washington pool will mean that a much wider range of equipment of British type will be assigned in two places. Assignment presents little difficulty when the whole production of one particular type is dealt with in one place. It will become extremely complicated if British types on a large scale are partly assigned in London and partly in Washington.

6. We feel that the difficulties foreseen in paragraph 5 of telegram No. 547 have been over-estimated. If your production were pooled in London you would bid direct in London for all your needs from British and Canadian production. As to your needs from United States production it is true that they would be placed together with ours and with those of the other members of our group and presented together in Washington. But we think this would be greatly to your advantage as we should all be speaking with one voice and all supporting the claim of our group with full knowledge of our combined case. If on the other hand you pool your production in Washington and bid there direct you will be competing not only against the United States but also against the rest of the British Empire who for lack of knowledge will be unable to support your claim.

7. We appreciate the point made in the last sentence of paragraph 5 of telegram No. 547 but we think it is far outweighed by the much greater interest which we have in Canadian production on account of the mass of British type orders to which we have already referred. While recognising the close relationship between Canada and the United States both on production and on defence matters generally, we think that there are also extremely close ties between Canada and the United Kingdom alongside whose forces the greater part of the Canadian forces are operating.

8. We do not think the shipping problem is much affected by where the assignment is made. Direct shipment to destination is always allowed for.

9. The point mentioned in paragraph 6 of your telegram No. 547 would of course have to be dealt with in making a final decision on this matter. You can be sure that you would secure at least as acceptable an arrangement in London as you would in Washington.

10. We have set out our views fully because we think it important that your decision should be reached after full appreciation of the facts as we see them. We would reiterate that as stated in paragraph 2 above we suggest inclusion in the London pool simply on account of the far greater practical convenience in so doing.

11. Finally, whatever may be decided in regard to completed munitions ready for transfer to the fighting services our production departments regard it as vital that they should be free to continue to make arrangements direct with the Department of Munitions and Supply regarding components of all kinds. These components are part and parcel of a composite Canadian-British production. Shipping or other conditions may prevent them coming forward in a perfectly even flow, but we should be free to draw upon them as urgency dictates. It would produce chaos if the balance of our production programme had to be conducted through the necessarily complicated machinery at Washington.

MASSEY

166.

DEA/3265-A-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 945

London, April 7, 1942

Your telegram No. 680 of April 5th.[†] Have informed United Kingdom authorities of General Pope's appointment in accordance with your instructions. May I take this opportunity of referring to my telegram No. 753 of March 18th[†] in which I recommended similar appointment here. Although all 3 services have headquarters in London for forces serving in the United Kingdom, there is no contact with Chiefs of Staff organisation here such as will be provided by General Pope in his new capacity. The relations existing between these headquarters and corresponding services of Ministry here deal largely either with administration, with munitions and equipment assignment, or with operations in this theatre. There is no officer in any of the three Canadian services here whose duty it is to keep in touch with Chiefs of Staff organisation and familiarise himself with matters of strategy and general conduct of the war. I recommend that favourable consideration be given to appointment here of an officer with qualifications similar to those of General Pope who would be attached to this office and act under instructions similar to those given to General Pope. I feel sure that such an appointment would be of great value.

MASSEY

167.

DEA/3265-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 693

Ottawa, April 8, 1942

PERSONAL AND CONFIDENTIAL. Your telegram 945, April 7th. We have been pressing the National Defence Department for some time for their views on the suggestions made in your telegram regarding Canadian liaison with Chiefs of Staff in London. A reply is expected soon, but Chiefs of Staff Committee stated yesterday, informally, that they felt that such liaison could most effectively be conducted through the Service Headquarters in London. They do not feel that the problem in London is the same as in Washington, where there were no Canadian Service headquarters or Military Missions of any kind. For your own information they do not approve of the terms of Pope's appointment as they felt that each service should have its own representative in Washington reporting to its own Chief of Staff. I think they will object strenuously to any one officer acting in a similar capacity in London. I am sure you will appreciate the difficulties in this regard.

168.

DEA/3265-B-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 715

Ottawa, April 9, 1942

Will you transmit to the Dominions Office the following message in reply to your telegram No. 859 of March 28th, Munitions Assignments Board, Begins:

1. Very careful consideration has been given to your observations on our telegram No. 547 of March 20th on the work of the Munitions Assignments Board. We have also had the advantage of a discussion on this subject with General Macready.

2. We appreciate the force of your observations and have taken them into consideration in the modified plan which is outlined below. We still feel, however, that tabling our production in Washington rather than London is the most effective course, all things considered. The United Kingdom will, of course, be represented on the Washington Board in the same way as on the London Board. We would not anticipate that the Washington Board would be likely to take a position in respect of either Canadian or United Kingdom requirements to be met from Canadian production different from that which would be taken by the London Board.

3. As to the inconveniences of making a bid for this material in Washington, these are, I suppose, similar to those mentioned in our telegram No. 547 which we would incur if we pooled in London. In our case we would have had to traverse two sides of the triangle in submitting our total bid, including that for home requirements, to London, where it would become part of a Commonwealth bulk bid to be met from United States production and then would be returned to London for reallocation from that bulk assignment.

4. We agree with the point you make in Paragraph 11, that wherever completed munitions may be assigned your production Departments should be free to continue to make arrangements direct with the Department of Munitions and Supply regarding components.

5. The point you make in paragraph five regarding the disadvantages of assignment of British types in two places is appreciated and will be met, we hope, at least to a substantial extent, in the revised proposals we are making below.

6. These proposals are as follows:

All Canadian production should be tabled in Washington along with United States production. Canadian bids from this North American production for finished military stores to be used for Canada's forces in the North American area would be made in Washington. The bulk bid made on Washington from the London Board should cover the requirements for all of the British Commonwealth, except those of the Canadian forces in the North American area. In other words this bulk would include the separately stated requirements for Canada's naval, military and air forces overseas.

7. Inside the bulk allocation made for the British Commonwealth, the Washington Board would state the specific allocations for Canada's forces overseas. No change would be made in the allocation of this specified quantity by the London Board except with the concurrence of appropriate Canadian authorities. Naturally in considering whether concurrence should or should not be given the Canadian authorities would keep in mind the general military situation, and the advantage in certain cases of supplying Canadian forces overseas from United Kingdom rather than North American production.

8. In carrying out the above arrangements, we would expect full representation on the Washington Board as stipulated in paragraph 6 of our telegram No. 547 of March 20th. We would also expect representation on the London Board similar to that given the other Dominions. Ends.

169.

DEA/23-As

Extraits d'un mémorandum du Premier ministre

Extracts from Memorandum by Prime Minister

[Washington,] April 15, 1942

MEETING OF PACIFIC WAR COUNCIL, AT WASHINGTON, D.C.,
WEDNESDAY, APRIL 15, 1942

The Council commenced its proceedings shortly after three, the President presiding. Others present: (1) Sir Ronald Campbell; (2) Dr. T.V. Soong

(China); (3) Dr. Alexander Loudon, (The Netherlands); (4) Dr. H.V. Evatt (Australia); (5) Rt. Hon. Walter Nash (New Zealand), and (6) Mr. Mackenzie King, (Canada).

Evatt said he thought that Canada should be represented on the Munitions Assignments Board, and that both he and Nash of New Zealand were quite prepared to say that Canada's representation there would be all that was needed to watch their interests. I said that we, of course, felt that Canada should be represented on the Munitions Assignments Board, but that we would not wish this representation on the score of being there to protect the interests of any particular parts of the Empire. Rather, we felt that our right to representation grew out of our being the third largest producer of war supplies. It was rather as a country producing war supplies than as one seeking to be supplied that we felt we should be on any board which dealt in a large way with supply allocation.

With respect to representation on and functions of the Assignments Board, the President said he would be having a talk with me at some length at night.²⁰

Evatt suggested that Canada should be represented on all boards, raw materials, munitions, etc.

The President then spoke of our having the Joint Board on Defence, and asked if it had an office in "the secret building". He mentioned that many matters were dealt with by that board.

170.

DEA/3265-B-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1109

London, April 22, 1942

IMMEDIATE. Munitions Assignments Board. Following is text of United Kingdom reply to Canadian Government's proposal, Begins:

- (1) We have given careful consideration to proposal in telegram No. 715 of April 9th and we have discussed the matter fully with General Macready.
- (2) In deference to your wishes we cannot but agree with proposal as stated in paragraph 6 and paragraph 7 of your telegram and suggest that these should take effect for May bidding meeting in London which relates to May assignments meeting in Washington which will deal with June production.
- (3) Reference to your paragraph 8. The United Kingdom Government will support your request for full and equal representation on Washington Muni-

²⁰ Cette discussion a eu lieu le 16 avril. Voir J. W. Pickersgill, *The Mackenzie King Record*, Vol. 1:1939-1944. Toronto: University of Toronto Press, 1960, pp. 410-1.

²⁰ This discussion took place on April 16. See J. W. Pickersgill, *The Mackenzie King Record*, Vol. 1:1939-1944. Toronto: University of Toronto Press, 1960, pp. 410-1.

tions Assignments Board along with United States and United Kingdom representatives. As to your representation in London, requirements for Canadian forces in North American areas from United Kingdom production would have to be presented in London as part of bulk bid from Washington, otherwise Canada would be bidding direct in both centres at the same time for similar items, and it would be impossible for either London or Washington to make fair assignment without knowing what other was doing. Canada would of course be represented on London Munitions Assignments Committee to support her portion of the bulk bids on London from Washington and to take care of requirements of Canadian forces in the United Kingdom.

(4) Reference to your paragraph 7. We assume that appropriate Canadian authorities to which you refer are Canadian representatives on London Munitions Assignments Committees. With reference to specific allocation for Canadian forces overseas inside bulk assignments made in Washington for British Commonwealth of Nations, we would point out that Canadian Air Force in the United Kingdom are an integral part of our operational [forces]. It would not therefore be practicable for us to make a distinction between requirements of Canadian Air Force in the United Kingdom and those of the remainder of the Air Forces here. We therefore assume your stipulation concerning specific allocations refers to army requirements.

(5) Please confirm that Canada will bid in Washington for aircraft required for all training purposes in Canada, both for Joint Air Training Plan and for transferred schools.

(6) Reference your paragraph 4. We note with satisfaction that you agree that our production departments will be free to continue to make arrangements direct with Department of Munitions and Supply regarding components.

(7) We have asked Washington for full details each month of meeting of Washington Munitions Assignments Board and Sub-Committee, showing production tabled and assignments made. For strategic reasons this is essential so as to keep us fully apprised of production and disposal of North American munitions, and we are confident that you will facilitate the provision of this information from Washington.

MASSEY

171.

DEA/3265-A-40

*Le ministre-conseiller, la légation aux États-Unis, au
sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States, to
Under-Secretary of State for External Affairs*

SECRET

Washington, April 30, 1942

Dear Mr. Robertson,

With reference to my WA-631 of April 13th[†] and your EX-687 of April 27th[†] concerning proposals to establish further Combined Boards in Washington to

deal with war production and food, I have now had a chance, through the kindness of Mr. Carswell, to read the telegrams which have been exchanged recently between Washington and London on this subject. The telegrams are very lengthy and I have not had them copied. This letter contains a résumé of the points of principal interest to Canada.

On April 8th two telegrams were sent to London by Lord Halifax, Sir John Dill, and Mr. Morris Wilson,²¹ addressed to Mr. Eden, Mr. Lyttleton, and the Chiefs of Staff. The first telegram said that consideration had been given by the British representatives here for some time to the need for completing the Allied organization necessary to integrate the American and British war effort. Four Combined Boards had been created and their operations had already shown the need for further Combined organizations. In the military area, the Combined Chiefs of Staff and the Munitions Assignments Board covered the full field, but in the non-military area the field was not large enough and the work was not sufficiently integrated to ensure the proper functioning of the total war effort. The need was recognized for closer co-operation among the United Nations, but it was felt that, inasmuch as the United States and Great Britain must (with Canada) continue to supply almost the whole of the war production available for distribution to the United Nations, the problems of integrating the production of the U.S. and U.K. could not be facilitated merely by enlarging the existing Boards. What was needed was not the creation of cumbrous multiple-nation boards, but the streamlining of the Combined machinery to assure prompter and more intelligent action. They felt it urgently necessary to perfect the Anglo-American machinery, no matter what steps were taken to secure greater co-operation among the United Nations. They therefore recommended the creation of three new Combined organizations and suggested that the matter should be discussed with Mr. Hopkins during his London visit. They also suggested that Mr. Lyttleton should come to Washington without delay.

Their first proposal was to establish a Combined Production Planning Board to integrate the production programs of the two countries. First, it was necessary to determine the supply to Britain of machine tools, steel, and other component parts in relation to the American program. Except for the Joint Aircraft Committee, there was no machinery for deciding promptly on the creation of capacity for vital British requirements of non-common types. Secondly, it was of the highest importance that the problems of adjusting the production program of the two countries in the light of the strategic needs of the war should be faced. This necessitated the closest relationship between the Combined Chiefs of Staff and the Munitions Assignments Board on the one hand, with the planning of production. There should be in the inter-Allied field an organization similar to the Joint War Production Staff established in London by Mr. Lyttleton. It was also necessary to integrate production programs with the work of the Raw Materials Board.

A Combined Food Board was required to treat more comprehensively the whole question of food supplies in the light of Russian requirements, the loss of

²¹ Le représentant de Lord Beaverbrook à Washington.

²¹ Lord Beaverbrook's representative in Washington.

food-producing territory, and especially the shortage of shipping. A centralized authority was needed for the purchase abroad of essential foodstuffs and for their handling and shipment so as to reduce the demands on tonnage to the minimum consistent with the maximum war effort. The considerations which had led to the creation of the Combined Raw Materials Board applied also in the case of food. The Board should make recommendations to the executive authorities in each country.

Thirdly, a Combined Shipping Priority Agency was required. The tonnage shortage would certainly necessitate major changes in civilian programs. The choice might be compelled between the reduction of food shipments to a dangerous level or of raw materials to a point at which munitions production would fall off. There might also be a choice between military expeditions and the shipment of supplies. Some authority had to consider these questions in their entirety. An Agency under a U.S. Chairman was therefore proposed, the normal function of which would be to compose differences between the non-military Boards on questions involving changes in the shipping programs. Another function would be to keep the Combined Chiefs of Staff and the Governments constantly informed on the effects of strategic decisions on the total war effort and on the shipping problems created by such decisions. The Agency would have to work in very close touch with both the military and civilian Boards.

These recommendations ended in a paragraph saying that it was essential, if complete confusion was to be avoided, to determine at what point the co-ordination of action was to take place. It was felt that, in the adjustment of strategy to armament production, this could be accomplished by the day-to-day integration of the work of the Combined Staffs with the proposed Combined Production Planning Board. Where the use of shipping on strategic grounds affected seriously civilian programs, the Combined Shipping Priority Agency would have to see that the military and civilian representatives were fully consulted so as to present well-rounded recommendations to the President and the Prime Minister.

These telegrams were answered from London on April 22nd in two telegrams from Mr. Lyttleton addressed to Lord Halifax, Sir John Dill, and the Chairman of the British Supply Council. The reply said that they were in agreement on the necessity of completing the Allied organization and that their discussion with Mr. Hopkins had shown that the United States was not satisfied with the present arrangements. He, however, was definitely of the opinion that further Combined Boards should not be established without a definite focus for their work.

Hopkins had told them that the organization in Washington was causing anxiety. There were now too many Committees operating, without a central focus. He had in mind that it would be helpful to set up a single authority for all the Combined Boards except the Chiefs of Staff — a sort of top committee, of which he himself might be Chairman for a while, with a British Cabinet Minister perhaps as his colleague. The most difficult problems of production and shipping priorities could be carried to this committee, which would cover all supply organizations and shipping and would bring in the Military Boards when necessary.

Mr. Churchill, after the discussions with Hopkins, cabled the President generally endorsing the views expressed by Hopkins but leaving it to him to make proposals to the President in order to avoid an appearance of interfering in U.S. internal affairs. Hopkins clearly wished to get his "focus" established before any new Combined Boards were set up.

Mr. Lyttleton gave him a memorandum before he left London, saying that the proposals would leave responsibility for British relations with the United States in three sections: diplomatic and political, handled by the Ambassador; strategic, handled by the Combined Chiefs of Staff; and all supply activities, handled by the suggested new organization. To relate the whole program to strategy, the direct personal association of Hopkins and the British Cabinet Minister in Washington with the Combined Chiefs of Staff was needed. In production planning, a Planning Board in Washington could be most effective if it had a small permanent staff and if there were constant visits from the United Kingdom of those actually engaged in armament production. In London, arrangements could be made for the participation of United States representatives in the work of the Joint War Production Staff.

So far as I know, no reply has yet gone from Washington to these London cables of April 22nd. Mr. Donald Nelson sent a letter to the Honourable R.H. Brand (Acting Chairman of the British Supply Council), received by the latter on April 24th, the contents of which bear on this whole subject. The letter states that the War Production Board is reviewing the requirements for 1942 and 1943 in order to establish objectives ensuring balanced utilization of industrial resources in the manner best serving the strategic needs. They are pressing on with this review as quickly as possible and are now engaged in weighing the probable supply of critical materials and items against the demands for them. These critical items include copper, nickel, steel plates, forgings and castings, turbines, and certain machine tools. Mr. Nelson says he is giving his personal attention to the work and hopes for close British collaboration. He asks that he should be provided with a full and authoritative representation of British views on the issues involved, with the purpose of maximizing the joint production in both countries. While the immediate adjustments of the programs for 1942 and 1943 depend on the supply and demand situation for the items that I have mentioned, the British needs for certain other supplies enter importantly into the picture. The letter gives a list of some 25 metals, minerals, fibres, and chemicals which are at present critically short in the United States. Mr. Nelson concludes by asking for a forecast of British production until the end of 1943.

I understand from Mr. Carswell that it is expected, as a result of this review, that it will be necessary to reduce the target programs for certain munitions because of the shortage of raw materials.

I have just sent you a teletype on this general subject, in which I draw your attention to an article in the *New York Times* of April 30th by Mr. Reston which clearly reflects the result of the discussions between Messrs. Hopkins and Lyttleton in London. On the assumption that action will be taken along these lines, it would seem that the probable developments will be:

(a) the creation of a top-level civilian Combined Board made up probably of Mr. Hopkins and a British Minister, which would act as the focus for the civilian

Boards concerned with supply and shipping and as the link between them and the military Boards;

- (b) later, the creation of a Combined Production Planning Board;
- (c) the creation later of a Combined Food Board, and
- (d) the creation later of a Combined Shipping Priority Agency.

It would seem almost impossible that Canada could secure direct representation on (a). I should think, however, that there is a very strong case for direct Canadian representation on (b) and (c). In any event, if war organization is developed along the lines set out in this letter, there will be a greater centralization in Washington of strategic direction in the broadest sense, and I think that we shall have to give very careful thought to the part which we can play most effectively in order to ensure that Canadian interests are protected and that our war planning is closely related to that of the United States and the United Kingdom so as to produce the maximum joint effort.

Yours sincerely,

H. H. WRONG

172.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 1, 1942

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MUNITIONS ASSIGNMENTS BOARD — CANADIAN REPRESENTATION —
CANADA-U.S. FINANCIAL PROBLEMS

12. THE MINISTER OF FINANCE reported that the special committee, appointed at the last meeting to consider financial aspects of Canadian participation in the work of the Munitions Assignments Board, had agreed upon a proposal to be submitted to the U.S. government.

It was recommended that the U.S. government be asked to undertake that American purchases from Canada of war materials would equal in dollar value Canadian war purchases in the United States. This would mean, in effect, an exchange of war goods of equal value between the two countries. It would be a practical extension of the principles of the Hyde Park Agreement which would solve the Canadian problem of U.S. dollar exchange.

The committee had agreed that this proposal should be put before the U.S. Treasury in advance of any formal communication to the State Department regarding Canadian representation on the Munitions Assignments Board. It was suggested that the matter be taken up in Washington through personal conversations with the Secretary to the Treasury.

13. THE MINISTER OF MUNITIONS AND SUPPLY supported the recommendation put forward by Mr. Ilsley. An agreement of this nature between Canada and the United States would greatly facilitate solution of the problem of future Ameri-

can orders from Canadian production. If the U.S. government agreed to the proposal and committed themselves to buy in Canada, to the extent suggested, actual orders would tend to follow.

14. The War Committee, after further discussion, approved the recommendation submitted by the Minister of Finance and agreed that he should proceed to Washington for discussions with the U.S. Secretary to the Treasury, with a view to obtaining agreement along the lines recommended; meantime, formal communications to the U.S. and U.K. governments regarding Canadian representation on the Munitions Assignments Board be deferred.

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173.

DEA/3265-D-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-900

Washington, May 8, 1942

Following for Robertson from Wrong, Begins: With reference to my secret letter of April 30th and our telephone conversation of last night, concerning proposed Combined Production Planning Board, Mr. E.P. Taylor said during discussion yesterday that he expected this Board would be created in the near future and that it would prove very helpful in rationalizing use of capacity in the United Kingdom and the United States especially with regard to production of British-type weapons.

(2) Board would probably consist of about 6 United States members representing, including [*sic*] War Production Board, army, navy and Maritime Commission, and of about 4 British members. He thought Board itself would only become important if it were necessary to compose serious differences of opinion and that main work would be done in technical committees responsible to it.

(3) His own view was that Canada should not be represented on Board on grounds that existing arrangements between Canada and the United States centring in joint war production committee could handle matters satisfactorily on a continental basis. Board's main function would be to plan production as between United Kingdom on the one hand and the United States and Canada on the other hand.

(4) Taylor thought proposed combined Food Board should be tripartite saying that Canadian participation on it was justified by size of our exports of food-stuffs which were a much larger proportion of total than our exports of munitions.

174.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 8, 1942

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MUNITIONS ASSIGNMENTS BOARD — CANADIAN REPRESENTATION —
CANADA-U.S. FINANCIAL PROBLEMS

9. THE MINISTER OF FINANCE reported conversations, on these questions, in Washington on May the 6th, with the U.S. Secretary to the Treasury and certain American officials. The Minister of Munitions and Supply and the Deputy Minister of Finance had taken part, Dr. Clark remaining for further discussions the following day.

Mr. Morgenthau had appeared to have no knowledge of the working of the Munitions Assignments Board, and had felt that pooling on Canada's part, in the manner contemplated, might well lead to a decrease of American orders in Canada and the consequent loss of U.S. exchange. It had been suggested, however, that the problem be examined further by Treasury officers with Dr. Clark.

On May the 7th, Dr. Clark, accompanied by members of the Legation staff and the Washington representative of Munitions and Supply, had conferred with officials of the U.S. Treasury, officers of the War Department and other American officials concerned.

10. MR. ILSLEY read Dr. Clark's report of these further conferences.

It stated that General Aurand, U.S. representative on the Munitions Assignments Board, and also Chief Procurement Officer of the U.S. War Department, had made it clear that the United States were anxious to have Canada pool all Canadian war production in Washington. Canada had no reason to fear any reduction in U.S. orders as a result of such pooling, rather the contrary. Munitions manufactured in Canada to American order should be pooled as part of Canadian, rather than United States, production.

General Aurand had emphasized that the function of the Munitions Assignments Board was the allocation of finished military stores; the Board would not interfere in any way with production. Procurement officers would continue to place orders exactly as in the past, and production would follow accordingly. There had been confusion on this last point.

Finally, General Aurand had stated clearly the United States would continue to pay U.S. dollars for orders placed in Canada, irrespective of any diversion which might be made by the Board.

As a result of these conversations, Dr. Clark was satisfied that Canadian participation in the work of the Munitions Assignments Board in Washington, and the pooling there of Canadian production, need not lead to the financial difficulties which had been feared. The United States were fully aware of the Canadian exchange problem and the way was open for further discussions on a satisfactory basis if the need arose later on.

If it were decided that Canada should participate in the work of the Board in Washington, it was important that the distinction between production and procurement, on the one hand, and assignment of finished military stores on the other, should be clearly maintained. Organization based upon this distinction between the respective functions of Munitions and Supply officials and officers of National Defence should work satisfactorily.

(Deputy Minister of Finance's memorandum "Canadian Dollar Exchange Problem", May, 1942;† also teletype WA-915, Canadian Minister, Washington, to External Affairs, May 8, 1942).†

11. THE MINISTER OF MUNITIONS AND SUPPLY agreed that the assurances given by a responsible officer of the type and position of General Aurand were a great help. In the circumstances, Munitions and Supply were prepared to withdraw their strong objections to the pooling of Canadian production and full Canadian participation in the work of the Washington Board. General Aurand's view that the United States would continue to pay for finished munitions, regardless of their diversion by the Board, was a great relief.

Mr. Ilesley's trip to Washington had been most important and most helpful. The U.S. government now had a proper appreciation of the dependence of the Canadian production programme upon the continuance of American orders.

12. MR. ILSLEY said that he had told Mr. Morgenthau that Canada, similarly, if she participated in the work of the Board, would be prepared to pay for goods which she had ordered in the United States and which were subsequently diverted by the Board. The Minister of National Defence was satisfied that this should be so, inasmuch as Canada would herself be represented fully on the Board, whose judgments of various needs would be based solely on strategic considerations.

13. THE MINISTER OF NATIONAL DEFENCE pointed out that Canadian representation on the Board would provide an assurance of adequate consideration of Canadian interests. The distinction between the functions and responsibilities of Munitions and Supply and Defence with regard to procurement and allocations should be carefully maintained. On this question he had corresponded with Mr. Howe.

14. THE MINISTER OF NATIONAL DEFENCE FOR AIR said that it would be difficult to estimate requirements and place orders if all allocations were to be dealt with by the Board.

15. The War Committee, after further discussion, agreed that Canada participate in the work of the Munitions Assignments Board in Washington, that Canadian production be pooled with the Board there, and that a formal request for Canadian representation on the Board be forthwith made to the U.S. government, in accordance with the conditions already agreed upon with the U.K. government.

With regard to Canadian membership, the Secretary was directed to prepare, for consideration at a subsequent meeting, draft instructions to the Canadian representative defining the scope of his responsibilities and his relations to the War Committee, the Chiefs of Staff and the Department of National Defence.

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175.

DEA/3265-B-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 936

Ottawa, May 12, 1942

CONFIDENTIAL. Further your telegram No. 1203, May 2nd¹, Munitions Assignments Board.

Please inform the United Kingdom Government that we have transmitted to the United States Government proposals contained in our telegram No. 715 of April 9th and requested representation on the Washington Munitions Assignments Board and its navy, army and air committees. Details regarding Canadian representation on the Washington Board are being forwarded shortly. There will also be a representative or representatives appointed on the London Board from Canadian Service Headquarters overseas. These representatives would be the appropriate Canadian authorities referred to in paragraph 7 of our earlier telegram. We agree that Canada's requirements for her forces in North American areas to be made from United Kingdom production, should be presented in London as part of bulk bid from Washington; also that the specific allocation made in Washington for Canadian forces overseas as part of the British Commonwealth bulk assignment should not cover the Canadian air force overseas in view of circumstances mentioned in paragraph 4 of your telegram.

We also confirm that Canada will bid in Washington for aircraft required for all training purposes in Canada.²²

176.

DEA/3265-B-40

*Le ministre aux États-Unis au secrétaire d'État des États-Unis
Minister in United States to Secretary of State of United States*

No. 317

Washington, May 13, 1942

Sir,

For some time the Canadian Government has been giving serious consideration to the question of how Canada can most effectively be associated with the work of the Munitions Assignments Boards in Washington and in London.

It will be recalled that in announcing on January 26th the formation of these Boards President Roosevelt and Mr. Churchill specifically stated that they were to consist of the representatives of two countries, the United States and the United Kingdom. Canada, therefore, has not been a member of the Boards, nor

²² Voir le document 170.

²² See Document 170.

was she asked, at the beginning, to pool her munitions production with that of either the United Kingdom or the United States for assignment by the Boards.

Notwithstanding the above, the two Governments constituting the Boards have in fact recognized that the other members of the United Nations were interested in and affected by the work of the Boards and that provision should be made for their association with that work in certain circumstances.

Of all the United Nations not represented on the Boards, Canada is, perhaps, the country most directly concerned with their work. In the first place her requirements of munitions to be met from production outside her borders are great and growing. These could under the new arrangements be met only through the Boards. Secondly, Canada is, apart from the United Kingdom and the United States, the largest producer of munitions for the use of the United Nations. Canada is, therefore, vitally concerned with the question of the assignments of these munitions.

Before the Munitions Assignments Boards had been in existence many weeks, it became apparent that, though Canadian production was not formally covered by their terms of reference, that part of this production which was for the United States and the United Kingdom was being taken into consideration by the Boards in their allocations. This situation was bound to result in some doubt and confusion, which could be cleared up in one of two ways: first, by tabling Canadian production to United States order with the Washington Board and Canadian production to the United Kingdom order with the London Board while the Canadian Government would itself determine how the remainder of Canada's production would be assigned and used; secondly, through acceptance by Canada of the invitation, which was extended by the United Kingdom Government in February of this year, to pool all her production along with that of the United States and the United Kingdom.

The Canadian Government felt that from the point of view of the most effective use in the common interest of Canada's munitions production, the latter course should be adopted.

There then arose the questions whether Canadian production should be included in the Washington or the London pools and, arising out of this, whether Canada should be included in the British or United States group of nations for munitions assignment purposes.

It was not easy to answer these questions. On the one hand, Canadian forces are serving with United Kingdom forces overseas and are supplied with British types of munitions and equipment. This is particularly true of the R.C.A.F. On the other hand, Canada and the United States are so interdependent in respect of the production of finished military stores that there are obvious advantages in dealing with the assignment of such production on a continental basis. In this connection, it will be recalled that a resolution of the Joint United States-Canada War Production Committee, approved by the Canadian and United States Governments in December, 1941, stated that "the production and resources of both countries should be effectively integrated and directed towards a common programme of requirements for the total war effort".

With the above considerations in mind, the Canadian Government now desire to make certain proposals to the United States Government regarding Canadian participation in the work of the Munitions Assignments Board. I may add that these proposals have been discussed with and agreed to by the United Kingdom Government. They were also discussed with and agreed to informally by the President during the Prime Minister's recent visit to Washington.

The proposals in question are:

(1) All Canadian production of finished military stores would be tabled in Washington along with United States production.

(2) Canadian bids from this total North American production, to be used for Canadian forces in the North American area, would be made in Washington.

(3) That part of Canada's requirements for her naval, military and air forces overseas which is to be met from North American production, would be included in a bulk bid made on the Washington Board from the London Board. This bulk bid would cover the requirements of all of the members of the British group of nations. In other words, while all Canadian production would be pooled in Washington, Canada's requirements would be met partly through the Washington Board and partly through the London Board.

(4) In return for the pooling of her total production in the Washington Board, Canada would receive full representation on that Board and on its naval, ground, and air committees. As a result, Canada would have the same powers of discussion and decision in respect of the work of the Board in Washington as that now possessed by the representatives of the United States and the United Kingdom. Canada would also be represented on the Munitions Assignments Board in London.

I shall be in a position to supply you very shortly with more detailed information in respect of Canadian representation on these Boards, in the event of the above proposals proving acceptable to the United States Government. The effect of the proposals will be that the Munitions Assignments Board in Washington will henceforth represent three instead of two governments.

It is hoped that the United States Government will approve these proposals and that, on such approval being given, announcement to that effect will be made from Washington and the necessary changes made in the directives already issued covering the work and organization of the Board.

Accept etc.

LEIGHTON MCCARTHY

177.

DEA/3265-B-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1387

London, May 23, 1942

1. Your telegram No. 936 of May 12th Munitions Assignments Board. United Kingdom authorities note with satisfaction arrangements now made by

the Canadian Government in your telegram under reference for pooling Canadian production and making assignments to Canadian forces. They consider that the arrangements should form the basis for harmonious working of assignments. United Kingdom representatives in Washington have been instructed to do whatever may be necessary to support Canadian Government's communication to the United States Government regarding representation on the Washington Munitions Assignments Board and to help in the working of the scheme to the mutual benefit of the United Kingdom and Canadian Governments. As regards London Munitions Assignments Board, United Kingdom Government note that steps are being taken to appoint appropriate Canadian authorities to fulfil the task referred to in paragraph 7 of your telegram No. 715 of April 9th. United Kingdom authorities agree that as suggested in paragraph 8 of your [telegram no.] 671[†] these Canadian representatives would continue on the same footing in regard to the work of the London Board as representatives of other Dominions.

2. United Kingdom authorities understand from their representatives in Washington that, when matters have been agreed with the United States Government, an announcement setting out the arrangements in Washington is contemplated. They wish to make a simultaneous announcement here including a reference to the association of Canada with the work of the London Board, and they would like to inform the United Kingdom representative in Washington of its terms in advance in order that it may be correlated with the Washington statement. They suggest that reference to London Board might be in the following terms "in London, the Canadian Government's representatives will continue to be associated with the work of the London Munitions Assignments Board and will be taken fully into consultation on the same basis as the representatives of the other Dominions".

3. They would welcome your views on the proposed statement²³ as early as possible in order that they may inform United Kingdom representatives at Washington.

178.

DEA/3265-B-40

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

[Ottawa,] May 29, 1942

MUNITIONS ASSIGNMENTS BOARD

Mr. Wrong phoned me from Washington that the Minister had seen Mr. Harry Hopkins yesterday regarding Canada's membership on the Board.

²³ Il semble qu'une telle déclaration n'a pas été faite.

²³ No such statement appears to have been made.

Hopkins states that, contrary to our impression, the President feels that he had not made any definite commitment to Mr. King on his recent visit to Washington that Canada would become a full member of the Board. Mr. McCarthy would be very glad to get Mr. King's views on this statement as there seems to be some misunderstanding on the matter. Mr. Hopkins added, however, that he was working on a scheme for Canadian participation in the work of the Board which he hopes will be satisfactory to both Mr. King and Mr. McCarthy. He did not give the Minister any idea what this scheme was, but said that he would show it to him this afternoon (May 29th).

Before seeing Mr. Hopkins this afternoon, the Minister is most anxious to get Mr. King's views on the conversation he had with Mr. Roosevelt regarding Canada's membership on the Board.

L. B. P[EARSON]

179.

DEA/3265-B-40

Mémoire du sous-secrétaire d'État aux Affaires extérieures
Memorandum by Under-Secretary of State for External Affairs

Ottawa, May 29, 1942

I spoke to the Prime Minister this morning about Mr. McCarthy's report of his conversation yesterday with Mr. Harry Hopkins about Canadian representation on the Munitions Assignments Board.

The Prime Minister said that what the President said to him on the subject, when he was in Washington on April 15th and 16th, was that he thought Canada should be given representation on the Board and that he would take the matter up with Hopkins as soon as the latter returned from England. The President's remark to McCarthy, when asked about the Munitions Assignments Board, that he had forgotten to speak to Hopkins about it as he had intended, confirms Mr. King's impression of the conversation.

Mr. King's understanding was that the President always intended to discuss the question with Hopkins and did not mean to decide the question before he had had an opportunity of going into it with Hopkins.²⁴

²⁴ La note suivante était écrite sur ce mémorandum:

²⁴ The following note was written on the memorandum:

This has been telephoned to the Can[adian] Minister
 29-5-42 R[OBERTSON]

180.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, June 4, 1942

CANADIAN SERVICE REPRESENTATION, WASHINGTON

1. THE SECRETARY reported that, with Mr. Pearson, the Assistant Under-Secretary of State for External Affairs, he had attended a meeting of the Chiefs of Staff, at which this subject had been reviewed.

The Chiefs of Staff would favour the establishment in Washington of a Canadian Joint Staff Committee to consist of Major-General Pope, as Chairman, and the senior R.C.N., and R.C.A.F. officers.

If such a Committee were formed, it would be satisfactory to the Chiefs of Staff to have General Pope act as their representative in relation to the Combined U.K.-U.S. Staff, and also as Canadian representative on the Munitions Assignments Board, on the understanding that his Air and Naval colleagues would be associated with him when matters were under consideration affecting their Services.

This seemed to afford a satisfactory solution of the domestic difficulty regarding Service representation. Meantime, however, there had been no reply to the formal request to the U.S. government for Canadian representation on the Munitions Assignments Board. This was at present under discussion in Washington between the Minister and Mr. Harry Hopkins.

2. The War Committee, after discussion, approved the formation in Washington of a Canadian Joint Staff Committee, along the lines set out above, and the appointment of General Pope to represent the Canadian Chiefs of Staff in Washington, and as Canadian representative on the Munitions Assignments Board. The Secretary was directed to prepare draft instructions,[†] accordingly, for General Pope.

...

181.

DEA/3265-B-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1258

Washington, June 9, 1942

IMMEDIATE. Following for Robertson from Minister, Begins: Had lengthy conference with Hopkins yesterday re membership on Munitions Assignments Board.

He feels that the proposals, particularly paragraph four, as outlined in my letter of May 13th to Mr. Hull are not satisfactory. He is submitting redraft of same for our consideration. Ends.

182.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, June 11, 1942

U.K.-U.S. COMBINED PRODUCTION AND RESOURCES BOARD
AND COMBINED FOOD BOARD

11. THE PRIME MINISTER referred to the announcement by the President of the United States of the establishment of a Combined Production and Resources Board, and a Combined Food Board.²⁵ The former, to integrate the production programmes of the United Kingdom and the United States; the latter, to consider and formulate plans in regard to all food questions in which the two Nations had a common concern.

Mr. Roosevelt was reported to have said that the U. S. representative on the Combined Production and Resources Board would "speak for North America", including Canada. A statement regarding Canada's relationship to the new Boards had been promised to the House of Commons.

12. THE MINISTER OF MUNITIONS AND SUPPLY said that, so far as the Production Board was concerned, he would be satisfied with representation through Mr. Nelson. The best procedure for Canada, in relation to the new Board, would be through the existing U.S.-Canada Joint Production Committee.

The interests of Canada could best be served by this course because of her peculiar position and her reliance upon U. S. orders, to produce necessary American exchange. In such circumstances, full membership on the Board would be inappropriate and would endanger existing arrangements. We had not and should not accept lease-lend assistance from the United States. The present position was satisfactory.

13. THE MINISTER OF FINANCE queried the soundness of accepting silently a position of exclusion from these large U.K.-U.S. organizations. This was a far-reaching principle, not hitherto acknowledged in other spheres.

Canadian representation on the Combined Boards might be an embarrassment to the United Kingdom and the United States; on the other hand, exclusion might have serious implications for Canada in the post-war settlement.

To remain out of the Production Board would put Canada in the position of a mere supplier, rather than that of a partner in a great enterprise. Canada's need of American dollars was recognized by the United States; her financial contribution to the United Kingdom was the billion dollar gift, and such extension of these arrangements as might be made later on.

Certainly, Canada should not accept lease-lend assistance. This would inevitably result in a position of subordination to the United States.

²⁵ Annoncé le 9 juin.

²⁵ Announced on June 9.

14. THE MINISTER OF MINES AND RESOURCES expressed the view that Canada was entitled to representation on the Combined Food board. Her position, from the United Kingdom point of view, was the most important of all. Either we should be represented, or it should be made clear that we did not fall within the Board's jurisdiction.

15. THE SECRETARY pointed out that, at the moment, the U. S. government were considering the Canadian request for full membership on the Combined Munitions Assignments Board. The grounds urged in support of this request were, in large part, applicable to the new Boards under discussion.

16. THE MINISTER OF NATIONAL DEFENCE suggested that the Canadian public would expect Canadian representation. If it were not achieved it would be felt that Canada was being ignored by the United States and Great Britain who would appear to be taking charge of all phases of the war.

17. THE PRIME MINISTER submitted a draft statement to be made in the House, regarding Canada's relationship to the new Boards, describing their functions as relating only to the United Kingdom and the United States, and leaving open the matter of Canadian representation.

18. The War Committee, after further discussion, approved, with amendments, the draft statement submitted,²⁶ and agreed that it be suggested to the U.S. government that a Canadian representative be added to the Combined Food Board.

...

183.

DEA/3265-B-40

*Le ministre aux États-Unis au président,
la Commission d'assignation des munitions*

Minister in United States to Chairman, Munitions Assignments Board

Washington, June 13, 1942

Dear Mr. Hopkins,

It has occurred to me that it might be of assistance to you in the consideration which you are giving to our Note No. 317 of May 13th to the Secretary of State, which deals with Canada's association with the work of the Munitions Assignments Board, if I attempted informally to clarify and to some extent amplify certain proposals we have formally made therein.

The operative part of our note consists of four proposals, itemized on pages 3 and 4 of the note. I assume that of these proposals, No. 4 is the one which is causing you some uneasiness. It reads:

"In return for the pooling of her total production in the Washington Board, Canada would receive full representation on that Board and on its Naval, Ground, and Air Committees. As a result, Canada would have the same powers of discussion and decision in respect of the work of the Board in Washington as that now possessed by the representatives of the United States and the United

²⁶ Voir Canada, Chambre des Communes, *Débats*, 1942, volume 3, p. 3357.

²⁶ See Canada, House of Commons, *Debates*, 1942, Volume 3, pp. 3252-3.

Kingdom. Canada would also be represented on the Munitions Assignments Board in London."

By "full representation" the Canadian Government did not have in mind equality in numerical representation with the Governments of the United States and the United Kingdom on the Washington Board. We felt that one Canadian representative would be capable of looking after the interests of our three Services, and we appreciated that the addition of three members to the Board might well make it unwieldy and less effective than it is at present. Similarly, in respect of representation on the Naval, Ground, and Air Committees of the Board, we do not desire to add to those Committees more than the minimum number of Canadian officers required for the discussion of the technical questions involved; discussions in which at present these Canadian officers are taking part informally.

I would be glad, therefore, if you would interpret the phrases in our note, "full representation" and "the same powers of discussion and decision", in the light of the above explanation.

Also, I should emphasize that any Canadian representation on the Board would be quite separate from United Kingdom representation. Indeed, the fact that we are requesting representation on the Washington rather than the London Board indicates our view that the subjects under discussion are in many respects of greater common interest to the United States and Canada than to Canada and the United Kingdom. Canada's representative, therefore, will in no sense be a member of any British Commonwealth delegation on the Board.

I feel that you may be somewhat uneasy in your mind lest the presence of a representative of my Government may complicate the procedure for settling disputed points which may be referred to you as Chairman of the Board. In this connection, I can assure you that in cases of this kind where the United States and the United Kingdom are alone involved, and where you may wish to refer the point at issue to a small committee or subcommittee, the Canadian representative would not be concerned and would not therefore interfere with any procedure already established. In short, I feel sure that if Canada became a member of the Board, your position as Chairman in respect of any points in dispute which might be submitted to you would not be prejudiced or made more difficult.

I hope the above observations, which are passed on to you informally, may be of some assistance to you in bringing this matter to a satisfactory and speedy conclusion.

Yours sincerely,

LEIGHTON MCCARTHY

184.

DEA/3265-B-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1226

Ottawa, June 18, 1942

CONFIDENTIAL. With reference to your message No. WA-1258 of June 9th, concerning your conversation with Hopkins on the Munitions Assignments

Board, I should be glad to learn whether there have been any later developments in this connection and, also, to receive your estimate of the reasons which have led Mr. Hopkins to oppose Canadian representation on the Board.

2. For your confidential information, the Government have been considering our position with respect to the new Combined Production and Resources Board and Combined Food Board. With regard to the Production Board, it is felt that the Canadian production programme is now integrated with the programmes of the United Kingdom and the United States and that means of liaison with the new Board are already in existence which should prove to be satisfactory for the time being at any rate. It is not, therefore, proposed to seek Canadian membership on this Board.

3. The position is different with respect to the Combined Food Board. From early in the war, the Canadian food production programme has been developed in close consultation with the United Kingdom authorities. A beginning has been made through the recent recommendations of the Joint Economic Committees to adjust the planning of food production between Canada and the United States on the basis of most effective utilization of resources. Our contact, however, with the United States authorities on matters concerning the supply of foodstuffs for the use of the United Nations has not been nearly as intimate as has been the case in other aspects of war production. The Canadian Government, therefore, feel that a Canadian member should be added to the Combined Food Board. The importance of Canada as an exporter of foodstuffs would seem in itself to justify this attitude apart from any other consideration.

4. It is intended, therefore, to take up with the United States and United Kingdom Governments the question of adding a Canadian member to the Board. Before instructions are issued to this effect, however, it is important that we should know the reasons for the present impasse concerning the Munitions Assignments Board. Has there, for example, been any indication that Hopkins is determined to try to restrict full membership in all the Combined Boards to the United States and the United Kingdom alone? It would be embarrassing for a Canadian request for representation on the Food Board to be rejected, especially since there is some feeling in the House of Commons and in the press that the Canadian contribution to the war effort of the United Nations has not been adequately recognized in the constitution of the new Combined Boards.

5. It is not desired that you should approach the United States authorities on this question until further instructions have been issued after consideration has been given to your reply to this message.

185.

W.L.M.K./Vol. 327

*Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures**Minister in United States to Secretary of State for External Affairs*

TELETYPE WA-1498

Washington, June 26, 1942

Following is text of letter from Hopkins (with enclosure) to me on Munitions Assignments Board, Begins: "I have thoroughly examined from every angle the

suggestions made to relate Canada's problem of production of munitions in an appropriate way to the Munitions Assignments Board.

"In so far as the Munitions Assignments Board is concerned, it seems to me that paragraph 4 in your original memorandum of May 13 could be accomplished by a paragraph reading somewhat as follows:

'That, in order to insure that the needs of Canada are given proper consideration in the determination of the distribution of available resources, the representatives of Canada will be given full opportunity to present their needs and their views to the Munitions Assignments Board, its staff, and the Departmental Munitions Assignments Committees.'

"It seems to me that actual membership on either the Sub-Committees or the Munitions Assignments Board itself, whether by one member or several, can lead only to many difficulties. This is due to the fact that other nations do produce munitions, though not in the quantity of Canada, and, indeed, in modest ways some of these munitions are exported.

"My own feeling is that it is far more important that Canada be related properly with the Combined Production and Resources Board which has just been organized and I am attaching a letter which I wrote today to Mr. Nelson about this."

(SGD.) HARRY L. HOPKINS, ENDS.

Text of enclosure addressed to Donald M. Nelson is as follows:

"Mr. Leighton McCarthy, the Canadian Minister, has been discussing with me for some weeks the proper relation of the Canadian Government with the Munitions Assignments Board.

"The bulk of their problems, I believe, relate primarily to production and the proper relation of their production with our own and that of Great Britain.

"I wonder if you could call up Mr. McCarthy and arrange to discuss this with him or some of his associates at an early date."

(SGD.) HARRY L. HOPKINS.

186.

DEA/3265-B-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1499

Washington, June 26, 1942

IMMEDIATE. SECRET. Reference my preceding message WA-1498 Munitions Assignments Board. After thinking the matter over carefully, I wish to suggest that, before I see Mr. Hopkins again, further consideration should be given in the light of Hopkins' letter, to Canada's representation on the various Combined Boards. I have therefore merely acknowledged Hopkins' letter and indicated that I am bringing it to the attention of the Canadian Government, who will, in my opinion, be disappointed in its terms.

2. As has already been pointed out, Hopkins' attitude seems [to] be based, first, on the view that our munitions production is not relatively of great importance and that a high proportion of that production is paid for by the United States, and secondly, that our membership on the Board would cause complications both in regard to procedure and by prompting similar requests for membership from other states.

3. Does the Prime Minister regard Hopkins' position as not being in accordance with his arrangement with the President? If so, would he think it wise to put his position in this matter in writing, so that it might be communicated either directly or through me to Hopkins and/or the President?

4. You will note Hopkins' view that our relationship to the Combined Production Board is more important than that to the Munitions Assignments Board and that he has written Donald Nelson about this. As Nelson may get in touch with me, as suggested by Hopkins, I would appreciate instructions on what line I should take. Similarly, I feel that if Canada desires representation on the Combined Food Board, steps should be immediately taken to that end. It looks now as if the Munitions Assignments Board matter may drag on for some time. I therefore suggest that, if action is required in respect to the Food Board, such action should not be postponed until the Munitions Assignments Board difficulty is cleared up.

187.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 1, 1942

...

MUNITIONS ASSIGNMENTS BOARD — CANADIAN REPRESENTATION

1. THE MINISTER OF NATIONAL DEFENCE referred to recent correspondence with the Minister of Munitions and Supply, regarding the pooling and assignment of munitions ordered by the United States through War Supplies Limited. Copies of memoranda[†] exchanged between the Ministers had been circulated.

Mr. Ralston had taken the view that, if Canada were represented on the Board in Washington, all Canadian production should be tabled there, as such, irrespective of who placed the orders. Mr. Howe, on the other hand, felt strongly that munitions ordered by the United States, through War Supplies Limited, should, for purposes of pooling, be excluded from Canadian production and dealt with as production of the United States. He would prefer to accept a refusal of our proposal for participation in the Washington Board, and deal with allocations on a basis of the contractual obligations.

Mr. Ralston, himself, would not for a moment consider the pooling of Canadian production unless Canada were represented on the Board.

(Ministers' memoranda, June 24, 25, 26 and 29, 1942 — C.W.C. documents 206 and 213).[†]

2. THE SECRETARY reported that, in view of the attitude taken by Mr. Hopkins, the Minister in Washington had requested further instructions.

A draft telegram to Mr. McCarthy was submitted, amplifying the reasons which had led to the Canadian proposal for participation in the Washington Board, and setting out the points to be made in further discussions on the subject with United States representatives. Copies had been circulated to the Defence Ministers and the Minister of Munitions and Supply.

(Teletype WA-1499, Canadian Minister, Washington, to External Affairs, June 26, 1942).

3. THE MINISTER OF FINANCE referred to Mr. Howe's continued anxiety as to the financial implications of pooling Canadian production. There had been no formal assurances given by the United States in this connection; admittedly, this aspect of the question was a cause of concern.

4. THE WAR COMMITTEE, after further discussion, approved, with certain revisions, the draft telegram to the Canadian Minister, submitted to the meeting.

188.

DEA/3265-A-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1402

Ottawa, July 2, 1942

IMMEDIATE. Your messages WA-1498 and 1499 of June 26th. The position taken by Mr. Hopkins in his letter to you calls for an extensive reply. The following points should be made to Mr. Hopkins. You can judge best in what manner your reply should be given;²⁷ perhaps the most effective method would be to discuss the matter with him and leave a memorandum in confirmation. A discussion of the position with the President, the Secretary of State or Mr. Welles along these lines might also be helpful, since it would seem that Hopkins may not appreciate fully the important national considerations involved.

1. There is considerable public feeling in Canada, which has found expression in Parliament and in the press, that the Canadian contribution has not been adequately recognized in the constitution of the bodies which have been created by the United States and the United Kingdom Governments with the object of providing effective organization of the war effort of the United Nations. It would be unfortunate if this feeling should be allowed to grow through the refusal of the United States Government to accept carefully considered plans for the direct association of Canada in the operation of these boards in whose work we believe that we have the strongest claim to participate.

2. After having secured the agreement of the United Kingdom Government to the proposals made in your note of May 13th to the Secretary of State and after the position had been discussed with the President and with others in Washington concerned with the operation of the Munitions Assignments Board, we had good reason to believe that our proposals would be acceptable to

²⁷ Voir la pièce jointe, document 215.

²⁷ See enclosure, Document 215.

all concerned and we proceeded to plan our arrangements in considerable detail on this assumption. Our request for representation on the Board is known to the Canadian public and it would be difficult to explain why it has been rejected unless stronger arguments are advanced than those employed in Mr. Hopkins' letter to you.

3. We appreciate the difficulties inherent in the operation of multi-national boards and we have throughout considered the Canadian relationship to the Combined Boards with these difficulties in mind. In spite of the substantial contribution made by Canada to the naval, land and air forces of the United Nations and our profound interest and concern in the strategic direction of the war, we have not sought direct representation on the Combined Chiefs of Staff and have limited ourselves to ensuring means of contact with that body. We have also not sought direct representation on the Combined Shipping Adjustment Boards and on the Combined Raw Materials Board. In the case of the Munitions Assignments Board, Canada, after the United States and the United Kingdom, is so much the largest contributor among the United Nations of finished military stores for the common cause that we feel confident that our request for direct representation can be accepted without raising serious difficulties with other Governments.

4. The redraft of paragraph 4 of your note of May 13th which Hopkins has proposed in fact seems to concede nothing to the Canadian point of view which was not already implicit in the statement accompanying the original announcement in Washington and London on January 26th of the establishment of the Board. This announcement provided that members of the Washington and London Boards would confer with representatives of the United Nations when necessary "to attain common purposes and provide for the most effective utilization of the joint resources of the United Nations".

5. The redraft implies that Canada is concerned only with the work of the Board in order to meet her own needs. On the contrary our proposals were based on the pooling of the entire Canadian production in Washington for assignment by the Board. Actually, of course, the volume of our contribution to the pool as a producer of munitions would far exceed the volume of our withdrawals from the pool as a consumer. The redraft is not acceptable to the Canadian Government and if its language represents the considered view of the United States Government, we shall have to re-examine the proposals in paragraphs 1, 2 and 3 of your note of May 13th in the light of this situation.

6. It should be emphasized that our proposal in paragraph 1 to pool for assignment in Washington all Canadian production included all finished military stores produced in Canada whether the original orders had been placed by the Canadian, United Kingdom, United States or other Governments. This is in accord with the practice followed by the United States Government which is tabling for assignment in Washington, as part of United States production, munitions ordered in the United States by the British, Canadian and other Governments. A similar practice is followed by the British Government with respect to tabling British production for assignment by the London Board. It is true that for accounting reasons in tabling Canadian production in Washing-

ton, it may be necessary to show in a separate column the figures of production on United States orders. If this is done, it does not alter the general principle that what is tabled by each country participating in pooling is the actual physical production in the country in question.

7. With regard to your statement that Hopkins considers Canadian munitions production as not relatively of great importance, the following figures show the Canadian share of the total North American production of three important items.

(a) *Comparable field guns* (Canadian 24 pounder and United States 105 millimetre): June production Canada 72, United States 394; estimated production July through September Canada 240, United States 773; total four months Canada 312 (21%), United States 1167 (79%).

(b) *Comparable machine guns* (Canadian Bren and United States .30 calibre) June production Canada, 3,500, United States 11,300; estimated production July through September Canada 10,500, United States 47,300; total four months Canada 14,000 (19%), United States 58,600 (81%).

(c) *Comparable Rifles* (Canadian .303 Lee Enfield and United States .30 M 1903 and .303 Lee Enfield) June production Canada 18,000, United States 57,000; estimated production July through September, Canada 70,000, United States 227,773; total four months Canada 88,000 (24%), United States 284,773 (76%).

These items have not been selected as being specially favourable to Canada, and the list could readily be lengthened to show further similar results. If desired Colonel Mavor can provide you with additional figures.

8. With regard to Mr. Hopkins' suggestion that Canada should be "related properly with the Combined Production and Resources Board" our feeling is that we have developed reasonably satisfactory methods for co-ordinating our production programme with the programmes of the United Kingdom and the United States and for the present we are not inclined to seek membership on this Board. We regard this Board as being primarily a means of co-ordinating production in the United Kingdom and in the United States and thus filling a gap in the arrangements between the three countries. We wish, however, to reserve our position with respect to membership in the Board so that we shall be free to advance a request for membership if developments show this to be desirable.

9. With regard to the Combined Food Board, there seems to be a very strong case indeed for full Canadian membership and we expect shortly to instruct you to take this up with the United States authorities. Our food production programme has been developed in close association with the United Kingdom Government. There is a growing need for integrating it more fully with the programme of the United States. The constitution of the Combined Food Board on a tripartite basis would seem to be the best means of ensuring constant co-operation and the most effective utilization of our joint resources.

10. In general we feel that the trend of Hopkins' argument reduces Canada to a position of undue subordination in a vital aspect of the organization of the

war effort. Does he realize that in effect he is asking Canada to make available for assignment in Washington her entire production of Munitions (including those needed for our own forces overseas, for home defence and for training) without giving Canada any voice in their disposition beyond the promise of a full opportunity for Canadian representatives to present to the Board "their needs and their views"? It seems to us that if there is to be *bona fide* pooling the Governments which pool in any volume must, in order to discharge their own responsibilities towards their own forces and for their own defence, have a direct voice in the disposition of the pool. This principle applies with special force to a country which, on balance, is a substantial producer of munitions for the use of others among the United Nations.

189.

DEA/3265-D-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] July 10, 1942

I am enclosing, for your approval, draft instructions to the Minister at Washington regarding Canadian representation on the Combined Food Board.²⁸ A similar message will be sent simultaneously to the High Commissioner in London, so that he can take the question up with the United Kingdom authorities. This draft is in accordance with the decision of the War Committee²⁹ and has been checked with the Departments of Agriculture, Fisheries, Trade and Commerce and Finance.

The question for consideration is whether we should press vigorously for full membership on the Board or agree to cooperate through the various technical subcommittees which are to be set up under it. The latter course is the one which the British and United States representatives on the Food Board in Washington would prefer to have us follow.

If we apply for membership on the Board, we are likely to be turned down. If our application is rejected, we would be at liberty to deal with the Board as a piece of machinery set up to coordinate United Kingdom-United States relationships in this field. We would not have to recognize it as an over-all planning agency to guide the food production and distribution policies of the United Nations.

In the circumstances I am inclined to send this message forward, but before doing so I thought I should bring to your attention the probability that our representations will be unsuccessful. In this case we would have to consider what kind of public statement could be made about the Canadian relationship to the Combined Board. You will recall when the question of Canadian representation

²⁸ Voir le document suivant.

²⁹ Voir le document 182.

²⁸ See following document.

²⁹ See Document 182.

was first raised in the House of Commons, that there was general feeling on all sides that Canada was entitled to participate fully on such a Board.³⁰

190.

DEA/3265-D-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1493

Ottawa, July 13, 1942

Combined Food Board. Please submit immediately to the United States Government, through whatever channel you consider most appropriate, a request for full Canadian membership on this Board, incorporating a statement of our position along the following lines. Mr. Massey is being instructed to take the matter up simultaneously with the United Kingdom Government.[†]

1. The Canadian Government have considered their position with respect to the Combined Food Board recently established in Washington. From the outset of hostilities the production of foodstuffs for the United Kingdom has been an important part of the Canadian war effort. The Canadian authorities have proceeded on the policy that the entire food resources of Canada and the United Kingdom were in a common pool. To this end Canada has taken effective steps to achieve substantial increases in the output of the staple foods that were most urgently required. Simultaneously Canadian domestic consumption of certain essential products was subjected to limitations to make sure that the United Kingdom's basic food requirements would be met. As a consequence the export of Canadian farm produce to the United Kingdom has more than doubled since 1939. During the present year, the foodstuffs made available to the United Kingdom will take from 25 to 30 per cent of the total Canadian agricultural production, compared to 6 to 8 per cent in the case of the United States.

2. As a result of this wartime programme Canada has become a very important factor in the British food situation. Canadian shipments now constitute approximately one-third of the total United Kingdom food supplies obtained from overseas, including virtually all of the wheat and flour, three-fourths of the bacon, one-half of the canned salmon, nearly one-fourth of the cheese, nearly one-sixth of the eggs and significant proportions of other essential requirements.

3. The Canadian food production programme has been developed to meet the needs of the United Kingdom as they were known to the Canadian authorities. More recently, through the Joint Economic Committees, a beginning has been made for the closer co-ordination of Canadian and United States agricultural production, particularly with respect to products for which there is special need. The machinery, however, for consultation and collective consideration of

³⁰ La note suivante était écrite sur ce mémorandum:

³⁰ The following note was written on the memorandum:

P[rime] M[inister] approves despatch of instructions as drafted. (done to Wash[ington]) R[OBERTSON] R[OBERTSON]

needs has not been adequate. The Canadian authorities have had little opportunity to see the total picture of requirements and available supplies so as to enable the most effective utilization of their food resources. The development of arrangements with the United Kingdom regarding major items such as wheat, bacon and cheese has been reasonably satisfactory but many difficulties have been experienced in the case of other products which Canada is in a position to supply. There has been considerable uncertainty concerning quantities required and requests for supplies are frequently made at the last moment when it is too late to ensure delivery.

4. Furthermore, Canada's position in relation to Lend-Lease supplies from the United States has not been clear. Sometimes products are obtained under the Lend-Lease Act which Canada could produce with a more economical use of scarce resources. There has not been adequate provision for the co-ordination of the agricultural production of Canada and the United States so as to prevent duplication and the wasteful expenditure of effort.

5. The possible use of dehydrated products may be cited as an illustration. Canada has pioneered in this field in the production of products on a commercial scale and has produced sizeable quantities of certain items which meet the required specifications. Canada is in a position to supply considerable amounts of such concentrated foodstuffs and in anticipation of a demand, has arranged to continue some production with Government assistance. The Canadian Department of Agriculture has been in touch with the British Ministry of Food who, before the work was started, enquired as to the possibility of obtaining a substantial quantity of these products from Canada. Recently advice has been received that the construction of dehydration plants is contemplated in the United Kingdom and it is doubtful if any supplies will be required from Canada. In the meantime, according to a statement issued from Washington, dehydrated products are being exported to the United Kingdom under the Lend-Lease Act. Within the last few days, however, Canada has received requests for substantial amounts of certain dehydrated items, which, owing to the nature of previous information and the lateness of the season it will be difficult to meet.

6. The lack of knowledge concerning the overall food position of the United Kingdom and the other United Nations, the continued uncertainty regarding Canada's relation to the Lend-Lease supplies and the absence of sufficient prior consultation have made it very difficult to plan and to carry through a satisfactory programme of agricultural production in Canada. The establishment of the Combined Food Board for the purpose of achieving the best utilization of the food producing capacities of the United Nations appears to provide the opportunity for a more effective and co-ordinated use of Canadian agricultural resources.

7. In view of the vital importance of Canadian food supplies to the United Kingdom and the adjustments made in Canadian agriculture to meet British needs, and in view of the fact that Canadian contacts with United States authorities on matters concerning the supply of foodstuffs to the United Nations has not been nearly as intimate as has been the case in other aspects of war produc-

tion, the Canadian Government feel that provision should be made for full Canadian membership on the Combined Food Board.

8. The Canadian Government are strongly of the opinion that participation of Canadian experts in technical sub-committees would not, by itself, constitute a satisfactory relationship to the Combined Board. Participation at the technical level and consultation with respect to individual subjects would not enable the development of comprehensive policies and the formulation of general plans for the most effective use of our common resources such as is required at this time owing to increasing shortages and expanding needs. The desired objective, in view of the magnitude of the Canadian contribution, could only be attained through direct consultation, on all aspects of the problem, at the highest level.

9. Next to the United States, Canada is by far the most important contributor of foodstuffs to the common pool of the United Nations. The constitution of the Combined Board on a tripartite basis should neither be cumbersome nor embarrassing but on the contrary would greatly facilitate the establishment of such a common pool as a workable reality. The problem of planning production so as to ensure that the needs of the United Kingdom, Russia and other United Nations can be met out of the common supplies is largely one of co-ordinating the agricultural programmes of Canada and the United States. The Canadian Government feel that this can best be achieved by full Canadian membership on the Combined Board.

10. It is hoped that this proposal will receive the support of the United States Government. The proposal is also being presented to the United Kingdom Government by the Canadian High Commissioner in London.

191.

DEA/3265-E-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1335

Ottawa, July 14, 1942

Reference Dominions Office circular telegrams D.286 and 288 of June 9th,[†] Combined Production and Resources Board.

You may inform the United Kingdom authorities that we have considered the Canadian position with regard to this Board, the establishment of which we welcome as filling a gap in the machinery for co-ordinating the production of the United States and United Kingdom. We have developed reasonably satisfactory methods for co-ordinating our own production programme with those of the United Kingdom and the United States, and we shall be glad to render assistance towards the smooth operation of the Board in Washington. We are not inclined at present to seek Canadian membership on the Board, but we wish to reserve our position so that we shall be free to request membership if developments show this to be desirable.

192.

O.D.S.-N.A.R./Vol. 824

*Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis**Secretary of State for External Affairs to Minister in United States*

TELETYPE EX-1511

Ottawa, July 14, 1942

Following for Pearson from Robertson, Begins: Reference our [EX-]1493 of July 13th and subsequent telephone conversation concerning Combined Food Board, I see no objection to changes as follows in accordance with your suggestions: —

Paragraph 1, sentence 3. Either delete this sentence or alter to read "The Canadian authorities have proceeded on the policy that the entire food resources of Canada should be made available for the best use of the United Nations."

Paragraph 1, last sentence. Omit comparison with the United States.

Paragraph 5, sentence 3. Omit "some" before "production".

Paragraph 9, first sentence. Instead of "to the common pool of the United Nations" read "for the needs of the United Nations". Also delete "such" before "a common pool" in second sentence.

I think the second sentence of paragraph 4 should stand. For example, milk products are "scarce resources" and these might be more economically used by manufacture of cheese in Canada and butter in the United States for export to the United Kingdom.

Since Mr. Massey will probably present our proposals in London before you have a chance to do so in Washington, I think you might show them in confidence to the British Food Mission which will probably be asked by London for their comments.

193.

DEA/3265-A-40

*Mémorandum du ministre-conseiller, la légation aux États-Unis**Memorandum by Minister-Counsellor, Legation in United States*

Washington, July 23, 1942

CANADA AND THE COMBINED BOARDS

It seems clear now that our inability to secure membership on any of the Combined Boards is due to the determination — that is hardly too strong a word — of the United Kingdom and the United States not to depart from the two-power basis on which all such Boards and the Combined Chiefs of Staff are organized. If Canada's special claim for membership on one Board is recognized, China or Norway or Australia or The Netherlands, or some other state, might demand membership — if not on the same board — at least on one of the others. This would probably result in the transformation of practically all of the Boards from a two — to a multi-power basis.

The desire of the United Kingdom and the United States to prevent any such transformation is understood. Personally, I doubt if their policy in this regard

can be altered. I do not think we will ever alter it merely by complaining about the way we are being treated. It might indeed be better frankly to accept the inevitability of "two-power" war control in theory and see how we can protect our own interests in practice within this limitation.

I appreciate the fact that it is irritating to have the United Nations idea exploited as a great principle, when in practice the United Nations apart from the United States and the United Kingdom, have little to do with the running of the War. As a speaker, Michael Straight, put it at the recent meeting of the American Academy of Political and Social Sciences:

"To the peoples of the British Empire Hitler is saying, 'This war perpetuates your inferior status.' To the peoples of Europe Hitler is saying, 'This war being fought in the name of United Nations is nothing more than a means of perpetuating Anglo-American domination.' To the peoples of Russia Hitler is saying, 'Two hostile, imperialist nations are banding together against you.'

"Because there is some truth in these words, the people of India, of Australia, of New Zealand, of China, are angry. We must understand their anger. We must realize that it is not only in America that defeatists are crying 'Make this an America-first war.' In other lands, other defeatists are crying, 'Make this a China-first, an Australia-first, a Britain-first, a Russia-first war.' Every time we deny equality of participation to the United Nations we strengthen the influence of these defeatists all over the world."

Even if the above conception of equality cannot be fully recognized in practice — it certainly could be recognized more often in theory. Very little effort has up to the present been made to do this.

The original announcements of the establishment of the Combined Boards have almost without exception been drafted in such a way as unnecessarily to irritate the Governments of the United Nations not directly represented on these Boards. This seems to have been especially true in the case of the Combined Food Board. Here a carefully drafted statement had been prepared by United States and British officials which would have recognized the interests of all the United Nations in this Board and indicated that steps would be taken to see that these interests were safeguarded. This was, however, ignored, and a hastily prepared public announcement made at a White House press conference. Similarly, documents are continually being circulated among the Combined Chiefs of Staff which in their language at times almost seem to emphasize the subordinate position in this war of all countries except the United Kingdom and the United States. It should surely be possible to convince the British and the Americans that much later irritation would be avoided if care were taken in Anglo-American pronouncements to recognize the right of all the United Nations to exercise complete control over their resources and their armed forces.

This is, however, all in the realm of theory. Of more immediate importance is what action can be taken to remedy the present situation, so that control can be exercised by very small bodies but the rights of all the other United Nations safeguarded?

In this connection we should not overlook that from a practical point of view Canada is in a better position than most of the other small Allied Nations. We

have a special standing in Washington and there is, almost always, a real desire there to assist us in our war problems. Indeed, we are often thought of as virtually another state in the Union. This may at times have irritating political consequences but it also has certain practical advantages. I think it should be recognized that we may lose some of these advantages if we are not careful about the manner in which we claim recognition in theory and practice for our special position. It is unfortunate, but it is true, that there are certain people in Washington who even in peace time would be pretty ignorant of Canada's independent status within the British Commonwealth, and who in war time look impatiently on any arguments advanced on that basis. Indeed, while from a practical point of view we may be in a favoured position, from a constitutional point of view we are sometimes at a disadvantage. We are not always considered as an entirely separate state on the United Nations side. We are often included in the British Empire as an entity; or alternatively, in "the Dominions" collectively; or, finally, as part of the "North American area".

The argument most often used, however, against our membership on these Boards is that such an addition to them would decrease their effectiveness.

Therefore, though we should continue to explain to London and Washington our difficulties over non-association with certain of the Combined Boards, we should, in so doing, emphasize that these difficulties can be met in such a way as not to diminish, but even increase, the effectiveness of these Boards.

How can this be done?

I am inclined to think it can be done by abandoning the principle of membership for that of representation. Without claiming formal and full membership we should claim the right to attend any meeting of any Board when questions of immediate interest to Canada are being considered. Any decisions reached on such questions should not be taken except after consultation with, and approval of, our representative. We should also, in respect of certain Boards, where it seems necessary, have the right to send observers to *all* meetings to ensure that we would know what is going on and not be confronted by a *fait accompli* at meetings where we are fully represented.

We should, finally, keep in the closest possible touch with the Secretariats of all the Combined Boards, and should be fully represented on all the working committees of all Boards where Canadian interests are concerned.

This problem is not peculiar to Canada and is arousing just as much interest and anxiety among others of the United Nations. In this connection would it be possible for the British and United States Governments to issue a formal statement explaining how the rights and interests of all the United Nations are being safeguarded in the organization and working of all the Combined Boards? Even better, would it be possible to call a meeting in Washington of representatives of the United Nations to discuss this matter? Probably some document or charter could be issued from such a meeting, which would make clear to the world that this is really a United Nations War, both in its operation and in its control.

This is, of course, getting a long distance from the immediate problem of Canadian representation on two or three of the Combined Boards. As, however, we do not seem to be making much progress in our individual effort, it might

not be a bad thing for Canada to take the lead in widening the area of discussion of the problem of the relationship of the smaller nations to the Combined Boards, and indeed, to the general conduct of the war. From the political point of view I should think a great deal could be said for Canadian initiative in this direction.

The problem of the relationship of Canada to the Combined Chiefs of Staff is a special one. Liaison with the top level of that Board seems to be now satisfactorily established. Difficulties, however, are constantly arising over deliberations on the lower levels which concern Canada. This is particularly true in respect of air matters. It has been suggested that we can best protect our interests by securing full representation on all the Combined Staff Committees. I doubt whether this is possible, because these committees only rarely discuss matters of any major and direct importance to Canada.

From the practical point of view, much could be said, I think, for our approach to these committees being made through the British or the American side. If this is undesirable, on constitutional or other grounds, then I think the best procedure would be for Canadian officials to keep in the closest possible informal contact with the staff committees in question, such as is done now by the Canadian Army with respect to the Munitions Assignments Army Committee.

This means, above everything else, sending the right men to Washington to represent the Services; men who will not only be aware of the implications for Canada of the documents they see and discussions they overhear, but will be able, on lower levels, to exercise such an influence, that changes can be made which will avoid controversies later on higher levels. "Whining" to the United States and British staffs in Washington that we are continually being ignored in matters — especially in allocation of equipment — will be the worst way of correcting this situation, even though we often have very just cause for complaint. The one thing to be avoided in these cases is ill-feeling and controversy. Even when we are in the right, we won't win our case very often, if ever, by insisting on our full rights.

It is, in a sense, humiliating to admit this, but, nevertheless, I think it is a fact.

In Service discussions in Washington, therefore, and in the protection of Canadian defence interests, nearly everything will depend on the personal qualities of our officers there and the personal relationships they are able to establish with their opposite numbers in the British and American staffs.

L. B. P[EARSON]

194.

DEA/3265-D-40

*Mémorandum du président, le Conseil britannique des approvisionnements,
et le membre britannique, la Commission composée de l'alimentation*

*Memorandum by Chairman, British Supply Council, and British Member,
Combined Food Board*

[Ottawa,] July 28, 1942

MEMORANDUM ON CANADIAN COLLABORATION WITH THE COMBINED FOOD
BOARD

1. The Canadian Government have put forward a demand for full membership on the Combined Food Board.

2. In the case of the U.K. the Canadian note makes certain complaints against, and criticisms of, the Ministry of Food. The Ministry no doubt will be concerned partly to make its defence but mainly to see that Canada has no cause for complaint in the future. Since however the actual work of procurement will not be any part of the Combined Food Board's task, remedies in this field must be sought in closer relations between the Departments and Boards concerned with food in Ottawa and the British Food Mission in North America through its office in Ottawa under Mr. Pinsent. This office was opened with the object of providing the Canadian authorities with all information they might require and generally acting as a close tie and intermediary between them and the Ministry of Food.

3. The U.K. and U.S. Governments have not, I believe, yet consulted together with regard to the question of principle raised in the Canadian note. But my knowledge of the position convinces me that difficulties arising solely out of the exigencies of the war situation exist with regard to the full acceptance of the Canadian Government's request, not in any way because the greatness of the Canadian war effort in the food sphere, as in other spheres, is not fully recognized.

4. The "Combined" machinery in Washington has arisen out of the urgent necessity to find some means of closer working together and of making speedier and more coordinated decisions by the two largest combatant nations outside Russia. It is an effort to bridge the Atlantic, whether in the making of strategic plans or in the division of weapons according to need in the different theatres of war, or in the best possible use of shipping as a whole, or in the production in all parts of the world, and the best allocation among all claimants of raw materials and food, and the limitation as far as possible of their carriage by sea.

The Combined machinery is in no sense a North American machinery. It is a world machinery. The Combined Food Board for instance is concerned not only or even perhaps mainly with production but also with consumption and particularly with the world allocation of scarce materials and the reduction to a minimum of the carriage by ship of foodstuffs from or to any part of the globe. It is concerned not only with shipment of foodstuffs from North America but with even greater shipments from other parts of the world.

4. [*sic*] The Combined machinery has just started to work. It is bound in certain spheres to meet with very great difficulties. It is therefore very important

to enable it to get going properly. If a breach is now made in it which will encourage similar claims from other United Nations either in respect to the Combined Food Board or other Boards, the effects on the development and efficiency of this machinery might be unfortunate.

5. The Ministry of Food and the Dominions Office requested me to visit Ottawa to see whether it might not be possible to meet Canada's needs politically and materially not by having full membership on the Food Board but by other means.

6. It might be as well to explain very shortly the present organization that the Combined Food Board is, with the Ministry of Food, in the process of setting up. There will be no parallel Board in London. Any committees of the Board in London will make recommendations to the Food Board in Washington. But there will be a London Food Committee, not a committee of the Board (formerly the Empire clearing house) representing the Dominions, the Colonies, India, the Middle East, Belgian Congo, Free French, etc., which will provide information for and make tentative recommendations to the Food Board and through which its members will keep in close touch with the work of the Board. Apart from the Dominions, the other participants will be represented by the Colonial Office, India Office, Ministry of War Shipping, and so on.

When necessary the Combined Food Board will appoint its own committees in London, e.g. on tea. In such cases an American will sit as a member and recommendations from such a truly international committee of the Board will no doubt be more or less final.

In Washington the Board is appointing through its Secretariate various committees, e.g. on imports in general, on oils and fats, on meats and meat products, on agricultural seed, on sugar, etc., to all of which Canada is being asked to appoint a member.

The Board itself is not an executive body but makes recommendations. On the United States side its recommendations will be made through the Secretary of Agriculture to the Food Requirements Committee of the W.P.B.³¹, on the U.K. side by the head of the Food Mission to the Minister of Food.

7. Nevertheless I recognize that there is a certain political question with which the Canadian Government is faced. Mr. Norman Robertson has suggested this might be met by some method of general endorsement of the Combined machinery by some or all of the United Nations either through some sort of constituent assembly or through diplomatic correspondence. This a sphere which does not fall within my competence. Subject to this aspect of the problem, I believe that Canada's material interests can be fully secured by recognition of her geographical situation and by her cooperation being found not by representation on the London Food Committee with other Dominions but by a connection of the following kind with the Combined Food Board's organization in Washington, for example by —

(i) the formation of a joint Agricultural Policy Committee of the U.S. and Canada as a Committee of the Board, sitting in Ottawa.

³¹ War Production Board.

(ii) representation on any Committees formed within the Board's organization and affecting Canada, e.g. on Oils and Fats, Meats, Sugar, and on a General Imports committee.

(iii) right of a Canadian Ministerial representative to be kept fully informed of the Board's proceedings and to be present, but not as a member of the Board, at discussions where Canadian interests are directly affected. Thus there would be no recommendations of the Board affecting Canada except after full consultation with a Canadian representative. The Canadian representative might be kept fully informed by the Board's organization keeping in close touch with the Canadian Legation. This is a matter to be discussed.

8. Suggestion 7(i) has to be agreed by Mr. Wickard and I have to refer to proposals under 7(ii) and (iii) before any final commitment to London.

9. I should be glad to know, however, whether on such a basis the Canadian Government would feel in a position to withdraw their request for a definite seat on the Board.

R. H. BRAND

195.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 29, 1942

COMBINED FOOD BOARD — RELATIONSHIP OF CANADA

1. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported upon conversations in Ottawa, over the past few days, between interested Canadian officials and the Honourable R.H. Brand, Chairman of the British Supply Council and U.K. member of the Combined Food Board, and other British and U.S. officials.

A memorandum on Canadian collaboration with the Combined Food Board, prepared by Mr. Brand, was read to the meeting. The memorandum set out what were regarded as difficulties in the way of acceptance of the Canadian government's request for full membership. It went on to explain the organization of the Board and its various committees, and suggested Canadian participation through a joint U.S.-Canada agricultural policy committee of the Board, Canadian representatives on the Board's committees, and arrangements for Canada to be kept fully informed of the Board's activities.

(Mr. Brand's memorandum, July 28, 1942).

2. THE MINISTER OF MUNITIONS AND SUPPLY expressed himself as opposed, in principle, to the proposals put forward.

Experience with others of the combined organizations in Washington had shown the ineffectiveness of Canadian participation in the work of the Boards at any but the highest level. In case of raw materials, a satisfactory solution of the problem had been found through the Canada-U.S. Joint Materials Co-ordinating Committee, the Canadian members of which met with the members of the

Combined Raw Materials Board to deal with questions affecting Canada. In this sphere, no Canadian representatives now sat on committees of the Board, as it had been found that such representation tended to interfere with direct negotiations at the top level.

In regard to the work of the Combined Food Board, it should be possible to provide for Canadian participation through machinery similar to that which had proved satisfactory in respect of raw materials.

3. THE PRIME MINISTER, commenting upon the memorandum submitted, observed that the arguments presented against Canadian membership on the Board had also been advanced in respect of other combined organizations. Rather than accept an unsatisfactory position within the Board, it would be preferable to collaborate in the manner suggested by Mr. Howe.

4. THE WAR COMMITTEE, after further discussion, agreed that the proposals submitted by Mr. Brand, for Canadian collaboration with the Combined Food Board, were unsatisfactory, and that the establishment of machinery similar to that operating in regard to raw materials would provide a suitable alternative.

...

196.

DEA/3265-B-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1978

Washington, August 5, 1942

IMMEDIATE. SECRET. Following for Robertson from Pearson, Begins: Reference my WA-1976 of August 4th.¹ Following is text of message sent by General Pope on Munitions Assignments Board and which I have just received, Message Begins:

1. General Burns, C.M.A.B. Executive and acting Chairman *pro tem* called on me today and said that Mr. Hopkins had proposed to offer Canada, through Mr. McCarthy, full membership on the Board when the assignment of Canadian production was being discussed. Mr. Hopkins had now asked him (Burns) to do so on his (Hopkins) behalf.

2. Continuing, Burns observed that Canadian production was not now being tabled in Washington and he presumed that the acceptance of this offer by Canada naturally implied that this would be done. To this I expressed assent.

3. On my part I suggested to General Burns that the expression 'full Membership' implied membership of the Naval, Ground and Air Committees. Burns said that he had not thought of this aspect of the question. I therefore argued that the greater must surely include the less and pointed out to him that it could hardly be contemplated by anyone that Canadian production should be assigned by a committee composed only of United Kingdom and United States representatives. Burns immediately saw the point and asked me to repair with him to his office where he could refresh his memory from the file.

4. On looking over the file Burns saw that membership on the committees had been included in Mr. McCarthy's letter of 13th May to the Secretary of

State and said that he was disposed to agree. Before doing so, however, he called up Brig.-General Aurand, formerly Chairman of the Ground Committee, who warmly supported the view I had put forward. He then called in Col. Stratemeyer of the Air Committee, who also agreed. Admiral Reeves of the Naval Committee could not be reached.

5. I then brought up the question of the Canadian members of the three committees being empowered themselves to bid for items off United States production required by Canadian forces in the North American area. After a short review of this aspect, which Col. Stratemeyer supported, Burns agreed that we should have the right to place these bids in our own behalf.

6. Burns then enquired how we should formalize his offer. I suggested that perhaps he might let me have a note covering the points we had discussed. To this he agreed and said he would write a letter which he would go over with me in draft form and when we both agreed he would sign it.

7. During the whole of our talk Burns' manner was as cordial as it could possibly be. His only concern was the possibility of some adverse reaction from Australia and New Zealand but in this respect Aurand apparently was able to assure him.

8. I have not yet had the opportunity of discussing this matter with my colleagues but in view of its importance I feel it should be transmitted to you this evening to the end that your observations may be received without delay. I have however discussed with Pearson, who agrees that Burns has conceded every point we originally made excepting the one that Canada should have a voice in the assignment of United States production bid for by countries other than herself. This as far as I can see is hardly a vital consideration and as the present offer if committed to writing goes much farther than that outlined by Macready (See J.S.2)³² it is all that we are likely to get.' Message Ends.

197.

DEA/3265-A-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures*³²

*Memorandum by Assistant Under-Secretary of State for External Affairs*³²

SECRET

[Ottawa,] August 8, 1942

CANADA, THE UNITED NATIONS, AND THE COMBINED BOARDS

1. THE ORGANIZATION OF THE UNITED NATIONS.

Some three weeks after the Japanese attack on Pearl Harbour the phrase "The United Nations" was invented to describe collectively the countries at war with the Axis. President Roosevelt was the inventor of the title, which was first used in the heading of the declaration signed in Washington by representatives of twenty-six countries on January 1st, 1942. By this declaration the signatories bound themselves to employ their full resources against the Axis states with which they were at war, to co-operate with each other and not to make a separate peace or armistice. All the signatories have also subscribed to the principles

³² H. Wrong. Les mots qui étaient soulignés dans le texte sont en italique ici.

³² H. Wrong. Words that were underlined in the text are in italics here.

embodied in the Atlantic Charter. The Atlantic Charter and the Declaration of January 1st, 1942, are the only formal documents binding together all the United Nations in the war. Since January the roster of the United Nations has been increased to twenty-eight by the addition of Mexico and the Philippine Islands.

The undertakings to employ all resources in the war and to co-operate with the other governments require international organization before they can become fully effective.

There has, however, been no meeting of the representatives of these twenty-eight countries. Deeds have been established to co-ordinate the war activities of the United Nations. The approval of the United Nations has not been sought for these developments. The principal bodies have been established by agreement between the Governments of the United States and the United Kingdom, which alone are represented on them. There are, however, some other international bodies concerned with the problems of certain theatres of war on which other Governments are represented. The chief of these is the Pacific Council and another example is the Far Eastern Supply Council.

The machinery for co-ordinating the general direction of the war tends to be centered more and more in Washington in the six Combined Boards created there by the United States and the United Kingdom Governments. There are also two Combined Boards in London (Munitions Assignments and Shipping Adjustment), which match corresponding Boards in Washington. If the boards grow in authority and prestige, as it is to be hoped that they will, their work will affect more and more the interests of other United Nations not represented on them. Canada is already concerned with the activities of all of the Boards. The prospect is that we will become progressively more concerned. The Boards are advisory bodies, the proposals of which can be accepted or rejected. If they are to operate effectively, however, it is clear that their recommendations must command such weight that they will normally be carried out by all authorities concerned. The Boards in some degree supplement and in some degree replace the normal means of conducting international business.

In the establishment of the Combined Boards such consideration as was given to the position of the other United Nations seems to have involved the assumption that they were divided into two groups, one dependent on London and the other dependent on Washington, with Russia in a special position. The London group would include the Governments-in-exile, the Middle Eastern states, India and the Dominions. The Washington group would be composed of Latin American countries and China. It has been obvious from the first that Canada does not fit into this pattern. Australia and New Zealand have made it evident that for most war purposes they feel closer to Washington than to London. The Dutch and some of the other European allies are also concerned with strengthening their position in Washington. The effort to divide the free world into two parts and to concentrate through the United Kingdom and the United States their contact with the Combined organizations has not been satisfactory. It is now fairly generally recognized in both London and Washington that Canada in particular cannot maintain her contacts through London, and must in some

fashion have direct links with the Combined Boards in Washington. There is, however, evidence of a strong desire in both capitals not to depart from the two-power basis of membership on the Boards.

The Soviet Government is not represented on any of the Combined Boards nor has it close contact with their operations. It is in a position distinct from that of all the other United Nations. There is frequent complaint in Washington and London that the Russians tell them little or nothing. The Soviet authorities have shown no disposition to take part in joint deliberations, preferring to make their position known through diplomatic channels. Their attitude may in part be occasioned by a desire to give no pretext to Japan to open hostilities against them. Such strategic consultation as takes place is outside the sphere of the Combined Chiefs of Staff. Supplies for Russia are furnished in accordance with special arrangements negotiated directly with the United States and the United Kingdom. The provision of these supplies, however, inevitably is a principal concern of the Munitions Assignments Boards, the Raw Materials Board, the Food Board and the Shipping Adjustments Board. It is understood that the fulfillment of commitments to Russia is granted the highest priority by these boards. Should the Soviet Government at any time decide to seek membership on any or all of the Combined Boards, it would seem to be almost certain that the United States and the United Kingdom Governments would promptly have to grant their request.

2. WHAT ARE THE COMBINED BOARDS.

There follows a summary taken from official documents of the functions of each of the Combined Boards, and a statement of their present composition. Those parts of the extracts from official statements which bear on the relationship of the Boards to the United Nations have been underlined.

(a) **THE COMBINED CHIEFS OF STAFF.** This body was established during Mr. Churchill's visit to Washington in January. There was at first some intention to keep its existence secret and its creation was not announced simultaneously with that of the three other Boards then set up. Mr. Churchill revealed its existence in a speech in the House of Commons on his return to England, after which the War Department in Washington issued a public statement on February 6th. The Canadian Government has never been officially advised of the creation of the Combined Chiefs of Staff. The following extracts are taken from the press release of the United States War Department.

"The 'Chiefs of Staff' group has been established by the United States and Great Britain to insure complete coordination of the war effort of these two nations, including the production and distribution of their war supplies, and *to provide for full British and American collaboration with the United Nations now associated in prosecution of the war against the Axis powers.*"

"While the action of the Combined Chiefs of Staff on broad strategical questions will be in the form of joint recommendations to the heads of their respective governments, in minor and immediate matters relating to current operations they are prepared to take action without delay. The setup therefore amounts to a Combined Command Post for the conduct of all joint operations of the two governments in the war. It will be the control agency for planning

and coordination. *In addition, it will provide a medium for adjusting such joint operations as involve other governments of the United Nations, such as China, the Netherlands East Indies, Australia, and New Zealand at the present moment. The representatives of these governments will participate with the Combined Chiefs of Staff in the consideration of matters concerning their national interests.*"

The Combined Chiefs of Staff is composed at present of Generals Marshall and Arnold and Admirals King and Towers on the United States side, and of Field Marshall Dill (representing collectively the United Kingdom Chiefs of Staff), Admiral Cunningham, General Macready and Air Marshall Evill on the United Kingdom side. Several important committees are dependent on it.

(b) THE MUNITIONS ASSIGNMENTS BOARDS. The establishment of these Boards was announced in Washington and London on January 26th in a statement which covered also the Raw Materials Board and the Shipping Adjustments Boards. The text of the announcements was simultaneously cabled to the Canadian Government by the Dominions Office. The official statement declared that all the Boards had been set up by the President and the Prime Minister "*to further coordination of the United Nations' war effort*". It continued: "*Members of the Boards will confer with representatives of the Union of Soviet Socialist Republics, China, and such other of the United Nations as are necessary to attain common purposes and provide for the most effective utilization of the joint resources of the United Nations.*"

The following extract indicates the principal functions of the Munitions Assignments Boards:

"1. The entire munition resources of Great Britain and the United States will be deemed to be in a common pool, about which the fullest information will be interchanged.

2. Committees will be formed in Washington and London under the Combined Chiefs of Staff. . . . These Committees will advise on all assignments both in quantity and priority, whether to Great Britain and the United States *or other of the United Nations* in accordance with strategic needs."

Mr. Hopkins is Chairman of the Washington Board and Mr. Lyttleton of the London Board. The other members are senior officers of the Services.

(c) THE COMBINED RAW MATERIALS BOARD. The announcement of the creation of this Board on January 26th was prefaced by the statement: "*A planned and expeditious utilization of the raw material resources of the United Nations is necessary in the prosecution of the war.*" The duties of the Board are described as to plan the development, expansion and use of the raw material resources under the jurisdiction or control of the two Governments, and:

"In collaboration with others of the United Nations work toward the best utilization of their raw material resources, and, in collaboration with the interested nation or nations, formulate plans and recommendations for the development, expansion, purchase, or other effective use of their raw materials."

The Board is composed of Mr. W.L. Batt of the War Production Board and Sir Clive Baillieu, Head of the British Raw Materials Mission in Washington.

(d) THE COMBINED SHIPPING ADJUSTMENTS BOARDS. The establishment of

these Boards in Washington and London was also announced on January 26th. The announcement was prefaced by the statement that, in principle, the shipping resources of the two countries would be deemed to be pooled. The Ministry of War Transport would continue to direct the entire movement of shipping under United Kingdom control and the appropriate United States agency (now the War Shipping Administration) would act similarly in respect of shipping under United States control. There is no special reference in the announcement to the interests of the other United Nations.

The Washington Board is composed of Admiral Land, Chief of the War Shipping Administration, and Sir Arthur Salter, Head of the British Merchant Shipping Mission. The London Board is composed of Lord Leathers, Minister of War Transport, and Mr. Averill Harriman.

(e) THE COMBINED PRODUCTION AND RESOURCES BOARD. On June 9th there was announced in London and in Washington the creation of this Board and of the Combined Food Board. The Canadian Government was simultaneously informed by telegram from the Dominions Office. The Board is made up of Mr. Donald Nelson, Chairman of the War Production Board, and Mr. Oliver Lyttleton, Minister of Production. Its duties are described as to:

“Combine the production programs of the United States and the United Kingdom into a single integrated program, adjusted to the strategic requirements of the war, as indicated to the Board by the Combined Chiefs of Staff, and to all relevant production factors.”

The announcement continues;

“In this connection, the Board shall take account of the need for maximum utilization of the productive resources available to the United States, the British Commonwealth of Nations, *and the United Nations*, the need to reduce demands on shipping to a minimum, and the essential needs of the civilian populations.”

Other passages in the announcement develop the theme that the Board is to be closely linked with the agencies concerned with strategy. The only reference to the United Nations is that quoted above.

(f) THE COMBINED FOOD BOARD. The announcement of the creation of the Combined Food Board on June 9th included a statement that, in principle, the entire food resources of Great Britain and the United States would be deemed to be in a common pool about which the fullest information would be exchanged. The duties of the Board are described as to consider and formulate plans with regard to any food questions in which the United States and the United Kingdom Governments have a common concern. These questions would relate to the supply, production, transportation, disposal, allocation or distribution “in or to any part of the world”, of foods and food producing equipment. It is also described as a duty of the Board:

“To work in collaboration with others of the United Nations toward the best utilization of their food resources, and, in collaboration with the interested nation or nations, to formulate plans and recommendations for the development, expansion, purchase, or other effective use of their food resources.”

The Board is composed of Mr. Wickard, Secretary of Agriculture, and Mr.

R.H. Brand, Head of the British Food Mission in Washington.

3. METHODS OF CANADIAN ASSOCIATION WITH THE COMBINED BOARDS.

(a) COMBINED CHIEFS OF STAFF.

Contact has been established with the Combined Chiefs of Staff through the Canadian Joint Staff in Washington. General Pope in his capacity of Representative of the Canadian Chiefs of Staff can attend meetings of the Combined Chiefs of Staff when matters of concern to Canada are under discussion. The representatives of the Chief of the Naval Staff and the Chief of the Air Staff can also attend when naval and air matters of concern to Canada arise. The arrangements for associating the Canadian Joint Staff with the work of the various committees dependent on the Combined Chiefs of Staff are now under discussion between the Joint Staff and the Departments of National Defence and need not be dealt with here. It is important that effective means of contact with these committees should be developed.

The pattern of our association in this case has been determined. Canada does not seek representation on a body which must for efficiency be as small as possible, but has means of participating in its work when this is necessary to safeguard Canadian interests. The development of further contacts with the Combined Chiefs of Staff organization will be primarily a matter for the military authorities. Provided that the members of the Canadian Joint Staff are officers who command respect in Washington and Ottawa, our position should be reasonably satisfactory. The personal qualities of our Service representatives will be all important in this connection.

(b) THE MUNITIONS ASSIGNMENTS BOARDS.

The Canadian relationship to these Boards has been a most complex problem. The Boards were set up to allocate the munitions produced in the United Kingdom and the United States. The question of the method of allocating Canadian production at once came to the front. After a lengthy examination of various alternatives and discussions in both Washington and London, it was decided that the best course would be for all Canadian production to be pooled in Washington and assigned by the Washington Board, provided that Canada was fully represented on that Board. This proposal was made formally to the United States Government on May 13th. Its acceptance was resisted by Mr. Hopkins, the Chairman of the Washington Board, and the proposal has not been formally accepted. General Burns, the Executive of the Board, however, on August 4th approached General Pope with a solution which appears to be acceptable. Under this scheme Canadian production would be tabled in Washington and a Canadian member would be added to the Board when Canadian production was being assigned. Similarly Canada would be represented on the naval, ground and air committees of the Board which do the detailed work of assignment. These Canadian members would also have the right to bid for munitions produced in the United States and required by the Canadian forces in the North American area. It was earlier agreed that the needs of the Canadian forces overseas from United States production should be included under certain safeguards in a bulk United Kingdom bid in Washington. These proposals have not been received in writing but they meet our main points.

The Canadian position respecting the Munitions Assignments Board is a special one as Canada is the only one of the United Nations, apart from the United Kingdom and the United States, which produces munitions in volume for the use of other countries. Canadian production obviously ought to be assigned on the same strategic grounds as production of the United States and the United Kingdom. To permit its assignment without Canadian representation would have amounted in effect to surrendering control of Canadian production. That our right to be represented on the Washington Munitions Assignments Board seems likely to be admitted does not mean that similar requests with regard to other boards will be granted.

(c) THE COMBINED RAW MATERIALS BOARD.

Canadian interest in the work of this Board is obvious, in view of the great importance of Canadian production, especially of metals and minerals. We have not, however, requested full participation in the Board. When the Board was established the Joint Materials Co-ordinating Committee had already been at work for over six months on the task of arranging for the development and supply of raw materials between Canada and the United States. The Department of Munitions and Supply has felt that Canadian contact with the Combined Board should be through the Joint Committee. Mr. Batt is both Chairman of the Board and a member of the Committee, and this circumstance has undoubtedly served our interests. For a time Canadian representatives sat with the various committees of the Board but these were later withdrawn on the ground that this type of representation tended to interfere with direct negotiations at the top level. The Metals Controller, however, maintains a representative in Washington, who keeps intimate contact with the work of the Board and its Committees.

It seems desirable to keep the way open for a later request for a more direct association on the Board. If the Board develops its authority into control of the flow of raw materials to the United Nations, the present informal link through the Joint Committee may not be adequate.

(d) THE COMBINED SHIPPING ADJUSTMENT BOARDS.

Canadian contact with the Board in Washington is maintained through the representative in Washington of the Canadian Shipping Board, supplemented by frequent visits of the Director of Shipping and other Canadian officials. In London contact is maintained through the London representative of the Canadian Shipping Board. No request has been made for further means of contact. Since there is very little maritime shipping under Canadian registry Canada has little to offer as a contribution to the pool of allied shipping. When the merchant vessels now under construction for the Park Shipping Company commence operations, Canada will be in a stronger position. The question will probably arise whether Canadian maritime merchant shipping should be part of the pool, and, if so, whether it should come within the scope of the Washington Board. In that event Canada will be interested in the Board as an operator of ships. Her present interest is almost entirely as a user of the ships of other countries. It is understood that the Norwegians have sought representation on the Combined Board and that the request has been refused.

(e) THE COMBINED PRODUCTION AND RESOURCES BOARD.

No request has been advanced for Canadian membership but in communications to Washington and London the Canadian position in this respect has been reserved. In fact it seems that this Board can be regarded as being an agency of the United States and United Kingdom Governments charged with functions of direct concern only to those countries. If the Board develops its activities beyond these limits, Canada will have a better claim than any other country to be a member of it.

Mr. Donald Nelson has suggested that a new Canadian-United States body might be created to parallel the work of this Board, especially in order to ensure that Canada is consulted at an early stage in production planning. A two-man Board composed of Mr. Donald Nelson and the Minister of Munitions and Supply would be a useful supplement to the existing agencies. Although the functions intended for such a Board would seem to fall within the scope of the Joint War Production Committee, that body is in fact too large to maintain the sort of contact required; its main task has been to co-ordinate through its technical sub-committees the production programs of the different war industries of Canada and the United States. Should Mr. Nelson's idea be adopted, some changes will become necessary in the terms of reference of the Joint War Production Committee, or alternatively that body might be merged in the new two-man Board.

(f) THE COMBINED FOOD BOARD.

The High Commissioner in London and the Canadian Minister in Washington were instructed on July 13th to present identical requests to the United States and the United Kingdom Governments for full Canadian membership on this Board.³³ No reply has yet been received. The Chairman of the British Food Mission in Washington, Mr. Brand, and the United States Executive Secretary of the Board, Mr. Wheeler, recently visited Ottawa to discuss the request. They indicated that there were very serious difficulties in the way of full Canadian membership. Their chief argument centered around the contention that if Canada were added to the Board, several other countries would have an equal claim to membership. An alternative scheme was advanced by Mr. Brand which involved the right of a Canadian representative to full information on the Board's proceedings and to be present at discussions when Canadian interests were directly affected. It was suggested that Canada should be fully represented on the Committees depending on the Board, and also that a joint Agricultural Policy Committee should be set up between Canada and the United States in Ottawa. The chief items in Mr. Brand's compromise have been held by the Government to be unacceptable on the ground that top-level participation in the work of the Board is essential. It was felt that if membership on the Board is refused a method of co-operation like that in effect in respect of raw materials and like the suggestion of Mr. Donald Nelson respecting the Production Board might meet the situation. This could take the form of a small Canadian-United States Committee tied in with the Combined Board at a high level by over-

³³ Voir le document 190.

³³ See Document 190.

lapping membership on the United States side. No action has yet been taken to pursue this matter.

There has come under consideration at the same time the proposals under discussion in Washington for the creation of a United Nations Relief and Rehabilitation Administration. The draft of these proposals suggests the establishment of a United Nations Council consisting of a representative of each of the United Nations. Between sessions of the Council (which would be held infrequently) a Policy Committee would exercise the Council's powers and would be made up of representatives of the United Kingdom, United States, the U.S.S.R. and China. We have taken the position that this does not provide for adequate representation of Canada, since Canada will be expected to contribute largely to post-war relief. This attitude has been made known to Sir Frederick Leith-Ross, who is in Washington discussing the proposed organization with the United States authorities.

4. POSSIBLE ALTERNATIVE COURSES.

The Combined Boards are technically agencies of the United States and the United Kingdom Governments alone, although they are charged with giving due weight to the interests of the other United Nations. Their members are Ministers and officials of these two governments, all of whom are charged as well with important national duties. The staffs attached to the Boards also consist of officers of the two governments most of whom perform other national duties. Other countries are represented only by members on some of the committees dependent on the Boards.

One course which might be followed would be to maintain and emphasize the two-power character of the Boards and perhaps to arrange for a clarifying statement to this effect to be issued in London and Washington. It could then be said that our entire concern in connection with them was to ensure that Canadian interests were borne in mind in framing their recommendations so that such of these recommendations as concerned Canada would be more readily adopted by us. This might be acceptable to the United Kingdom and the United States Governments, but it would not be a desirable solution of the problem. The more effective the Boards are, the more must their proposals carry the consent of all the United Nations concerned with them. To emphasize that they were agencies only of two governments would be to invite constant departures from their recommendations. One attraction of this solution would be that we could match the Combined Boards with our own joint arrangements with the United States, but this would be more a talking point than a reality.

Both in their terms of reference and in the proposals since advanced in Washington and London there are frequent expressions of a desire to ensure that the other United Nations are appropriately associated with the work of the Boards. This in practice seems to mean that there is some readiness to invite participation by representatives of other countries when the direct interests of these countries are involved in the particular matter under discussion. The intention seems to go no further than this. If we are satisfied with some machinery for bringing our direct interests to the notice of the Boards, this might be developed through arrangements for all the Boards similar in general to those which have

been worked out for the Combined Chiefs of Staff. This method, however, inevitably reduces the role of the other United Nations to that of auxiliaries. It excludes them from participating in major decisions of policy and it would also leave it to the Boards themselves to decide when the direct interests of another country were at issue. In our contact with the organs for the direction of the war, should we be content merely with protecting our interests?

It seems desirable and important that the question should always be approached from the point of view of efficiency, and that considerations of national status and prestige should not be given undue weight. It is obvious that the Boards would lose all influence if they were to be made up of representatives from all the United Nations. We have been careful to seek membership only on the two Boards to the work of which we could make the greatest contribution. In each case the importance of Canada among the United Nations is so much greater than the importance of the next country in line that preferential treatment can justly be claimed. Our purpose should be to improve the efficiency of the Combined machinery, not to secure a better position for Canada as an end in itself.

There seems to be a growing feeling that the current arrangements for the direction of the war are altogether too much an Anglo-American monopoly. This feeling is to be found in several other of the United Nations, notably China, Australia, New Zealand, The Netherlands and Norway. If the Combined Boards grow in importance, this sense of exclusion from the inner circle of control may increase until it amounts to frustration and has serious effects on the war effort. When the Canadian Army is in action, public interest in our part in the high direction of the war will increase. Similarly as shortages in Canada grow more stringent, public interest will increase in our part in the international control of raw materials and food. A broader question therefore arises. Has the time come when an attempt should be made to embody in some type of international organization the principle expressed in the phrase "United Nations"? If this question is answered affirmatively, it would be appropriate for the Canadian Government to take the initiative in putting forward proposals. These proposals might have the double objective of recognizing through membership in some new body the partnership of all countries at war with the Axis, and of giving to the Combined Boards (and perhaps to other regional bodies concerned with the direction of the war effort) a mandate in the name of the United Nations.

One possible form of organization would be the creation of a Council of the United Nations on which all should be represented. The Council itself would be called to meet rarely and then principally for the performance of formal acts such as the issuance of declarations of purpose on the lines of the Declaration of January 1st, 1942. At its first meeting the Council might establish a series of bodies concerned with particular aspects of war organization. There might be, for instance, a Food Council of the United Nations composed of representatives of the six or eight most important countries either as producers or consumers of foodstuffs. The Combined Food Board might become the standing executive agency of the Food Council and thus be turned into an inter-Allied body. The

Food Council could itself meet every two or three months, preferably in Washington, and between its meetings the Combined Food Board would have full power to carry on its work. Similar schemes could be developed in the spheres occupied by the other Combined Boards.

There are, of course, great difficulties in the way of the adoption of any such scheme. The special position of Russia would in itself be a serious obstacle. Undoubtedly the development of the scheme would require long negotiations. Even if it were expected that these were unlikely to come to fruition, it might still be worth while to put forward the idea. The advancement of so large a proposal might bring about the adoption of smaller measures which would yet be a considerable improvement on the present position. For Canada to take the initiative would also help to remove the constant misconceptions about the standing of Canada. Canada is still too often considered in some quarters as being a dependent part of the British Commonwealth, while in other quarters there is a tendency to treat us as being virtually a dependency of the United States. At times as well we figure awkwardly as a unit in the group lumped together as the Dominions.

In principle each of the United Nations should contribute to the direction of the general war effort in proportion to the value of its contribution to that effort. The principle is easy to state but difficult to apply. It has not been applied in the organization of the Combined Boards. Resentment, however, is not a useful emotion towards winning the war. Though we may have good cause for complaint over the manner in which the combined organizations have been built up, the aim must now be to improve the machinery even though we may not altogether like its pattern. If the view is not accepted that it is important to make the direction of the war more of a United Nations matter, then probably we ought to be satisfied with minor changes in the present arrangements, so that we may be assured of a constant flow of information on the work of the Combined Boards and of the right of easy approach to them when direct Canadian interests are involved.

198.

DEA/3265-D-40

*Mémoire de l'adjoint spécial en temps de guerre
du sous-secrétaire d'État aux Affaires extérieures³⁴*

*Memorandum by Special Wartime Assistant to Under-Secretary of State
for External Affairs³⁴*

[Ottawa,] August 17, 1942

METHOD OF ASSOCIATION OF CANADIAN GOVERNMENT
WITH THE COMBINED FOOD BOARD

The Combined Food Board, composed of Mr. Claude R. Wickard, United States Secretary of Agriculture, and Mr. R. H. Brand, Head of the British Food Mission in Washington, was established on June 9, 1942. The duties of the Board are to consider and formulate plans with regard to any food questions in which the United States and the United Kingdom have a common concern, and

³⁴J. J. Deutsch.

also "To work in collaboration with others of the United Nations toward the best utilization of their food resources, and, in collaboration with the interested nation or nations, to formulate plans and recommendations for the development, expansion, purchase, or other effective use of their food resources". The decisions of the Board are to be rendered in the form of recommendations to the Governments of the United Kingdom and the United States.

The machinery for the operation of the Board is as follows:

Joint Executive Officers: For the United States, Leslie A. Wheeler, Director of Foreign Agricultural Relations, U.S.D.A.; for the United Kingdom, Maurice I. Hutton of the British Food Mission.

Advisers: Paul H. Appleby, United States Under-Secretary of Agriculture, adviser to Mr. Wickard, and E. Twentyman, adviser to Mr. Brand.

Commodity Committees: The problem of allocating foods and food materials in short supply among the United Nations will be dealt with in the first instance, by Committees on specific commodities or groups of commodities. The membership will be on the technical level and will consist of representatives from the United States and United Kingdom government agencies concerned. Representatives from other United Nations will be invited to become members in cases where their direct interests are involved. Five commodity committees have been established in Washington: agricultural seeds, fats and oils, meat and meat products, spices, and sugar; two in London, on tea allocation and United Kingdom agricultural policy. Additional committees will be established as needed. The Committees will make recommendations to the Board on the commodities assigned to them.

Committee on Sources of Supply and Distribution: It has been proposed to establish a committee to develop means of ensuring that the sources of supply and distribution of foods are arranged in such a way as to minimize the amount of shipping required for food transport. It is suggested that this committee, when set up, would consist of representatives from United Kingdom and United States government agencies and from other United Nations directly concerned.

Inter-agency Committee: This Committee, under the chairmanship of the Joint Executive Officers of the Board, is composed of representatives of United States Government agencies — State Department, Board of Economic Warfare, Office of Lend-Lease Administration, Food Requirements Committee, Agricultural Marketing Administration, War Shipping Administration — a representative from the Combined Shipping Adjustment Board and representatives from the British Merchant Shipping Mission, the British Food Mission, and the British Embassy. The inter-agency Committee will consider and advise upon recommendations proposed to be made by the Board and the members will indicate the attitudes of their agencies toward the proposed recommendations.

London Food Committee: This committee consists of representatives from the Government of the United Kingdom, the British Dominions (except Canada), the British Colonies, India, Belgian Congo and the French Colonies in Africa under the control of the Fighting French. This committee is established in London and is not a committee of the Board. The purpose of the London Com-

mittee is to collect information and make provisional recommendations to the United Kingdom member of the Combined Food Board regarding the needs and resources of the Empire as a whole and also of the Allies and neutrals outside the Western Hemisphere. Because of direct contacts with Washington, Canada has indicated that she does not wish to become a member of the London Food Committee.

On July 15th the Canadian Government addressed a request to the Governments of the United States and the United Kingdom for full membership on the Combined Food Board. No formal reply to this request has been received but Mr. Brand has presented an alternative proposal. He proposed (i) the formation of a joint Agricultural Policy Committee of the United States and Canada as a Committee of the Board, sitting in Ottawa; (ii) Canadian representation on any committees formed within the Board's organization and affecting Canada; (iii) right of a Canadian representative to be kept fully informed of the Board's proceedings and to be present, but not as a member of the Board, at discussions where Canadian interests are directly affected.³⁵ Mr. Brand was told that his proposals were not considered satisfactory by the Canadian Government which continues to adhere to its original request for full membership.

In the meantime the Board has set up several commodity committees and Canada has been asked to send representatives. It was arranged that Canadian representatives could participate informally in the work of the committees but no formal appointments were made so as not to prejudice the Canadian position respecting membership on the Board itself. It has been arranged that Mrs. Turner will attend the meetings of the Fats and Oils Committee, Mr. L.W. Pearsall the meetings of the Meat and Meat Products Committee, Mr. Nelson Young the meetings of the Agricultural Seeds Committee, Mr. Peart the meetings of the Fertilizer Committee, and Mr. Hobbins the meetings of the Sugar Committee. These Canadian officials will attend for the purpose of giving information and receiving information but are not to be regarded as representatives of Canada on the committees.

When Mr. Brand was informed that his proposals were not acceptable he wished advice as to what he should do. It was suggested to him that he should take no further steps for the moment until he had received a reply to his memorandum. In connection with the preparation of a reply it might be desirable to consider various alternatives. If it is felt that Canada's attempt to obtain full membership is hopeless, at least in the near future, perhaps a satisfactory method of association with the Combined Food Board, for the time being, could be worked out along the lines of the Munitions Assignments Board. In the case of the latter it is suggested that a Canadian member would be added to the Board when Canadian production was being assigned and that Canada would be represented on the working committees of the Board. In the case of the Combined Food Board the arrangement might be as follows:

1. Canada to become a member of the Board whenever matters directly affecting Canada are under consideration. At an interdepartmental meeting held on August 6th it was suggested that Canada should seek full membership

³⁵ Voir le document 194.

³⁵ See Document 194.

on the Board so far as it concerns all commodities produced in North America. Alternatively Canada might seek full membership so far as it concerns commodities that are exported from both Canada and the United States.

2. Canada to be kept fully informed of the Board's proceedings. The specific arrangement for doing this is to be worked out. One of the purposes would be to ensure that Canada would be in a position to know when matters of direct concern to her will be under consideration.

3. Canada to be represented on all the committees of the Board in which she is interested.

4. Canada to appoint an official to be located in Washington whose functions and status would be similar to the two Joint Executive Officers of the Board. This official would co-ordinate the activities of the Canadian representatives on the committees of the Board, perhaps attend most of the meetings of the committees and generally act as liaison and clearing house on Canadian food matters in Washington.

5. The formation of a joint Agricultural Policy Committee of Canada and the United States. The composition and purpose of such a joint committee would be similar to that of the Joint War Production Committee. The joint Agricultural Policy Committee would be asked to study and to make recommendations on the co-ordination of the production goals and agricultural production programmes of Canada and the United States. The committee would consist of officials responsible for planning and for carrying out production policies in the two countries; on the United States side, the Director of the A.A.A., the Chief of the Bureau of Agricultural Economics, which is the planning organization in the United States Department of Agriculture, and a representative from the United States Food Requirements Committee; on the Canadian side perhaps, the Deputy Minister of Agriculture, the Foods Administrator and one other official. If thought desirable, one or two representatives could be added on each side from other government departments. It would be advisable to establish such a Joint Agricultural Policy Committee regardless of the method of association of the Canadian Government with the Combined Board since the Board has no machinery for coordinating production plans and policies in the two countries. Effective co-ordination in this respect would be an important contribution to the joint war effort. The joint Agricultural Policy Committee would not be a committee of the Combined Board but it would work in collaboration with it. It would receive information from the Board regarding requirements from North America and would supply information to the Board regarding Canadian and United States production plans. The joint Agricultural Policy Committee would make its recommendations directly to the two Governments.

Mr. Pearson and Mr. Deutsch had an opportunity for an informal discussion with Mr. Wheeler in Washington. The possibility of the above approach came up in the discussion and, offhand, Mr. Wheeler thought that it was worth exploring. He emphasized the desirability of establishing a joint Agricultural Policy Committee along the above lines. He said he had briefly discussed his proposals, which he had made earlier, regarding the joint policy committee with Secretary Wickard and other officials in his department and that they had indicated general approval of the idea.

199.

DEA/3265-D-40

*Le sous-ministre du Commerce au sous-secrétaire d'État
aux Affaires extérieures*

*Deputy Minister of Trade and Commerce to Under-Secretary of State
for External Affairs*

Ottawa, August 20, 1942

Dear Mr. Robertson,

I thank you for your letter of August 17,¹ enclosing copy of a memorandum, which has been prepared in your Department, on the relationship of the Canadian Government to the Combined Food Board.³⁶

I have read over this memorandum with great interest and find that it contains a very useful summary of developments to date, but I feel that we have some reservations with respect to the suggestions put forward concerning the method of associating the Canadian Government with the work of the Board.

The most important of the suggestions is No. 1, which proposes that Canada would be a member of the Board whenever matters directly affecting Canada are under consideration. There is certainly no harm in putting forward this request; although, in the light of the ill success which has attended previous efforts to become associated with the Board, we cannot be too hopeful that even this moderate request will be agreed to by the United Kingdom and the United States.

Suggestion No. 2, that Canada be kept fully informed of the Board's proceedings, is substantially in line with one of the proposals made by Mr. Brand and should present no difficulty.

Suggestion No. 3, that Canada be represented on all the Committees of the Board in which she is interested, is in accord with the original suggestion as to the manner in which Canada should participate in the deliberations of the Board, but has been held to be an inadequate form of representation without more direct participation at a higher level.

Suggestion No. 4, that Canada appoint an official to be located in Washington, whose functions and status would be similar to the two joint executive officers of the board, would only be practicable if the United Kingdom and the United States would agree that this official should have the same status as Mr. Hutton and Mr. Wheeler — which is extremely doubtful.

Suggestion No. 5, regarding the formation of a Joint Agricultural Policy Committee of Canada and the United States, is probably the proposal which requires the most careful consideration. As Mr. Wrong has pointed out in his most excellent memorandum on Allied organizations for the direction of the war,³⁷ our main interest is not to be regarded, on the one hand, as only one of the Dominions or, on the other hand, as a dependency of the United States. For the first reason we should refrain from official participation in the London Food Committee as a means of cooperating with the Combined Food Board. For the

³⁶ Le document précédent.

³⁷ Document 197.

³⁶ Preceding document.

second reason we should take care that our interests are not represented on the Combined Food Board chiefly by the United States. This is the danger that we see in the proposal for the formation of a Joint Agricultural Policy Committee of Canada and the United States. We are doubtful if there would be enough useful work for this Committee to do apart from matters arising out of the Combined Food Board. I also fear that there may be a tendency on the part of this Joint Committee, the same as of other joint committees, for the United States to use the Committee as a means of proposing policies which, while reasonable in appearance, may be politically inexpedient in Canada.

Taking all these considerations into account, we would be inclined to propose that for the present no irrevocable steps should be taken in connection with Canadian representation on the Combined Food Board. We might act upon suggestion No. 1 in your memorandum and request that Canada become a member of the Board whenever matters directly affecting Canada are under consideration, but if this suggestion is not agreed to we should then continue to confine our participation to the unofficial representation on the various Sub-Committees, which has already been arranged. This would give us time to see how the Combined Food Board develops and if it proves to be more important than we in this Department anticipate efforts could then be renewed for more adequate Canadian representation at the higher level, in a somewhat similar manner as that in which we have been attacking the problem of Canadian representation on the Munitions Assignments Board.

Yours faithfully,

L. D. WILGRESS

200.

DEA/3265-D-40

*Le président, la Commission des prix et du commerce en temps de guerre,
au sous-secrétaire d'État aux Affaires extérieures*

*Chairman, Wartime Prices and Trade Board, to
Under-Secretary of State for External Affairs*

Ottawa, August 20, 1942

Dear Mr. Robertson,

I have your letter of August 17th[†] and enclosure consisting of a memorandum covering the relationship of the Canadian Government to the Combined Food Board.³⁸ I am rather at a loss to make suggestions. I assume I am not expected to make any comment about the membership of the Combined Food Board because that is obviously a matter affecting high Government policy. So far as Commodity Committees are concerned, I am of the opinion that the proposed arrangements will be found to be workable, provided that the appropriate representation is appointed. I think the question of personnel on these working Committees is all important.

I must confess that I am far from clear about how the decisions of such Committees are to be actually implemented. One of the main factors still trou-

³⁸ Document 198.

bling me is that in certain questions there may be divided opinion between departments in Canada, in regard to what our production programme should be. Consequently, any representative on a committee dealing with such subjects would either be in a quandary to know what views to express, or would be in accord with one point of view and may not represent united Canadian opinion. It seems essential, therefore, in regard to some questions that there should first be established a means for reaching agreement among ourselves about what the Canadian policy is to be, before it is expressed elsewhere.

Yours very truly,

D. GORDON

201.

DEA/3265-A-40

*Le sous-ministre des Finances au sous-secrétaire d'État
aux Affaires extérieures*

Deputy Minister of Finance to Under-Secretary of State for External Affairs

CONFIDENTIAL

Ottawa, August 25, 1942

Dear Mr. Robertson,

Thanks very much for yours of the 18th¹ enclosing copy of Mr. Wrong's memorandum reviewing the inter-allied machinery for the direction of the war, contacts with it already established by Canada, and the various courses which we might now pursue.³⁹ This memorandum gives a very lucid presentation of the whole problem and should be very helpful in enabling a conclusion to be reached as to the attitude which Canada should now take.

Personally, I can see no sound alternative to equal representation for Canada on the Joint Boards in those fields where Canada has much to contribute and is endeavouring to make that contribution her maximum. This point of view is not based on mere emotional resentment nor on mere considerations of national status and prestige (far less than most people, I think, do I place emphasis on status and prestige); on the contrary, it is based solely on the desire to find ways and means of securing the most efficient prosecution of the war and of laying the basis for a post-war world structure that will have some chance of safeguarding international peace and world prosperity. Over the last few months there has been developing in my mind an ever deepening sense of alarm, not only at the military course of the war, but also at the organizational developments, the ever-growing development of an Anglo-American monopoly of the direction of all war activities (except those on the Russian front) and the ever-increasing evidences that Washington and London look to a future world authority based on the two, three or four great masses of power. There is nothing in past experience to indicate that the few large powers possess all the intelligence and the foresight or that in running a world they will be solely guided by unselfish devotion to the general, rather than the national, good. There is much in experience to demonstrate that without the full and equal participation in vital decisions of all interested nations, one cannot stir the mass of the people to the depths of effort and of sacrifice behind any cause however noble.

³⁹Document 197.

Canada in all conscience is a country difficult to govern. Our people have been making a great war effort — what they have regarded as a hundred percent war effort — but in my opinion morale is now at a rather low ebb throughout the country, and in the next four or five weeks the first real test of what the war will mean in reduced standard of living will be faced. As we well know, there are great risks inherent in the situation but we expect to surmount them — barely to surmount them. Thereafter we expect an ever-increasing measure of sacrifice from our people. If at any time in the near future they should become conscious of the subordinate role in decisions, though not in effort and sacrifice, which we are apparently supposed to play in the war, I for one would not be prepared to answer for the consequences. I am certain that the effect on our effort would be immediate and substantial. I know also that in the post-war world we would not play the enlightened role which I am hoping we shall play.

As Mr. Wrong says, the principle is clear — each of the United Nations should contribute to the direction of the general war effort in proportion to the value of its contribution to that effort. It is, of course, obvious that while the principle is easy to state, it is difficult to apply. I think we are probably guilty of not having thought through this problem long before this and of having clear-cut proposals to make. It is high time that we should formulate specific proposals which would represent the application to Canada's case of the principle just referred to. We should then take a strong line, and if we fail in our representations, we fail — but the responsibility is on other shoulders.

Yours very truly,

W. C. CLARK

202.

DEA/3265-B-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-2242

Washington, August 26, 1942

SECRET. Following for Robertson from Pearson, Begins: I am sending you herewith text of message sent by Pope to Chief of General Staff on August 24th dealing with Munitions Assignments Board. Please keep this message personal and confidential as National Defence do not know I am sending it to you, though Pope himself does. Message Begins:

Further telephone conversation (Murchie-Pope) of 19/8 re C.M.A.B.

One. I venture to suggest that in view of probable reaction of others of the United Nations, Burns' letter of 7 August⁴⁰ constitutes a generous solution of our proposals for Canadian representation, and in the circumstances it is the maximum in their power to offer to us. In this connection Burns and Macready have repeatedly said that in spite of apparent limitation in scope of Canadian representation actually they intend that Canadian member should attend all meetings in their entirety. Moreover Burns added on another occasion that as in his view every assignment question must inevitably have some bearing on the

⁴⁰ Voir le document 196.

⁴⁰ See Document 196.

assignment of Canadian production, the Canadian representation in actual practice would be pretty well complete.

Two. As regards Canadian support in Washington for Canadian element of British bulk bid on C.M.A.B. from United States and Canadian production, I find it difficult to see how this could be given here except indirectly. It is not, I suggest, so much a matter for the Canadian representative in Washington, as it is for the Canadian representative in London. It is in London that the Canadian case in respect of any item must be argued and established. Even if such procedure was not contrary to that which has hitherto been accepted by all parties it could not be done effectively here. The logical consequence of such a proposal would be that on occasion the Canadian representative in Washington would find himself bidding against the British representative, the one for the Canadian Army in the United Kingdom and the other for the British Army in the United Kingdom and elsewhere throughout the world. In such circumstances the whole machinery would break down. Rather does it seem that the most effective course would be for the Canadian representative in Washington to support the British bulk bid, directly or indirectly as opportunity offered.

Three. On general grounds it would seem that it is much to Canada's advantage to accept the current offer. We have now an opportunity to obtain representation, on a lower scale it is true than that of the United Kingdom and the United States, but nevertheless immeasurably higher than that attained or likely to be attained by any of the smaller nations. It would put us in a class by ourselves and this we appear to have been seeking for a long time. Parity with the big two powers being beyond our reach surely it is expedient to take the next best thing particularly when that next best thing happens to be good. So far as question as to whether or not we should table all Canadian physical production or only that to Canadian order is concerned, I feel that if the latter course were adopted we would from every point of view be deliberately putting ourselves in a position of inferiority to the United States. And if the Deputy Minister of Finance came away from Washington some months ago assured that all Canadian production could be assigned here without thereby impairing Canada's dollar position we should not have any worry on that score. In any event it would seem to be a matter for the Department of Finance. In this connection much water has flowed under the bridge since Pearl Harbour. Today there are items being assigned by the C.M.A.B. as United States production orders for which were originally placed by the British Purchasing Commission and paid for by British funds. Message ends. Ends.

203.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, August 26, 1942

MUNITIONS ASSIGNMENTS BOARD

6. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported the result of conversations, since the last meeting, with the Minister of Munitions and Supply and Mr. J.B. Carswell, Director General of the Department's Wash-

ington office. They were now satisfied that General Pope be directed to reply to General Burns, indicating that the proposal he had made for Canadian participation in the work of the Board would be acceptable to the Canadian government.

Mr. Carswell had felt strongly, however, that Canada should accept no responsibility for the tabling of American orders from War Supplies Limited. The product of these orders would, in any event, reach the Board through the United States, and Canada would be represented when final allocation was made.

As to the Canadian relationship to the Board when the Canadian member would not be entitled to sit, as such, both General Pope and Mr. Carswell were satisfied that continuous contact could be maintained by having the Canadian member regarded as an observer on such occasions.

7. THE MINISTER OF NATIONAL DEFENCE said that Munitions and Supply had stipulated two conditions to acceptance of the Burns' proposal. The first had to do with the replacement of the army representative in Washington. The second was that War Supplies' orders be excepted from the statement of production tabled in Washington by the Canadian member.

The second condition ignored a vital fact, namely, that War Supplies' orders competed directly with those for the Canadian forces and, in order to determine the proportion to be excepted from the Canadian total which our representative would table, a prior allocation would, in fact, have to be made in Canada. This would cut across the whole principle of pooling and would effectively preclude Canada from bidding in Washington upon our own production.

8. THE MINISTER OF MUNITIONS AND SUPPLY emphasized the importance from the exchange point of view, of not disturbing the present system of orders through War Supplies Limited. If the product of these orders were to be pooled by Canada, further orders would not be forthcoming.

9. THE WAR COMMITTEE, after further discussion, referred the problem to the Ministers of National Defence and Munitions and Supply, for further consideration.

...
204.

DEA/3265-B-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1974

Ottawa, August 27, 1942

SECRET AND PERSONAL. Following for Pearson from Robertson, Begins: In further inconclusive consideration in War Committee yesterday of question of Canadian relationship to Munitions Assignments Board, there was some difference of opinion with regard to the probable consequences of including production under War Supplies orders in statement of current Canadian production of finished munitions which would be tabled in Washington if arrangements for Canadian participation in Combined Board were consummated. It was represented that if War Supplies production was not included in Canadian total, Canada would be precluded from bidding for any part of this production because allocation of global Canadian production of munitions ordered by Canadian Defence Departments and by War Supplies Limited would,

in fact, have been effected in Ottawa when proportion of production attributable to each order was decided. I was inclined to argue that, under present arrangements, question of who did formal tabling was of little importance since if United States tabled War Supplies production it would do so in the same way as it tabled all domestic United States production and that Canada could bid for its requirements in Washington of War Supplies output in same way as it could bid for items of United States production needed for Canadian North American requirements. In these circumstances, I did not see much objection to meeting Munitions and Supply desire to have War Supplies orders tabled by United States instead of Canada. Would you discuss this point with Pope and Carswell and let me have your views.

205.

DEA/3265-B-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-2286

Washington, August 28, 1942

IMMEDIATE. SECRET. Following for Robertson from Pearson, Begins: Your teletype EX-1974 of August 27th, Munitions Assignments Board. I was unable to discuss this matter with Carswell who left yesterday for Canada. I have however, discussed it with General Pope who was in agreement with the views expressed below but who feels that the question is now more political than technical and as such outside his responsibility. I think you are right in the specific point you make that if War Supplies Limited orders were tabled as American production we could still bid for them in the same way that we bid for other United States production. The mere tabling of them would not in my view constitute allocating them to the United States. I do not see, however, why we should divide Canadian production in this way for munitions assignment purposes. Surely the only point involved is a financial one and I thought that this difficulty had been removed after the visit to Washington of Mr. Ilsley and Mr. Clark some time ago.⁴¹ If the Department of Finance is satisfied in this regard I do not see why the Department of Munitions and Supply should worry, as their orders would not be affected merely by tabling of all Canadian production in Washington. On the other hand it would be politically humiliating if we now had to tell the United States and United Kingdom that by Canadian production we no longer meant all Canadian production and that we were excluding from that production a very considerable proportion for United States order. We have all along argued that Canadian production meant all Canadian physical production. In fact we pointed that out specifically on page four of our memorandum of July 2nd⁴² which we delivered to Mr. Hopkins when we stated "all Canadian production includes all finished military stores produced in Canada whether the original orders had been placed by the Canadian, United Kingdom, United States or other Governments". The Munitions Assignments Board finally accepted that argument and it would be most embarrassing now to tell them that we have now changed our mind and that they are now offering us

⁴¹ Voir le document 174.⁴¹ See Document 174.⁴² Voir le document 188.⁴² See Document 188.

more than we can accept and that we only want representation on the Board in respect of the allocation of part of Canadian production. Furthermore if we consider Canadian production to United States order, as United States production, might not the British argue that we should consider Canadian production to their order as British production which would in that case be tabled in London.

For the above reasons I hope personally that we maintain the position set out in our despatch [note] to the State Department of May 13th and reaffirmed in the Minister's letter to Mr. Hopkins of July 3rd.[†] Ends.

206.

DF/Vol. 3992

*Le sous-ministre des Finances au sous-secrétaire d'État adjoint
aux Affaires extérieures*
*Deputy Minister of Finance to Assistant Under-Secretary of State
for External Affairs*

SECRET

Ottawa, August 29, 1942

Dear Mr. Wrong,

RE WA-2242⁴³

Thanks for sending me copy of the above cypher despatch from Mr. Pearson, which I am very glad to have for my file.

The position offered us is by no means ideal, but probably it is tolerable, particularly if it is intended that public announcement can be made. Certainly I believe it is the best we can now get, and I would be prepared to recommend its acceptance.

I note Burns and Macready have repeatedly stated their intention that the Canadian member of the Board should attend all meetings in their entirety. I got this impression also from Carswell last week, but two or three days ago Mavor told me that there are recent indications that this would not be the case. At least one session, called a secret session, at which the Canadian representative was or was to be excluded, was held and Mavor was inclined to think this kind of thing might happen more frequently in future.

The question as to whether or not we should table all Canadian production or, alternatively, allow W.S.L.⁴⁴ production to be tabled as U.S. production, appears difficult to get agreement on. After my last meeting in Washington I was prepared to accept Gen. Aurand's assurances but Carswell told Robertson and myself the other day that after that meeting he had talked to Aurand and that after some discussion Aurand had finally agreed with his point of view. It is difficult to determine to what extent Aurand's changed position represented merely acquiescence in what he believed to be a strongly held Canadian position. As I said, I was satisfied with the so-called Ralston formula but I must admit that the Howe formula is probably somewhat safer from the exchange point of view. On the other hand, Col. Ralston feels that the Howe formula is only necessary if you assume some selfishness around the M.A.B. table, and, if

⁴³ Document 202.⁴⁴ War Supplies Limited.

you make this assumption, the interests of D.N.D.⁴⁵ will not be adequately protected by the Howe formula. Can the opposing points of view be reconciled?

Yours very truly,

W. C. CLARK

207.

DEA/3265-B-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-ministre des Finances*

*Assistant Under-Secretary of State for External Affairs
to Deputy Minister of Finance*

SECRET

[Ottawa,] August 31, 1942

Dear Dr. Clark,

With reference to your letter of August 29th, I think you should see the latest exchange with Washington on the subject of the Munitions Assignments Board. I am therefore enclosing a copy of EX-1974 of August 27th sent by Mr. Robertson in view of last week's discussion in the War Committee of this matter, and of Mr. Pearson's reply WA-2286 of August 28th.

The question will come before the War Committee again this week, and I very much hope that we shall be able to arrive at a final decision. Mr. Pearson states very well the difficulties which would arise if we change our offer to pool all munitions produced in Canada so as to exclude production on orders of War Supplies Limited. I am not sure how much importance should be attached to the point which he makes at the end, that if we do this, the United Kingdom Government might reasonably argue that Canadian production to their order should be tabled by them in London. It would certainly be embarrassing if they were to make such a proposal, but I imagine that in view of the financial arrangements between Canada and the United Kingdom, they would be unlikely to do so.

Yours sincerely,

H. H. WRONG

208.

DEA/3265-D-40

*Le sous-ministre des Finances au sous-secrétaire d'État
aux Affaires extérieures*

Deputy Minister of Finance to Under-Secretary of State for External Affairs

Ottawa, September 1, 1942

Dear Mr. Robertson,

I have examined the memorandum prepared in your Department on the relationship of the Canadian Government to the Combined Food Board,⁴⁶ a

⁴⁵ Department of National Defence.

⁴⁶ Document 198.

copy of which you sent me under date of August 17th.¹ I am reluctant to have Canada consider anything but full and equal partnership on this Combined Board. The draft suggests that Canada should have full membership whenever matters directly affecting Canada are under consideration; perhaps the more practical alternative is to have full membership when consideration is being given to commodities of which Canada is an exporter. My views in regard to representation on this Board have been somewhat re-enforced by an opinion expressed to me by Sir Frederick Phillips the other day. He was inclined to feel that our munitions production was so small in comparison with that of either the U.K. or the U.S. that we could scarcely expect full representation on such a Board as the Munitions Assignments Board, but he did express the view that in the field of foodstuffs Canada's position was probably such as to warrant full representation. I think we should take a clear and forthright stand on this whole matter. If we must begin participation in the technical sub-committees before the major question is determined, let us by all means do so with full reservation of our right to full representation on the Board itself.

I think the proposal for a joint agricultural policy committee of Canada and the United States is sound and worthwhile; it is only incidentally connected with the Combined Food Board question. It should have some representatives other than those from the Department of Agriculture as suggested in the draft memorandum.

Yours very truly,

W. C. CLARK

209.

DEA/3265-A-40

Mémoire du ministère des Affaires extérieures

Memorandum by Department of External Affairs

Ottawa, September 1, 1942

COMBINED BOARDS AND RELATED MATTERS

I. MUNITIONS ASSIGNMENTS BOARD

The suggestions made by General Burns on August 5th⁴⁷ for limited Canadian membership on this Board have not yet been answered. A decision is urgently required.

II. PRODUCTION AND RESOURCES BOARD

Sir Robert Sinclair, who represents Mr. Oliver Lyttleton as United Kingdom member of this Board, said when in Ottawa on August 31st that he would be ready to support the addition of a Canadian member to the Board. He feels that this will be much more satisfactory than the establishment of a separate two-man Production Board between Canada and the United States — a proposal but forward by Mr. Donald Nelson. He considers that very close Canadian associa-

⁴⁷ Voir le document 196.

⁴⁷ See Document 196.

tion with this Board at various levels is essential. The Board is finding it necessary to extend its scope to include civilian production as well as military production. Sir Robert has asked that the suggestion of adding a Canadian member should not be pursued until he has submitted his recommendations to Mr. Lyttleton.

III. PROPOSED COMMONWEALTH SUPPLY COUNCIL

The United Kingdom Government has proposed the establishment in London of a Commonwealth Supply Council (see Dominions Office Circular telegram D.384 of August 28th)[†]. This Council would serve —

(a) as a clearing house on questions concerning the production and supply of raw materials in the Commonwealth (absorbing the present Empire Clearing House);

(b) as a collector of information on requirements and production of non-munition supplies, in order to present the Commonwealth picture to the Production and Resources Board in Washington; and

(c) as the means of contact for Commonwealth countries with this Board and also with the Joint War Production Staff in England.

The proposed council would consist of the British Minister of Production, four other British Cabinet Ministers and the Dominion High Commissioners. In a separate telegram (No. 180 of August 28th)[†], the Secretary of State for Dominion Affairs stated that the special position of Canada in relation to the Council is appreciated. He has asked to be informed of the wishes of the Canadian Government with regard to the association of Canadian representatives with the activities of the Council.

It seems that in the matters to be dealt with by the Council, Canadian interests are much more closely tied in with Washington than with London, and that it would be inadvisable for Canada to be represented on the Council. Canada has not accepted membership on the Empire Clearing House on raw materials and the London Food Committee. This question, however, is closely related to the question of the connection of Canada with the Production and Resources Board and the Raw Materials Board in Washington.

IV. FOOD BOARD

On July 15th a request for full Canadian membership on the Food Board was addressed to the United Kingdom and United States Governments.⁴⁸ A compromise proposal for associating Canada with the work of the Combined Food Board, put forward on July 20th by Mr. R. H. Brand, the United Kingdom member,⁴⁹ was rejected on July 29th by the War Committee as unsatisfactory. This information has been given verbally to Mr. Brand and Mr. Malcolm MacDonald. The United Kingdom authorities are understood to be expecting a full statement in writing of the views of the Canadian Government, and hope that we shall suggest an acceptable compromise. In the meantime, Canadian experts have been attending unofficially the meetings of the Commodity Committees of

⁴⁸ Voir le document 190.

⁴⁸ See Document 190.

⁴⁹ Document 194.

the Board. It should be decided whether any arrangement short of full membership will be satisfactory to Canada.

V. RELIEF ORGANIZATION

Draft proposals for a United Nations Relief and Rehabilitation Administration were also considered by the War Committee on July 20th.⁵⁰ These proposals were prepared in Washington by British and United States officials. The War Committee decided that the vesting of authority in a Policy Committee composed of representatives in the United States, United Kingdom, U.S.S.R. and China was not satisfactory from the Canadian point of view. Sir Frederick Leith-Ross was so informed. The United Kingdom High Commissioner states that a written statement of the Canadian viewpoint is expected, and that it is hoped that this statement will include alternative proposals.

210.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, September 2, 1942

COMBINED WAR ORGANIZATIONS, WASHINGTON AND LONDON

18. THE SECRETARY submitted a memorandum describing the present position in regard to Canada's relationship to the Munitions Assignments Board, Production and Resources Board, a proposed Commonwealth Supply Council, the Food Board and the proposed United Nations Relief Organization. Copies of the memorandum had been circulated.

(External Affairs memorandum, undated, C.W.C. document 262).

19. THE PRIME MINISTER reported that Sir Robert Sinclair, who represented the U.K. Minister of Production as member of the Production and Resources Board in Washington, had recently been in Ottawa. Sir Robert's own personal view had been that Canadian participation in the work of this Board, at the highest level, was desirable and would prove much more satisfactory than a separate Canada-U.S. Production Board such as had been proposed by Mr. Donald Nelson.

Sir Robert would support a request for full Canadian membership and would submit a recommendation, in this sense, to Mr. Lyttleton.

This suggestion, if accepted by the United Kingdom and the United States, would provide an entirely satisfactory solution and permit of close Canadian association with the Board throughout.

20. MR. KING said that Sir Robert had also expressed the view that we should accept the Burns' proposals for membership on the Munitions Assignments Board. He had been satisfied that, despite the formal limitations suggested, the

⁵⁰ Document 195.

Canadian member would, in fact, participate fully in the work of this Board, for all practical purposes.

21. THE MINISTER OF MUNITIONS AND SUPPLY agreed that full membership on the Production and Resources Board would be entirely satisfactory.

The expedient of separate Canada-U.S. organizations was only second-best to top level representation on the combined organizations. It had been adopted only because full membership had, so far, been opposed by Britain and the United States.

As to the Burns' proposal for the Munitions Assignments Board, this should be accepted, but War Supplies orders should not be included in Canadian production tabled by the Canadian representative in Washington.

22. THE ACTING UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that the Legation in Washington had pointed out that the exception of War Supplies orders from Canadian munitions pooled in Washington involved a serious modification of our original proposal to the U.S. government, in which we had offered to pool all production in return for full membership.

It had also been pointed out that, if this were done, the United Kingdom might claim similar control over Canadian production to British order.

23. THE MINISTER OF NATIONAL DEFENCE mentioned two conditions stipulated by Munitions and Supply to acceptance of the Burns' proposals, namely, the replacement of the principal Army representative dealing with allocations in Washington, and the withholding of War Supplies orders.

After reviewing the whole situation, National Defence had come to the conclusion that the present proposals for Canadian membership in the Munitions Assignments Board should be refused and existing arrangements allowed to continue, unless the conditions stipulated by Mr. Howe were to be withdrawn.

24. MR. HOWE again referred to the anticipated effect upon U.S. orders in Canada of including all Canadian production in that tabled by a Canadian representative on the Munitions Assignments Board. The U.S. Ordnance could not be expected to continue to place orders if they could not be assured of deliveries. As to Army representation in Washington, this was a matter for discussion between Mr. Ralston and himself.

25. THE SECRETARY described British proposals for the establishment of a Commonwealth Supply Council which would act as a clearing house for production and supply of raw materials and "non-munition" supplies, and as a means of contact for Commonwealth countries with the Production and Resources Board at Washington.

Canadian interests were much more closely tied in with Washington, than with London, and it would appear inadvisable for Canada to be represented on the proposed Council. The question was closely related to Canada's connection with the Production and Resources Board and the Raw Materials Board. It was recognized in London that the Canadian position differed from that of the other Dominions.

26. MR. WRONG described the proposals which had been made by Mr. Brand and by Sir Frederick Leith-Ross for Canadian association with the Food Board

and the proposed Relief and Rehabilitation Administration. These proposals had involved participation at less than the highest level and had already been found unsatisfactory by the War Committee.⁵¹

The Canadian government's views had been communicated, verbally, to Mr. Brand and to Sir Frederick, but it was understood that the United Kingdom were expecting written communications in the hope that alternative proposals might be put forward.

27. THE WAR COMMITTEE, after further discussion, agreed:

(a) that Canada should seek to obtain full membership on the Production and Resources Board;

(b) that the Ministers of National Defence and Munitions and Supply confer further regarding Canadian association with the Munitions Assignments Board;

(c) that Canada be not represented on the proposed Commonwealth Supply Council;

(d) that U. K. authorities be informed in writing that proposals put forward for Canadian association with the Food Board and the proposed Relief organization were not satisfactory to the Canadian government.

...

211.

DEA/3265-D-40

*Le sous-secrétaire d'État par intérim aux Affaires extérieures
au chef, la mission alimentaire de Grande-Bretagne à Washington*

*Acting Under-Secretary of State for External Affairs
to Head, Food Mission of Great Britain, Washington*

Ottawa, September 3, 1942

My dear Mr. Brand,

I know that before you left Ottawa at the end of July you were promised by Mr. Robertson, who is now on a holiday, a written reply to your memorandum of July 28th making suggestions concerning the means whereby the Canadian Government should be associated with the work of the Combined Food Board. We have been reconsidering the whole matter, and this is the reason why it has not been possible to give you the promised reply before now.

As I told you when I was in Washington shortly after your visit to Ottawa, your suggestions had been considered by the Government and had not met with their approval. This decision has not been changed as the result of further examination of the position. The view here is that constant top level contact with the Board is essential for Canada, and that this can only be ensured by full Canadian membership on the Board.

One of your suggestions was that there should be a Canadian representative on any committees formed within the Board's organization, the work of which

⁵¹ Voir les documents 195 et 664.

⁵¹ See Documents 195 and 664.

affected Canada. It has been our experience in similar conditions that participation at this level in practice interfered with direct negotiations at the top level. As you know, Canadian experts have been sitting with the Board's committees unofficially, but this can only be regarded as an interim measure pending settlement of the main question.

Another of your suggestions was that a Canadian representative should have the right to be kept fully informed of the Board's proceedings and to be present, but not as a member of the Board, at discussions where Canadian interests were directly affected. We feel strongly that this sort of junior partnership in the Board would not meet the case. For one reason, we are inevitably concerned, as a great exporter of food-stuffs, with many aspects of international food policy in which it cannot be said that Canadian interests are *directly* involved. I think that this method of association with the Board would prove inadequate from the point of view both of practical operation and of probable political repercussions.

Your third suggestion was the formation of a Joint Agricultural Policy Committee of the United States and Canada as a committee of the Board sitting in Ottawa. There is a good deal to be said for the creation of such a committee (although not I think as a committee of the Board), but this seems to be only incidentally connected with the main question. If such a committee were set up, it would not, in practice, help to settle the relationship of Canada with the Board.

There was one passage in your memorandum to which I feel bound to refer particularly. In paragraph 4 you imply that Canadian membership on the Board would constitute a breach in the Combined machinery. Our purpose in proposing full membership has been to make the Combined machinery more effective. The terms of reference of the Board provide explicitly for collaboration with others of the United Nations. Whether one looks at the problem from the narrow point of view of protecting Canadian interests or from the broad point of view of the actual and potential contribution of Canada to the provisioning of the United Nations, the Canadian concern with the work of the Board is considerably greater than that of any other country not represented on the Board.

I am sending a copy of this letter to Mr. Malcolm MacDonald, and also to Sir Frederick Leith-Ross for his information.

Yours sincerely,

H. H. WRONG

212.

DEA/3265-D-40

Procès-verbal d'une réunion

Minutes of a Meeting

SECRET

Ottawa, September 16, 1942

MINUTES OF MEETING HELD IN THE PRIME MINISTER'S OFFICE AT 10.30 A.M.
ON SEPTEMBER 16TH TO DISCUSS THE RELATIONSHIP OF CANADA TO
CERTAIN OF THE COMBINED BOARDS IN WASHINGTON

There were present the following;

- The Prime Minister (Mr. King)
- The Minister of National Defence (Mr. Ralston)
- The Minister of Finance (Mr. Ilsley)
- The Minister of Munitions and Supply (Mr. Howe)
- The High Commissioner for the United Kingdom (Mr. Malcolm MacDonald)
- The Hon. R.H. Brand, Acting Chairman of the British Supply Council in North America and Chief of the British Food Mission
- Sir Robert Sinclair, Representative in Washington of the United Kingdom Minister of Production
- The Clerk of the Privy Council (Mr. Heeney)
- The Acting Under-Secretary of State for External Affairs (Mr. Wrong).
- The Minister of Agriculture (Mr. Gardiner) was also present for the last part of the meeting.

SIR ROBERT SINCLAIR said that he had reported to Mr. Churchill the personal opinion expressed on his previous visit to Ottawa that a Canadian member should be added to the *Combined Production and Resources Board*. He wished to discuss the position now reached in view of the reply which he had received and of the consideration which had been given in London and Washington to the repercussions of this proposal on the other Combined Boards.

If the addition of a Canadian member to this Board were treated as an isolated question, the United States and United Kingdom authorities would agree to it. The primary task of the C.P.R.B. was to integrate the production programmes of the United States and the United Kingdom, and to adjust them to changing needs. This would be very difficult to do without including Canada in view of the close relationship between Canadian production and that of the United States. The existing Joint War Production Committee of Canada and the United States ensured through its subcommittees technical inter-development between the two countries, but did not bring about integration in a full sense.

He wished to make it clear that the addition of a Canadian member to the C.P.R.B. did not involve the appointment of a Canadian Executive Secretary to match the Executive Secretaries already appointed by the United States and the United Kingdom. If Canada were represented on the Board itself, on the Planning Committee and on other Committees of the Board, this, he thought, should be satisfactory.

With regard to the *Munitions Assignments Board*, the offer of limited Canadian membership made by General Burns, with the approval of the Combined Chiefs of Staff, would, in his view, give Canada a full opportunity of stating her opinions and of participating in discussions when Canadian interests were affected. There was a difference in principle between the constitution of this Board and that of the C.P.R.B. The M.A.B. was directly dependent on the Combined Chiefs of Staff and acted in accordance with directives received from that body. It would be illogical for Canada to be represented on the Board without being represented on the Combined Chiefs of Staff. As the function of the M.A.B. was to allocate production on purely strategical grounds, membership in it should not be dependent on the volume of production, to which the rightness of strategic decisions on allocation had no relationship.

He fully understood the desire of the Canadian Government to be more closely associated with the higher direction of the war. The Combined Boards differed very much in nature, and the Canadian relationship to them could not be on a uniform pattern. Canadian membership in the C.P.R.B. was desirable in itself, but the principle applicable to it did not apply to the other Boards.

MR. R. H. BRAND then outlined the position concerning the *Combined Food Board*. The difficulties over the Canadian request for membership on this Board arose, in his view, in part from a misunderstanding of the Board's functions. It had been created to assist in getting decisions on the allocation of food-stuffs in short supply — a difficult matter in Washington — and also to regulate the distribution of foods so as to make the most economical use of available shipping space.

Although the Board's terms of reference were very wide, these were two big problems with which it was concerned. (Mr. Brand later said that another object had been to bring about restrictions on consumption or rationing in the United States of foods in short supply). The Board did not deal with the procurement programme of the United Kingdom. With few exceptions the food-stuffs exported by Canada were not in short supply, and from the shipping point of view Canada was in a very favourable geographical position. The British Food Mission had recently presented to the United States Government their fourth Lend-Lease programme. This programme, which proposed the provision of food and tobacco to the value of \$1,750,000,000, had not been lodged through the Food Board. The United Kingdom procurement programme, in short, was only indirectly a concern of the Board.

The Board had established in Washington committees on sugar, oils and fats, vitamins, agricultural seeds, meats and meat products, and fertilizers — all commodities in short supply. It had established in London committees on tea and on British agricultural policy; the last committee had been set up in order to ensure that the production programme in the United Kingdom was adjusted to the supplies available from the United States and elsewhere. The Board would shortly set up a Committee on Exports and Imports which would be charged mainly with making proposals to save shipping. It could be seen from the nature of these committees that Canadian exports were not directly affected by the work of the Board and the main Canadian interest in the Board was that of a consumer. Canada in any case had been assured that the United Kingdom would accord priority to Canada in procuring food-stuffs inside the North American area.

At one time there had been some intention of setting up a parallel Food Board in London. In place of this the London Food Committee had been established on which the United Kingdom, the Dominions (if they so desired), the Colonial Empire and certain foreign territories were represented. It was in a sense a parallel body to the Food Board, to which it made recommendations and for which it secured information.

Many of the United Nations were large producers of food. Lord Woolton felt strongly that Canadian membership on the Board would lead to a request for Australian membership and probably other requests. If these requests were

granted, the London machinery would be dislocated and the Board would become a very difficult body to run. Canada might be providing more food than Australia, but Australia was suffering much more seriously from the shortage of shipping, and it was probable that a further large diversion of ships from the Pacific to the North Atlantic would eliminate or drastically reduce the exports of meat from Australia. The Australian interest in the Board's work was in fact greater than the Canadian.

Mr. Brand suggested that a Food Committee to deal with North American products might be established on the lines of the London Food Committee, on which Canada, the United States and the United Kingdom might be represented by senior officials. He also referred to a proposal for a Joint Agricultural Policy Committee of Canada and the United States.

SIR ROBERT SINCLAIR said that before any announcement was made of the addition of Canada to the *Combined Production and Resources Board*, it would be necessary to inform the other Dominion Governments and to make clear to them the principle on which Canada was joining the C.P.R.B.

MR. HOWE referred to the dependence of Canada on the United States for steel and components. Constant difficulties over the reduction of allocations to Canada had led Mr. Donald Nelson to propose a Production Board between Canada and the United States. The purpose of this would be to ensure as far as possible dependable supplies. Out of this suggestion had come Sir Robert Sinclair's proposal for Canadian membership on the C.P.R.B. He would be glad to accept this proposal, which had decided advantages.

After discussion, this view was generally accepted. In further discussion it was made clear that the C.P.R.B. had nothing to do with allocation, but dealt only with the planning of production.

The discussion then turned to the *Munitions Assignments Board*. MR. HOWE stated that arrangements had now been developed which, in his view, amounted to effective pooling of Canadian production. These arrangements included consideration by an informal committee in Ottawa of the allocation of Canadian production, and provision of full information in Washington on the volume of production and on the allocations agreed to. MR. RALSTON and MR. HOWE both expressed the opinion that this informal system provided a satisfactory method of dealing with Canadian production. It was pointed out that it had been developed since the request for Canadian membership on the Board had been advanced. MR. RALSTON explained that the Ottawa Committee in effect was an informal Assignments Board between Canada and the United Kingdom. While the United States was not directly represented, full information was provided to the United States authorities. The point was raised that it would be desirable to formalize the present arrangements in Ottawa.

There was some discussion as to how much of the United States production was in fact pooled for assignment by the M.A.B., and also of the question whether the pooling Governments in practice permitted their own Forces to be a first charge on their production. It was recognized that the countries of production had unavoidable obligations towards their own forces, which they must equip at least to minimum standards.

THE PRIME MINISTER summed up the discussion of the Munitions Assignments Board by saying that the general opinion was that it was better to keep things as they were than to accept the proposal made by General Burns. The question of formalizing the current arrangements should be considered later.

The discussion then turned to the *Combined Food Board*. THE PRIME MINISTER said that Canadians took a great interest and pride in their achievements in the supply of food. The name of the Combined Food Board was perhaps not altogether happy in view of the limitation on its actual functions described by Mr. Brand. The possible post-war effects of any decision now taken respecting the wartime organization of food supplies must also be considered. MR. BRAND replied that he had been instructed to say that the question of the Food Board was entirely separate from that of the proposed Relief Administration, and that nothing that was decided respecting the Food Board would prejudice the position of Canada in this connection.

MR. GARDINER said that Canadian producers were nervous lest, under the Lease-Lend arrangements with the United States, they would be deprived of the opportunity to supply the United Kingdom, and lest a Food Board composed only of representatives of the United Kingdom and the United States would tend to arrange for the procurement in the United States under the Lease-Lend procedure of the commodities which Canada was ready and anxious to supply. If, however, the Canadian exports to the United Kingdom of such products as wheat, cheese and bacon were not the concern of the Board, in fact little would be lost by the lack of a Canadian representative at the highest level. Canada was much interested in questions affecting meat, which was in short supply, and would desire to be consulted on this subject. He would also like some assurance that the United Kingdom would continue after the war to draw on the expanded Canadian productive capacity for her supplies of food.

MR. MALCOLM MACDONALD suggested that the apprehensions of the Canadian producers concerning the Board might be met by the publication of a statement on the scope of the Board which would indicate its present limited functions and repeat the assurances previously given that the United Kingdom would draw needed supplies from Canada in preference to the United States when supplies from both countries were available.

MR. ILSLEY remarked that Mr. Brand had indicated a great many things that the Board did not do. He would be glad to learn what the Board did. MR. RALSTON drew attention to the broad terms of reference of the Board.

MR. BRAND in reply indicated the present functions of the Board by reading the agenda of the last meeting. He asked whether the Canadian position would be met if it were made clear by a public statement that Canadian exports to the United Kingdom would not be affected by the lack of a Canadian member on the Board and that the assurances referred to by Mr. MacDonald would continue in effect. In addition Canada would be fully represented on the Board's committees.

After further discussion these suggestions were accepted.

The conclusions reached at the meeting may be summarized as follows:

1. That a Canadian member should be added to the Combined Production and Resources Board.

2. That the request for the addition of a Canadian member to the Combined Food Board should be dropped on the understanding that a public statement would be issued on the procurement by the United Kingdom of food supplies from Canada.⁵²

3. That there should be official Canadian representatives on all the committees of the Combined Food Board in which Canada was interested.

4. That in view of the difficulties over full Canadian representation on the Munitions Assignments Board, the request for such representation should not be pressed and the offer of partial representation should not be accepted.

5. That consideration should be given to developing and formalizing the recent informal arrangements for the allocation in Ottawa of Canadian munitions production.

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PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, September 16, 1942

...

COMBINED WAR ORGANIZATIONS

1. THE PRIME MINISTER reported the result of discussions, earlier in the day, with Sir Robert Sinclair, Mr. Lyttleton's representative on the Production and Resources Board, Mr. R.H. Brand, U.K. member of the Food Board, and the U.K. High Commissioner. The meeting had been attended by the Prime Minister, the Ministers of National Defence, Finance, Munitions and Supply, and Agriculture, also by the Secretary and the Acting Under-Secretary of State for External Affairs.

The principal conclusions arrived at had been as follows:

PRODUCTION AND RESOURCES BOARD

A Canadian member should be added to this Board on the principal ground that this was necessary to ensure the integration of North American production with that of the United Kingdom. Sir Robert Sinclair had reported that the U.K. and U.S. governments would be agreeable to Canadian membership, if questions regarding the Canadian relationship to the other Boards were satisfactorily settled.

Mr. Howe would shortly discuss the matter further with Mr. Lyttleton himself, in London.⁵³

⁵² Aucune déclaration n'a été faite.

⁵³ Le Canada est devenu membre de la Commission composée de la production et des ressources le 7 novembre 1942. Le représentant du Canada était C. D. Howe.

⁵² No such statement was issued.

⁵³ Canada became a member of the Combined Production and Resources Board on November 7, 1942. C. D. Howe was the Canadian representative.

MUNITIONS ASSIGNMENTS BOARD

The Burns' proposal should not be accepted as it did not satisfactorily meet the Canadian position. On the other hand, informal arrangements for allocating Canadian production, developed since the suggestion for Canadian membership on the Board had first been advanced, were working reasonably well and might, perhaps, be further developed and formalized. The view had been expressed that these arrangements, in fact, resulted in the effective pooling of Canadian production.

It was proposed that General Pope be instructed to inform General Burns in this sense.

FOOD BOARD

Mr. Brand had described the Board's main functions as those of making recommendations with regard to the supply and allocation of food-stuffs and other commodities in short supply and for the saving of shipping space in the movement of food-stuffs. Procurement for the United Kingdom and other countries was not directly a function of the Board.

In the circumstances, it had been agreed that the government might accept the present constitution and membership of the Board, and appoint members to those committees of the Board in which Canada was interested. This conclusion had been on the understanding that a suitable statement be made public to the effect that the Board's constitution would not change the procedure for direct procurement of food-stuffs from Canada by the United Kingdom and that Britain would continue to give preference to Canada, where Canadian supplies were available.

Consideration was given to the creation of a North American committee on the lines of the London committee, a joint U.S.-Canada committee on agricultural policy, and the possibility of establishing some body in the nature of a United Nations Food Council.

2. THE WAR COMMITTEE, after discussion, approved the conclusions reported by the Prime Minister regarding Canada's relationship to the Production and Resources Board, the Munitions Assignments Board and the Food Board.

...

214.

DEA/3265-A-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au ministre-conseiller, la légation aux États-Unis*

*Assistant Under-Secretary of State for External Affairs
to Minister-Counsellor, Legation in United States*

Ottawa, September 22, 1942

Dear Mike [Pearson],

I have been so rushed that I am afraid I have only given you the bare bones of the developments over the Combined Boards during the last ten days. Now the pressure has eased as Norman and Tommy⁵⁴ got back yesterday.

⁵⁴ N. A. Robertson, T. A. Stone.

You already know that Mr. Ralston and Mr. Howe reached agreement on rejecting the Burns' compromise and carrying on with things as they are. Arnold⁵⁵ and I did not like this and we had quite a talk with the Prime Minister on Monday the 14th. We went over with him the draft telegram to London which I have prepared and he was quite sympathetic to the general line of argument. He said that he would talk to Mr. Ralston about the M.A.B. in particular and would probably bring up the matter of the general approach to London in the War Committee before long. After this discussion I arranged to put the question on the Agenda of the War Committee for last Wednesday.

The next morning, however, Sir Robert Sinclair telephoned to me from Washington to say that he and Brand were coming to Ottawa that afternoon with Mr. Howe in order to discuss in particular the Production and Resources Board and related questions. I succeeded in putting off a War Committee meeting in favour of a meeting in the Prime Minister's office on the 16th, of which I have already sent you the minutes. The night before this meeting Malcolm MacDonald had a few people to dinner and Arnold and I found an opportunity of expressing strongly to Sinclair, Brand and Richard Law⁵⁶ our concern over the long-range effect of the continued exclusion of Canada from direct responsibility for the decisions reached on those phases of the war effort to which Canada made the greatest contribution. We found that Sinclair and Law were both responsive; MacDonald was already a good deal concerned over the matter; Brand does not take so broad a view and is the type of person who is always seeing and raising difficulties.

Sinclair and Brand at the meeting with the Prime Minister and Ministers did a good job of presentation. After Brand's exposition I was prepared to agree to dropping our request for membership on the Food Board so long as Sinclair's proposed addition of a Canadian to the Production Board went through. I felt that we were wrong in not accepting the Burns' offer on the M.A.B. but with Howe and Ralston both opposing it the best that we could do was to suggest that the existing informal assignment machinery in Ottawa should be developed and formalized. I do not yet know what will come of this but I shall see that it is not forgotten. The main results so far as the M.A.B. is concerned are that we no longer seek full membership, that we consider partial membership unsatisfactory and that perhaps we shall set up in Ottawa a sort of Canadian Assignments Board, although the form and powers of this remain obscure.

I have long been conscious that there was a strong logical ground for attacking our proposal for membership on the M.A.B. If this Board's functions are to assign munitions on the basis of strategic direction from the Chiefs of Staff, it is not logical to have governments represented on the Board which are not represented on the Chiefs of Staff. It was Sinclair who first brought up this argument and made it the chief reason for not complying with our request for full membership.

⁵⁵ A. D. P. Heeney.

⁵⁶ Sous-secrétaire d'État parlementaire aux Affaires étrangères de Grande-Bretagne.

⁵⁶ Parliamentary Under-Secretary of State for Foreign Affairs of Great Britain.

It looks now as though the pattern of our relationship with the Combined Boards were pretty well determined. It may be that there will be some developments later concerning the Raw Materials Board. Sinclair has told me privately that if the Production Board really is able to do what it ought to do the Raw Materials Board will become in fact dependent on it in roughly the same sort of way that the M.A.B. is dependent on the Chiefs of Staff. We have had little difficulty with the Raw Materials Board largely, I think, because of the coincidence that Batt is its chairman and has also from the first been the chief figure in our own Joint Committee on Raw Materials with the United States. If Batt ceases to exercise this dual function, we might then seek Canadian membership on the Board. In general there are a good many details to be worked out concerning our connections with all the Boards.

It may be, however, that we shall later encourage an attempt to turn the Combined Bodies into agencies more representative of the United Nations. We had some talk at the meeting on September 16th of the possibility of setting up a United Nations Food Council representing perhaps eight governments and meeting perhaps quarterly in Washington. We may have concentrated too much attention on the Combined Boards as being the best medium for the exercise of Canadian influence on decisions of high policy, although this up to a point was unavoidable in view of the duties entrusted to them by the terms of reference. The biggest decisions are, I should think, not reached through the Combined Boards but result from direct inter-governmental consultations, and I expect that we could play a greater part there if we wished to do so.

One other point. It has been spelled out both on our side and on the British side that the acceptance by us of a minor part on the Food Board in no way prejudices our claim for a prominent place in the proposed Relief Administration. If you have any news of the point reached by Leith-Ross when he went back to England, it would be useful for us to have it. It seems to me that when the time for extending relief to territories now held by the enemy actually arrives there is certain to be a period in which the Food Board's machinery will be used for relief purposes. This makes it desirable that we should get straight our part in the Relief Administration as soon as we can.

I am sending a copy of this letter personally to Vincent Massey as he also should know some of the background to our recent discussions.

Yours ever,

HUME WRONG

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DEA/3265-D-40

*Le ministre-conseiller, la légation aux États-Unis, au
sous-secrétaire d'État adjoint aux Affaires extérieures
Minister-Counsellor, Legation in United States, to
Assistant Under-Secretary of State for External Affairs*

Washington, September 28, 1942

Dear Hume [Wrong],

I was glad to get your letter of September 22nd dealing with developments over the Combined Boards. I cannot help but feel that our record in this matter

is an unhappy one; at least in so far as the Munitions Assignments and Food Boards are concerned. The situation even now does not seem to me to be entirely clear. I had thought of attempting to draft a formal despatch on the whole subject, but I think it might be better if I wrote you personally and attached to the letter a short memorandum.

I note from your teletype EX-2316 of September 25th[†] that on the whole it is considered undesirable to communicate further with either the State Department or Mr. Hopkins. I think that this is probably the best course to adopt, but it does leave the matter very much in the air, as the attached memorandum will show.

Yours sincerely,

MIKE [PEARSON]

[PIÈCE JOINTE/ENCLOSURE]

Mémoire du ministre-conseiller, la légation aux États-Unis

Memorandum by Minister-Counsellor, Legation in United States

Washington, September 28, 1942

MUNITIONS ASSIGNMENTS BOARD

The sequence of events in respect of Canada's efforts to associate herself with this Board is as follows:

On May 13th, by Note No. 317 to the State Department, the Legation requested, on behalf of the Canadian Government, full membership on the Board, in return for the pooling of all Canadian production with the Board. No answer has been received to this note; nor will an answer likely ever be received in view of developments.

The above application for membership was turned over to Mr. Hopkins by the State Department. Mr. Hopkins finally wrote the Minister on June 26th that actual Canadian membership on the Board or on its sub-committees was impossible, but he agreed that representatives of Canada should be given full opportunity to present their needs and views to the Board, its staff and committees, when necessary. In acknowledging this letter, the Minister merely stated that he felt that Mr. Hopkins' reply would be disappointing to the Canadian Government. That disappointment was expressed in teletype EX-1402 of July 2nd, which instructed us to reject Mr. Hopkins' proposal for partial representation, as it reduced Canada to a position of undue subordination. The Minister's reply to Mr. Hopkins based on the above teletype took the form of a letter and an attached memorandum.[†] In the letter Mr. McCarthy stated, "My Government do not feel that the suggestion contained in your letter constitutes for them a satisfactory solution for this problem. I fear, in fact, that if this suggestion is maintained as the only one practicable in the circumstances, *very serious difficulties* would be created in Canada for my Government." This is pretty strong language to use, and it was meant to convince the American authorities that the Canadian Government attached great importance to membership on the Munitions Assignments Board.

It seems to have succeeded in this regard, because further consideration was given to our request for membership by Mr. Hopkins and the Board itself. As a result of this, General Burns was authorized by the Combined Board to offer to the Canadian Government through General Pope full membership on the Board in the consideration of all questions which directly concerned Canada. This represented a considerable advance on previous offers and was apparently so considered by the Canadian authorities. In a telegram from External Affairs to the High Commissioner in London dated July 14th[†] it is stated: "We have not yet removed Hopkins' objections to full Canadian representation on Munitions Assignments Board, but he has receded from his original position, so that a workable compromise may be developed. *The present arrangements are most unsatisfactory* and we are pressing strongly for a satisfactory solution." In this connection, a decision was reached in the meeting on September 16th in Ottawa to develop and formalize these informal arrangements which, on July 14th, were stated to be working most unsatisfactorily.

Though it was thought that the Burns' offer might be considered acceptable in Ottawa, this did not in fact turn out to be the case, and it was decided not to proceed any further with the request for Canadian representation on the Munitions Assignments Board. A reply to General Burns is to be made in that sense. In view of the fact that General Burns was acting for Mr. Hopkins, no communication to the latter is considered necessary, nor is the State Department likely, in the circumstances, to reply to our original Note No. 317 of May 13th.

The reasons for the abandonment of our earlier position in respect of the Munitions Assignments Board are to be left undeclared. This, in the circumstances, is the only possible course to follow. In view of the earlier communications with United States authorities on this matter, it would be unwise to attempt any explanation of our present position.

Meanwhile, there remain, so it seems to me, a good many doubtful points and loose ends which should be cleared up.

1. Are we in fact to pool our production with the Munitions Assignments Board; are we to table our figures in Washington? Or has pooling in practice and principle been abandoned?
2. If we do not accept the principle of pooling, how are we to assign our finished production of munitions of war? Will the United States include as part of their production figures orders in Canada to their account, and the British include orders in Canada to British account?
3. How are Canadian contacts with the Munitions Assignments Board in Washington and its various committees to be maintained?
4. What will be the effect of the decision reached in Ottawa on the meeting of Canadian requirements from United States production? Will our requirements be included as part of British bids in Washington and London? Will our case be argued before the committees of the Board by British representatives on those committees? This is an important point, especially in respect of aircraft assignments. It is true that the Army has managed to maintain close informal contact with the Land Committee of the M.A.B. This has not been so in the case of the R.C.A.F. In view of the decisions reached in Ottawa, it appears that the R.C.A.F.

will have to continue to rely on the R.A.F. to place bids for them before the M.A.B. and its committees. At the present time, Air Commodore Tackeberry⁵⁷ is allowed to appear before the Aircraft Assignments Committee and its sub-committees and make his requests known. He cannot, however, remain in the committee room when those requests are under discussion. The result of such discussions he learns only later from the R.A.F. representative, who can hardly be expected to support Canadian bids on American production in the same way that a Canadian would.

I understand that the U.S. aircraft assignment position is at present unsatisfactory from the Canadian point of view. Recent decisions in Ottawa may make it even more so.

COMBINED FOOD BOARD

The Canadian Government also made a request for full representation on the Combined Food Board. This was met by an offer on the part of Mr. Brand, British member of the Board, of partial representation only. As a result of further discussions, this partial representation was extended in a way which amounted to almost complete membership on the Board; in fact, if not in theory. A Canadian representative was to have full power of discussion and decision when all questions concerning Canada were before the Board, and he was to be allowed to sit in as an observer in discussion of all other questions. The above proposal was considered in Ottawa, but was felt to be unsatisfactory. As a result, Mr. Wrong wrote Mr. Brand on September 3rd: "The view here is that constant top-level contact with the Board is essential for Canada and that this can only be ensured by full Canadian membership on the Board." In view of this position, the invitation to appoint members to committees of the board was rejected, though Canadians were allowed to attend those committees in an informal and unofficial way.

Mr. Brand went to Ottawa on September 16th, and as a result of his visit the position announced by Mr. Wrong on September 3rd was reversed and the Canadian Government indicated that it was willing to accept membership on the committees and would not pursue its claim for full membership on the Board.

It is uncertain whether this abandonment extends to the right to appear before the Board when Canadian questions are under discussion. If so, then Canadian contact with the Combined Food Board would be restricted to committee discussions. This represents an almost complete reversal of the attitude adopted up to September 16th.

⁵⁷ Conseiller spécial de l'attaché de l'air, la légation aux États-Unis.

⁵⁷ Special Adviser to the Air Attaché, Legation in United States.

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PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, October 7, 1942

MUNITIONS ASSIGNMENTS BOARD

4. THE SECRETARY reported that, subsequent to the War Committee's decision of September the 16th, the Chief of the Air Staff had pointed out that the informal arrangements in Ottawa for allocation of Canadian production did not meet the case of the Air Force.

Aircraft were not dealt with by the Ottawa committee and, furthermore, continuance of the present situation offered no satisfactory solution of the problem of presenting Canadian needs for operational aircraft from U.S. production. The Burns proposal⁵⁸ offered the only reasonable and available prospect of solution of this difficulty. The Chief of the Naval Staff was of the same opinion and felt that the Burns proposal should be accepted.

For these reasons, no reply had been sent by Major-General Pope in the sense of the War Committee's decision. An explanatory note had been circulated.

(Secretary's note, October 6, 1942 — C.W.C. document 308).[†]

5. THE MINISTER OF NATIONAL DEFENCE FOR AIR described the limited extent of the functions of the local allocations committee. His department favoured acceptance of conditional membership on the Munitions Assignments Board as a good deal better than nothing. At present, there was no way to press, in Washington, urgent Canadian needs for operational aircraft.

Final decision would have to await the return of the Ministers of National Defence and Munitions and Supply; meantime, however, no action should be taken to reject the Burns proposal.

6. THE CHIEF OF THE NAVAL STAFF supported the position taken by the Air Staff. The Navy were not satisfied with things as they were. The Burns offer should be accepted.

7. THE WAR COMMITTEE, after discussion, agreed to suspend action upon the decision taken on September the 16th, pending re-consideration of the question upon the return of Mr. Ralston and Mr. Howe.⁵⁹

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⁵⁸ Voir le document 196.

⁵⁹ La question fut discutée de nouveau les 21 et 28 octobre sans arriver à une décision et aucune réponse ne fut donnée à la lettre du général Burns. Voir C. P. Stacey, *Armes, hommes et gouvernements*. Ottawa: Information Canada, 1970, p. 189.

⁵⁸ See Document 196.

⁵⁹ The matter was discussed again on October 21 and 28 but no decisions were reached and General Burns' letter was not answered. See C. P. Stacey, *Arms, Men and Governments*. Ottawa: Information Canada, 1970, p. 171.

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DEA/3265-D-40

*Le sous-secrétaire d'État aux Affaires extérieures
au ministre-conseiller, la légation aux États-Unis*

*Under-Secretary of State for External Affairs
to Minister-Counsellor, Legation in United States*

[Ottawa,] December 4, 1942

Dear Mr. Pearson,

With reference to your letter of November 27th[†] concerning Mr. Hickerson's suggestion that our note requesting Canadian membership on the Combined Food Board should be withdrawn or answered in some way by the State Department, I think that it is desirable that we should temporize for the present since we may find it necessary to renew our request for membership on the Board.

There are three chief reasons why I feel that the decision reached at the meeting on September 16th in the Prime Minister's Office may have to be reviewed. In the first place a good many practical difficulties are arising in the conduct of our relations with the Board through membership in the Board's Committees. Secondly, the Board is entering into fields other than those described by Mr. Brand at the meeting and is not confining its activities to matters concerning commodities in deficient supply in Canada. Thirdly, it is becoming apparent that the Board's machinery will be employed for relief purposes after the war or when, before the end of hostilities, extensive territories are freed from enemy occupation; the more effectively the Board performs its wartime tasks the more certain is it that it will be involved in the provision of relief supplies.

I think that you might explain to Mr. Hickerson that we have been doing our best to maintain a satisfactory relationship to the Board on the basis of representation only on the Board's commodity committees, that we are finding practical difficulties in the operation of this plan and that we are not prepared to withdraw our request for full membership until the position has been re-examined in the light of experience.

Yours sincerely,

N. A. ROBERTSON

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PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, February 10, 1943

CANADA'S RELATIONSHIP WITH THE COMBINED FOOD BOARD

14. THE SECRETARY read a report on Canada's relationship with the Combined Food Board, submitted by the Interdepartmental Food Requirements Committee.

On the understanding that the Board would not deal with all problems of food supply, but would concern itself with distribution of commodities in short supply, and would not interfere with existing arrangements for the export of Canadian food-stuffs, the Canadian government had not pressed its request for full Canadian membership on the Board.

It was now apparent that the Board was assuming functions beyond those described to the Canadian government by Mr. Brand, and that the extensions were of direct concern to Canada, particularly as they related to the development of stockpiles for relief purposes. In addition, certain administrative difficulties had been experienced in Canada's relationship with the working committees of the Food Board.

Copies of the interdepartmental committee's report[†] had been circulated to members of the War Committee and to the Minister of Agriculture.

(Secretary's note, Feb. 9, 1943 — C.W.C. document 404).

15. THE PRIME MINISTER pointed out that the activities of the Combined Food Board were closely related to those of the projected United Nations Relief and Rehabilitation Administration, upon the proposed Policy Committee of which the government felt that Canada should be represented. The claim to representation on the Food Board now appeared to be equally strong, and the request put forward in this connection should be raised again.

16. THE WAR COMMITTEE, after discussion, agreed that the Food Requirements Committee be informed that the War Committee have noted their report and are of opinion that, in the new circumstances, the request for Canadian membership on the Combined Food Board should be revived.

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DEA/3265-D-40

Mémorandum du ministère des Affaires extérieures

Memorandum by Department of External Affairs

SECRET

[Ottawa,] April 13, 1943

The decision to renew the request for full membership on the Combined Food Board was taken up informally in the middle of March with Mr. R.H. Brand and Mr. Malcolm MacDonal. Mr. MacDonal later made representations on behalf of the United Kingdom Government urging that the matter should not be pressed at this time. These representations have been further considered by the Government which has decided to continue to press for membership on the Board.

The principal reasons which have led to this decision are as follows:

1. The area of operations of the Board has been constantly expanding and it is now dealing with a number of commodities of great interest to Canada as a producer; indeed, the Board has found it necessary to concern itself with nearly all food-stuffs except wheat and some other cereals, and also with fertilizers and agricultural machinery. When, last September, the Government agreed not to

press their request for Canadian membership a different situation existed and the operations of the Board were confined almost entirely to commodities in which Canada was interested only as an importer.

2. Canada is directly represented on nearly all the commodity sub-committees of the Board and is the only country to be widely represented in addition to the United States and the United Kingdom. There are informal arrangements for close Canadian liaison with the Board's Secretariat. Indeed, except at the top level, the Board is in fact operating on a tripartite basis. The special position of Canada has thus already been recognized and the addition of a full Canadian member to the Board is the logical completion of what has already been done.

3. It is apparent that the Board will have to concern itself intimately both with the provision of food-stuffs for relief purposes and with the allocation of food-stuffs in the immediate post-war period to countries not in receipt of relief supplies. It is difficult to conceive that when the pressures of war are relaxed and public attention is no longer concentrated on the attainment of victory a body representing only the United States and the United Kingdom can continue to discharge effectively functions of this nature. Unless, indeed, the basis of responsibility for the Board's operations is broadened, the machinery will be likely to break down or to be superseded by some new agency.

4. We are now in an era of constantly growing restrictions on public consumption and as restrictions increase the public in each country reasonably wish to be assured that they are not being asked to make disproportionate sacrifices, and that their own Government has participated in the decisions from which the sacrifices result. To meet public criticism, such participation should be patent and formal. These tendencies are already strong and will become stronger as the restrictions increase and as victory draws nearer. After the war they will be very strong indeed. It is especially important that restrictions in the United States and in Canada should be closely related. The Food Board seems to be destined to play a growing part in determining the necessity for rationing various products. It is hard to conceive of this being done effectively by an agency representing only the United States and the United Kingdom.

5. It is intended that food-stuffs should be included in the war supplies which may be allocated to other United Nations under the Mutual Aid Bill which will shortly be introduced in Parliament. While it is not yet possible to determine how large a proportion of Canadian exports of food-stuffs will be allocated under this measure, the adoption of the Bill will serve further to differentiate the position of Canada as a supplier of food to the United Nations from that of food exporting countries other than the United States. It will also make necessary close contact between the operations of the Mutual Aid scheme and the Combined Food Board.

The objections to the addition of a Canadian member to the Board which have been advanced by the British Government through Mr. MacDonald center on the argument that this would lead to demands for full membership from Australia, New Zealand and perhaps other countries; if these demands were refused serious friction within the Commonwealth would result; if they were accepted the Board would very probably break down in operation and this

might involve the breakdown of other combined boards. This is the same argument that has been advanced from the first against Canadian membership. It has been carefully weighed, but for the reasons already set forth it has not been accepted as justifying a continuation of the present situation. On the other side it can be urged that if the present situation continues, the Food Board will gradually lose its influence and authority because it is constituted on too narrow a base. Certainly it is unlikely to be able to operate effectively in the post-war period. It has been felt here that the Canadian contribution in food-stuffs is so great as to justify an invitation to Canada alone to be represented on the Board; but the Canadian Government has never adopted the position that the alteration of the Board to a tripartite form would in itself solve all the problems. They have been dissatisfied from the first over the manner in which the Boards were set up without prior consultation to act in practice if not in form as agencies of the United Nations. If the Board were to be constituted on the functional principle which the Canadian Government has advocated in connection with the Relief Administration, it would not be difficult to resist claims for membership from other countries which, by reason of their smaller production of food-stuffs or their remoteness, are not able to approach the Canadian contribution.

The following points of minor importance in the representations made by Mr. MacDonald may be mentioned briefly:

1. While it is true that in the operations of the Board Canadian interests have been taken into consideration and that the representation of Canada on sub-committees has helped to ensure this, the number of problems affecting Canada which will have to be decided by the Board itself will be bound to increase. There is no formal representation of Canada on the Secretariat but an informal arrangement is in effect whereby the Commercial Attaché of the Canadian Legation keeps in close touch with Messrs. Hutton⁶⁰ and Wheeler⁶¹.

2. It was suggested that an appropriate means of ensuring close cooperation between the United States and Canada in rationing and related matters would be to make use of the newly established Joint Agricultural Committee. This body, however, is mainly concerned with the discussion of agricultural production planning in the two countries and would not be a suitable medium for joint consideration of general rationing problems. It is, indeed, impossible to separate the questions affecting Canada and the United States in this respect from the world picture.

3. As to the effect on Canada's position in the Relief Administration of renewed pressure for membership on the Food Board, the Canadian Government has agreed to accept a compromise which falls short of their wishes and is disposed to regard the two questions as distinct. It has not recently approached the United States Government with regard to the Food Board but an approach will probably be made in the near future.

⁶⁰ Membre adjoint de la Grande-Bretagne à la Commission composée de l'alimentation.

⁶¹ Officier exécutif conjoint, Commission composée de l'alimentation.

⁶⁰ Deputy member of Great Britain on Combined Food Board.

⁶¹ Joint Executive Officer, Combined Food Board.

In general it is felt in Ottawa that this question should be faced now, difficult though this may be, and that postponement will only serve to increase the difficulties; the simplest solution — the addition of a Canadian member to the Board — should not be ruled out, unless other means of broadening the authority of the Board by alterations in its constitution have been considered and found to be preferable.

220.

DEA/3265-D-40

*Le haut commissaire par intérim de Grande-Bretagne au
sous-secrétaire d'État aux Affaires extérieures
Acting High Commissioner of Great Britain to
Under-Secretary of State for External Affairs*

516B/190

Ottawa, April 29, 1943

Dear Mr. Robertson,

As he will have told you at the time, the High Commissioner forwarded to the Secretary of State for Dominion Affairs your memorandum of April 13th about the Combined Food Board. I have now had a telegram from the Secretary of State expressing his appreciation of the helpfulness of the memorandum to which careful study is being given.

The United Kingdom Government fully appreciate the force of the considerations which, in the view of the Canadian Government, point to the desirability of their raising now the question of Canadian membership of the Board. At the same time Mr. Attlee feels sure that the Canadian Government will recognise the difficulties from the point of view of the United Kingdom Government, and in particular the importance which the latter must necessarily attach to arriving at some solution which, on the one hand, would be acceptable to other Dominions and, on the other, would not impair the general structure of the Combined Board.

In the circumstances, it is felt that it would be very helpful if, as the next step, the whole matter could be discussed in detail between representatives of our two Governments. Mr. Attlee would suggest that a suitable opportunity for such discussion would be provided by the talks with Dominion experts on post-war commercial policy, which were proposed in his telegram D.234 of April 22nd to the Secretary of State for External Affairs⁶² and this would be the more convenient in that it would enable representatives of other Dominion Governments to be brought into consultation.

Mr. Attlee very much hopes that this procedure will commend itself to the Canadian Government and that they will be willing to agree to discuss this matter in London before carrying it further. I should be very grateful if you will let me know how you would view this suggestion and what reply I may send to Mr. Attlee.

Yours sincerely,

PATRICK DUFF

⁶² Document 584.

221.

DEA/3265-D-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] May 1, 1943

On April 14th I sent you copy of a memorandum stating the Canadian case for full membership on the Combined Food Board which I had given the United Kingdom High Commissioner.⁶³ I have now received the attached interim reply from the Acting United Kingdom High Commissioner, suggesting that the general question of Canadian relationship to the Combined war organizations, and particularly the Combined Food Board, might be thrashed out in connection with the talks between officials on commercial policy which they hope can take place in London toward the end of this month.

I told Sir Patrick Duff yesterday that I thought the date suggested would be a bit early for us to manage, since we have to find a delegation for the Food Conference at Hot Springs opening on May 18th. For all these discussions we have to draw pretty much on the same group of people, none of whom can be spared very easily from their departmental work in Ottawa.⁶⁴

222.

DEA/3265-D-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] June 14, 1943

Mr. R.H. Brand of the Combined Food Board, and Mr. J.P. Maude of the United Kingdom Ministry of Food, are in Ottawa today. We are seeing them at four o'clock and expect to take up again the question of Canadian membership on the Combined Food Board.

Since the War Committee last reviewed the position and instructed us to revive our request for full membership, the importance to Canada of adequate representation on the Board has been increased—

(1) by the progressive enlargement of the Board's responsibilities to cover the allocation of practically all important food-stuffs, and

⁶³ Document 219.

⁶⁴ La note suivante était écrite sur ce mémorandum:

⁶⁴ The following note was written on the memorandum:

I agree. W. L. M[ACKENZIE] K[ING]

(2) by the fact that the relationship between the Combined Food Board and the Relief Organization is bound to be much closer and more important than people thought a year ago.

The Food Board has under consideration the establishment of a Sub-committee on Cereals. The Wheat Committee of the Cabinet have taken the position that Canada should not participate in such a sub-committee. It seems to me that this attitude is reasonable on tactical grounds, i.e. in order to force favourable consideration of our request for full membership on the Combined Food Board. It would be harder to justify if it were an absolute refusal to have cereals allocation brought within the scope of a general United Nations food control organization.

The immediate question therefore is —

If Canada is represented on the Combined Food Board will Canada object to that Board dealing with wheat flour or wheat itself if either of these commodities is in short supply?

We would be in a weak position if we receive membership on the Board and then contend that wheat flour or wheat should be treated differently from other food-stuffs. If we hold strongly to this position we should probably reconsider our request for membership on the Combined Food Board.⁶⁵

N. A. R[OBERTSON]

223.

DEA/3265-D-40

Mémorandum du ministère des Affaires extérieures

Memorandum by Department of External Affairs

[Ottawa,] July 23, 1943

CANADIAN MEMBERSHIP IN THE COMBINED FOOD BOARD

There has been a complete change in the attitude of British officials associated with the Combined Food Board towards the question of Canadian membership. When Mr. Brand and Mr. J.P.R. Maude of the Ministry of Food were in Ottawa in the middle of June they both expressed themselves as strongly favouring the addition of a Canadian member and they suggested that the difficulties anticipated with some other countries, particularly Australia, could be avoided by making changes in the organization and title of the London Food Committee. It was agreed that Mr. Maude would pursue this plan as soon as he returned to England and that the Canadian Government in the meantime should not take any further action.

The reasons for the British change of attitude are in large part the same reasons that were given by us last year when we sought to secure the addition of

⁶⁵ Les notes suivantes étaient écrites sur ce mémorandum:

⁶⁵ The following notes were written on the memorandum:

Mr. Gardiner agrees that we should continue to seek full membership on the Combined Board and that a reconstructed Board should deal with cereals. N. A. R[OBERTSON]

I agree W. L. M[ackenzie] K[ing]

a Canadian to the Board. They were also concerned over the way in which the Board was operating, largely because of the division of authority over matters of food supply in Washington which has left Mr. Wickard as the U.S. member of the Board while depriving him almost completely of any real say in the allocation and distribution of food-stuffs. They felt that a Canadian representative could help greatly to improve the operation of the Board. They were also bothered about the connection between the Board and relief operations, especially if the Committee on Supplies of the International Relief Administration is established on the lines contemplated.

We have now been informed by the High Commissioner in London that the negotiations there have reached a point at which concrete proposals have been submitted to other Dominion Governments following informal negotiations with them. The High Commissioner states that the United Kingdom authorities are anxious to put these proposals into effect without delay and would like to be in a position to approach the United States Government within the next week. The proposals involve altering the title of the London Food Committee to London Food Council and giving it "ministerial status" which probably means that Lord Woolton will become its chairman. When this is accepted it is contemplated that a joint invitation should be addressed to Canada by the United States and United Kingdom to nominate a member to the Combined Food Board. There has been preliminary discussion with United States officials in Washington who according to Mr. Brand and Mr. Hutton now strongly favour the enlargement of the Board to include Canada.

It is thus by no means unlikely that we shall have to nominate a Canadian member to the Board in the near future and also appoint a Canadian chairman to the Committee on Supplies of the Relief Administration. There is a good deal to be said for both offices being held by one person as this would ensure a close liaison between the Committee on Supplies and the Food Board. It is likely that the Canadian member of the Food Board will have to spend most of his time in Washington and probably take up his residence there.

224.

PCO

*Extrait du procès-verbal d'une réunion du Comité de guerre du Cabinet
et du Cabinet de guerre de Grande-Bretagne*

*Extract from Minutes of a Meeting of Cabinet War Committee
and War Cabinet of Great Britain*

SECRET

Quebec, August 11, 1943

...

CANADA'S POSITION IN RELATION TO DIRECTION OF THE WAR

10. THE CANADIAN PRIME MINISTER observed that the Canadian government had recognized fully that the higher direction of the war could not be exercised by all of the United Nations, and was satisfied, in this respect, that authority should rest with Mr. Churchill and President Roosevelt, and their Combined

Staffs. While this was so, the Canadian public were increasingly concerned that there should be adequate recognition of the substantial contribution which Canada was making to the total war effort of the United Nations.

It was widely felt that, while Canada had been at war two years before the United States, she was not being accorded, in the council of the United Nations, a role proportionate to her contribution. It was felt that in certain fields in which Canada was playing a major role her right to a more decisive voice might well be recognized.

11. MR. KING stated that the Canadian government appreciated the full information provided from day to day through the Dominions Office, the U. K. High Commissioner, and in personal messages from Mr. Churchill to himself. In most cases an opportunity was given for consideration, in advance, by the Canadian government, where Canadian interests were affected.

Nevertheless, in some instances, decisions taken jointly by the United Kingdom and the United States, affecting Canada, had been taken and announced without opportunity for Canadian comment. Such occasioned serious difficulties for the Canadian government. It was recognized that the necessity for rapid action might compel certain decisions to be taken without there being time for consultation.

He felt sure that the Canadian position in this respect would be appreciated and that Canada would be fully consulted in advance, wherever Canadian interests were affected.

12. The United Kingdom Prime Minister expressed appreciation of the points brought forward by Mr. King.

...

225.

W.L.M.K./Vol.338

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 159

London, October 25, 1943

IMMEDIATE. Following from the Prime Minister for the Prime Minister, Begins: Canada's contribution to the war effort in the whole field of production and the strength which she has lent to the cause of the United Nations is a source of admiration to us all. The importance of Canadian food supplies and the close interconnection of all North American food problems makes it appropriate and desirable that she should be directly represented as a member of the Combined Food Board sitting in Washington. President Roosevelt and I would accordingly be gratified if you would name a representative to the Combined Food Board. Ends.

226.

DEA/3265-D-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 169

Ottawa, October 28, 1943

SECRET. Reference your telegram No. 159 of October 25. Following for the Prime Minister from the Prime Minister of Canada, Begins: The Government of Canada is very pleased to accept the invitation extended by President Roosevelt and yourself to name a representative to the Combined Food Board. I fully agree that the importance of Canadian food supplies and the close interconnection of all North American food problems make it appropriate and desirable that Canada should be directly represented on the Board. I am accordingly asking the Hon. J.G. Gardiner, Minister of Agriculture, to represent Canada in this important capacity. Ends.⁶⁶

227.

DEA/3265-AG-40

Le sous-ministre par intérim du Commerce au
sous-secrétaire d'État aux Affaires extérieures
Acting Deputy Minister of Trade and Commerce to
Under-Secretary of State for External Affairs

Ottawa, December 28, 1943

Dear Mr. Robertson,

COMBINED FOOD BOARD — SUB-COMMITTEE ON CEREALS

This is to confirm the information which I think you may have already received, verbally, that Mr. George McIvor, Chief Commissioner of the Canadian Wheat Board, is prepared to accept the Chairmanship of the Cereals Sub-Committee of the Combined Food Board. It is understood that if, on occasion, Mr. McIvor is himself unable to act as Chairman, he would arrange to have either one of his fellow Commissioners on the Canadian Wheat Board — Mr. Smith or Mr. Kane — act on his behalf.

Mr. McIvor told me to-day over the telephone that he has, as yet, not been able to reach a conclusion as to who would be, in his opinion, the most suitable appointee as Secretary of the Committee; but he intimated that he hopes to be able to put forward shortly the name of a member of the staff of the Canadian Wheat Board, whose qualifications would be appropriate and whose services could be made available.

Mr. McIvor inquired whether any public announcement regarding the personnel of the Committee is likely to be made in the near future and, if so, through what channel — at the same time expressing a preference for an announcement to be made through Hon. Mr. MacKinnon. I shall be glad if you

⁶⁶ Voir aussi le document 709.⁶⁶ See also Document 709.

will be good enough to let me know when, in your view, and through whom any public announcement of this nature could most appropriately be made.

Yours faithfully,

OLIVER MASTER

SECTION C
CONSEILS DU PACIFIQUE
PACIFIC COUNCILS

228.

DEA/1625-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 254

Ottawa, February 11, 1942

IMMEDIATE. SECRET. Question of advisability of seeking Canadian representation in the Pacific Council, whose establishment in London is announced in the press, has been under consideration here. Our present view is that Canadian participation might unnecessarily enlarge a body whose primary responsibility appears to be the concerting of common defences of the countries in the Southwest Pacific which Japanese aggression has placed in the immediate danger zone. There has, however, been a good deal of comment in the country and in the House on the exclusion of Canada from a body which purports to deal with Pacific problems generally. In the circumstances I think it would be helpful if it could be made clear from London that "Pacific Council's" function is directly related to questions of regional defence of Southwest Pacific and Southeastern Asia.

229.

DEA/1625-40

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM 33

London, February 13, 1942

PERSONAL AND SECRET. Following from Prime Minister for Prime Minister, Begins: You have asked for information about the scope and functions of the Pacific War Council. The following is shortly the position.

(1) The original object of the Council was to provide for the political control by the A B D A Powers of General Wavell as Supreme Commander of the A B D A area. The A B D A Powers were conceived as those who were in the zone of hostilities or immediately affected thereby, or whose troops and ships were

engaged or about to be engaged. The Council was therefore to deal primarily with reinforcements, directives and general policy in relation to the south west Pacific. We are now arranging also, after discussion with the President, for China to be invited to be represented on the Council.

(2) Of course the whole business of making war upon Japan is inevitably involved in the scope of these discussions. Nevertheless, there is at the present time a marked difference between the position of Australia and New Zealand on the one hand, and of Canada and South Africa on the other. I agree with what I understand to be your view, namely, that Canada's interests are not so directly concerned that it is essential for Canada to be represented on the Council at this stage.

(3) I should be quite willing that you should state that you have been in communication with me and you are satisfied that the present arrangements for consultation in regard to the conduct of the war are adequate, and that Canada need not be represented on the Pacific Council at this stage, though of course it is open to Canada to be so represented hereafter at any time she wishes. All good wishes. Winston Churchill. Ends.

230.

DEA/1625-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 609

Ottawa, March 27, 1942

IMMEDIATE. SECRET. As you are aware, we have not hitherto pressed the question of Canadian participation in the Pacific Council. We recognize that there have been practical difficulties in the way of effecting adequate and equal representation in such a body of all the United Nations immediately affected by the course of the war in the Southwestern Pacific. In view of the course of events in recent weeks, however, we have come to the conclusion that Canada should be directly represented on the Pacific Council, whether it is to continue to meet in London as first planned or in Washington as the President has suggested, or whether there should be two Pacific Councils meeting concurrently in Washington and in London as Mr. Churchill suggested in his message to the President (See Dominions Office telegram No. 66 of March 23rd).[†] If there are to be meetings of the Pacific Council held in London, you will be designated as the Canadian representative. Arrangements for our representation at meetings of the Council which may be held in Washington have not yet been determined.

I would be grateful if you would at once advise the United Kingdom Government of the views of the Canadian Government as outlined in this telegram. The Canadian Minister in Washington has been instructed to make a similar communication to the United States Government.

231.

DEA/1625-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*
*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 629

Ottawa, March 30, 1942

IMPORTANT. SECRET. Reference our telegram No. 609 of March 27th. The President of the United States announced this morning a meeting of Pacific Council in Washington on Wednesday, April 1st, at which following countries will be represented: United Kingdom, United States, Canada, Australia, New Zealand, China and the Netherlands.

The White House statement added that the new Council would be in intimate contact with a similar body in London, which presumably means that the United States has agreed to Churchill's suggestion of a duplicate Pacific Council in the United Kingdom.

232.

DEA/1625-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*
*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 913

London, April 2, 1942

IMMEDIATE. SECRET. United Kingdom Government welcome full Canadian participation on Pacific Council as proposed in your telegram No. 609 of March 27th. I shall be very glad to serve as Canadian representative.

MASSEY

233.

DEA/1625-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*
*High Commissioner in Great Britain to
Secretary of State for External Affairs*

DESPATCH A. 61

London, April 28, 1942

SECRET

Sir,

1. I have the honour to report that on April 21st I attended the second meeting of the Pacific War Council since my appointment as Canadian representative.

2. Mr. Churchill was again unable to attend, his place as Chairman being taken as before by Mr. Attlee, the Deputy Prime Minister. The same members were present as on the previous occasion and Mr. Waterson attended for the first time as the representative of the Union.

3. Again the meeting was without any formal business and the time was entirely taken up by desultory discussion on the progress of the war, in which various questions were asked and answered either by Mr. Attlee or General Ismay.

4. Some information was available regarding the proceedings of the Pacific Council in Washington through telegrams which had been sent by the New Zealand representative on that body to his opposite number on the London Council.

5. Attention was again drawn at this meeting to the need for the appointment of a representative of the United States. It was generally agreed by the members that this would be highly desirable and it appeared to meet with the approval of the Chairman.

6. It is clear that there is a general feeling among the members of the Council that fresh consideration should be given to the functions which this body is intended to perform. At present there is considerable vagueness about its terms of reference. If it is to serve a useful purpose it must be given some work to do. One of its functions is obviously to provide the representatives of China and the Netherlands with a formal point of contact with the United Kingdom government which will permit them to exchange views on the prosecution of the war in the Pacific area. It is of obvious importance that these states, China in particular, should be given an appropriate position in the counsels of the United Nations. For this reason it is unfortunate if the Chinese Ambassador should be asked to attend meetings which might well appear to him not to be performing the important functions which were envisaged when the Pacific Council was first established.⁶⁷

I have etc.

VINCENT MASSEY

SECTION D
CONFÉRENCE DE QUÉBEC
QUEBEC CONFERENCE

234.

W.L.M.K./Vol. 414

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

MOST SECRET

[Ottawa,] July 22, 1943

Herewith, for your records, is copy of the message which Mr. Malcolm Mac-

⁶⁷ Sur le Conseil de Washington, voir C. P. Stacey, *Armes, hommes et gouvernements*. Ottawa: Information Canada, 1970, p. 198.

⁶⁷ On the Washington Council, see C. P. Stacey, *Arms, Men and Governments*. Ottawa: Information Canada, 1970, p. 179.

Donald sent to his Government after his conversation with you on Tuesday, July 20th.⁶⁸

N. A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

Le haut commissaire de Grande-Bretagne au secrétaire aux Dominions

High Commissioner of Great Britain to Dominions Secretary

TELEGRAM 1779

Ottawa, July 20, 1943

IMMEDIATE. MOST SECRET. Decypher yourself. My telegram No.1757.

I know that Mr. Mackenzie King is assuming that in any meeting on Canadian soil he would be present throughout as host and that he would also be a party in discussions. He realises of course that the President and Prime Minister will wish to have great deal of talk between themselves or with their staffs and every arrangement would be made for this.

He also realises that he could not be a full partner in the discussions without creating awkwardness about the positions of other Dominion Prime Ministers. At the same time it would be extremely embarrassing politically to the Government here if the Canadian Prime Minister seemed to be less than a fairly full partner in a meeting in Canada and would cause undesirable comment from general point of view in Quebec and everywhere in Canada. On other hand a meeting between President and Prime Minister in Québec, with Canadian Prime Minister attending, would of course delight everyone here, and do much solid good.

235.

W.L.M.K./Vol. 338

Le secrétaire aux Dominions au haut commissaire de Grande-Bretagne

Dominions Secretary to High Commissioner of Great Britain

TELEGRAM 1783

London, July 23, 1943

IMMEDIATE. MOST SECRET AND PERSONAL. Decypher yourself. Your telegram No.1779. Following for High Commissioner from Prime Minister. Decypher yourself. Begins: I do not anticipate any difficulty in arranging for Mackenzie King and his principal Military advisers to be adequately associated with the Conference. My idea is that Mackenzie King himself together with the Canadian Chiefs of Staff should attend all *plenary* meetings over which the President and I preside and that the Canadian Chiefs of Staff should attend all *plenary* meetings of the Combined Chiefs of Staff Committee. (Underline 'plenary' above in two cases).

2. These arrangements will not of course prevent my having private and off-the-record discussions alone with the President whenever he or I may think it

⁶⁸ La note suivante était écrite sur ce mémorandum:

⁶⁸ The following note was written on the memorandum:

Saw Gov[ernor] General evening 10:15 P.M. of Tuesday July 22nd to tell of word which came on Sunday night — I spoke of President's fishing trips and possibility of President's coming to Ottawa also possibility of meeting at Quebec. K[ING]

necessary: nor will they prevent the Combined Chiefs of Staff Committee (which consists of the American and British Chiefs of Staff) from meeting alone and in camera whenever the nature of the discussion renders this desirable.

3. The above is of course business only and apart from all social and personal meetings between hosts and guests and special Anglo-American-Canadian discussions to which I am looking forward.

4. Pray sound Mackenzie King on the above proposals and say that if they are agreeable to him I will seek the President's approval.⁶⁹

236.

W.L.M.K./Vol. 338

Le secrétaire aux Dominions au haut commissaire de Grande-Bretagne
Dominions Secretary to High Commissioner of Great Britain

TELEGRAM 1808

London, July 25, 1943

IMMEDIATE. MOST SECRET AND PERSONAL. Following from the Prime Minister for Mr. Mackenzie King, Begins:

1. Many thanks for your telegram No. 120.[†]
2. I submitted my telegram No. 1783 for the High Commissioner in Canada to the President. He sees insuperable difficulties in the Canadian Chiefs of Staff attending plenary meetings of the Combined Chiefs of Staff. He points out that this will almost certainly result in an immediate demand from Brazil and China for membership on the Combined Staffs in Washington; also from Mexico as well as from the other British Dominions and Allied Nations. He tells me that McCarthy has left for Ottawa to explain the position to you.
3. I must say I see the difficulties as of course very little business can be done when large numbers are present. It seems to me, therefore, that the Canadian and British Staffs should confer together as may be necessary but that the British alone should be represented at the combined meetings of the two principal Allies.
4. As Colonel Warden⁷⁰ is coming by the same method as last time and runs on schedule he and the whole party will arrive at 'Abraham'⁷¹ on the 10th. He hopes no preparations or plans of any kind will be made until he is well away. While awaiting the arrival of P.Q.,⁷² the British-Canadian Staffs' discussions can take place and we can confer formally on various important imperial questions which are outstanding. Message ends.

⁶⁹ La note suivante était écrite sur cette copie du télégramme:

Laurier House 4:30 p.m. Wednesday July 23, 43. MacDonald called in bringing for [?] me this message.

⁷⁰ Churchill.

⁷¹ La ville de Québec.

⁷² Roosevelt.

⁶⁹ The following note was written on this copy of the telegram:

⁷¹ Quebec City.

237.

W.L.M.K./Vol. 338

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 123

Ottawa, July 25, 1943

IMMEDIATE. MOST SECRET AND PERSONAL. Following from the Prime Minister for Mr. Churchill, Begins: Your telegram No. 1808 to the High Commissioner. After McCarthy's arrival Ottawa late last night, I sent the following message to P.Q. which he should have now. Begins:

'I have had a talk with Leighton (meaning McCarthy) this evening and hasten to let you know that I am not pressing for participation of Canadian Staffs in discussions of Combined Staffs. You will realise that when the Combined Staffs are meeting in Canada, and matters affecting Canadian forces may be a subject of consideration, our people would expect some opportunity of conference or consultation such as was given them at meeting in Washington. I would, however, not wish to have any conditions attached to proposed meeting and know that you and our friend (meaning Colonel Warden) will be only too ready to see that what may be advisable, all circumstances considered, is adequately met.

'As host, you may rely upon me not to permit any situation to arise which would be a source of embarrassment to other United Nations who will not be represented'. Ends.

2. Have noted carefully contents of your paragraph 4. Message Ends.

238.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, August 10, 1943

QUEBEC CONFERENCE; PURPOSES AND PROCEDURE; CANADIAN POSITION

13. THE PRIME MINISTER reported that, shortly before the departure for Britain of the Minister of National Defence the British Prime Minister had enquired whether he (Mr. King) would be willing to receive the President and Mr. Churchill at Quebec for a meeting of the Combined British and United States Chiefs of Staff. This suggestion Mr. King had welcomed on behalf of the government and arrangements had been made accordingly for holding the Conference in the Citadel and in the Chateau Frontenac.

14. MR. KING said that the U.K. High Commissioner had recognized that the position of the Canadian government in relation to a conference in Canada, of a purely Anglo-American character, would be one of some difficulty and, on this point, had consulted his government.

It transpired that Mr. Churchill was willing not only that the Canadian Prime Minister participate in discussions with the President and himself but also that the Canadian Chiefs of Staff attend plenary sessions at the Combined Chiefs of Staff conference and had so suggested to Mr. Roosevelt. The President, however, had opposed Canadian military participation on the ground that it would cause difficulties with others of the United Nations.

It had finally been agreed that the Conference of the Combined Chiefs of Staff would be purely Anglo-American, but that opportunity would be afforded for meetings between the Canadian and British staffs before the Conference itself began. Arrangements had been made accordingly.

15. MR. KING said that Mr. Churchill had requested a 'formal British-Canadian Conference' at Quebec before the meetings of the Combined Chiefs of Staff began. Accordingly arrangements had been made to have the War Committee meet the following morning with the British Prime Minister and such other British representatives as he might wish to have with him.⁷³ The Canadian and British Staffs would meet subsequently, as required.

The U.S. Chiefs of Staff were expected to arrive in Quebec in three days' time; the President toward the beginning of the following week.

16. THE WAR COMMITTEE noted the Prime Minister's report.

...

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DEA/88s

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Assistant Under-Secretary of State for External Affairs
to High Commissioner in Great Britain*

PERSONAL AND MOST SECRET,

Ottawa, October 25, 1943

Dear Mr. Massey,

I am responsible I fear for your not having received a reply before to your personal and confidential letter to Norman of the 11th September requesting information about the decisions of the Quebec Conference. Norman handed your letter to me shortly after its arrival. He was promptly laid up for a while himself and then took a much needed holiday with the result that I did not have time until yesterday to go through the papers. The pressure here, especially on senior officers of the Department, seems steadily to increase and it grows so fast that one cannot reduce it by taking in new people or developing methods of

⁷³ Churchill fut accompagné par Sir John Anderson, Lord président du Conseil. Churchill assista à une deuxième réunion le 31 août accompagné de Sir Dudley Pound, First Sea Lord, Sir Alexander Cadogan et le lieutenant général Sir Hastings Ismay.

⁷³ Churchill was accompanied by Sir John Anderson, Lord President of the Council. Churchill attended a second meeting on August 31 accompanied by Sir Dudley Pound, First Sea Lord, Sir Alexander Cadogan and Lieutenant-General Sir Hastings Ismay.

devolution inside the Department. This has a familiar result that what does not have to be done today no matter how important gets put off until tomorrow and tomorrow is generally a very a long time in coming.

You will in any case by now be familiar with the chief results of the Quebec talks over which you are particularly concerned with regard to the employment of the Canadian Army. This in fact, as you know, was not settled at Quebec where it figured only in the U.K.-Canadian discussions. The decision taken nearly a fortnight ago for the strengthening of the Canadian force in the Mediterranean was very welcome here.

The Quebec background to this aspect related mainly to the American insistence on pursuing the plans developed at the Casablanca meeting and the later May discussions in Washington. There is a greater rigidity about American strategic thinking than is found on the British side. They like to pursue an agreed scheme even if conditions have changed so as to open up unexpected alternatives. At Quebec they secured agreement that the Italian campaign should have the status of an important sideshow and should not be permitted to modify the earlier plans for a direct attack on western Europe to take place as soon as possible in 1944. It was agreed that Italy should be cleared of the enemy at least as far as the line of the Arno (you must hate as much as I do the thought of the Arno being a front line) and if conditions were favourable as far as the Alps. The commitment, however, is to be severely limited in the number of divisions employed and battle trained troops are to return from that theatre to the United Kingdom to participate in the main attack.

The Italian surrender was, of course, on its way before the Conference ended. It was then confidently expected that it would bring with it into our hands the Dodecanese Islands. I hear a good deal of comment and criticism on what looks like a failure to exploit the possibilities in the Aegean. Outside of this there appears to have been agreement at Quebec that the time had not yet come for direct action against enemy held territory in the Balkans and eastern Mediterranean. One has the uneasy feeling that we may be missing opportunities whereby risking small forces might achieve great results. Certainly I hear from some of our military people a good deal of criticism of the insistence, especially on the American side, of the most detailed and complete preparation for any new venture on the ground that the time spent in preparation may often benefit the enemy more than ourselves.

You will, also, have heard long since of one side of the Quebec discussions (also between Canada and the United Kingdom) concerning our taking over and manning naval units from the British. These suggestions from the British side have been accepted in principle on the understanding that they will not involve a net increase in the manpower programme of the Canadian Navy. They include the eventual transfer of perhaps two cruisers, two fleet destroyers and three flotillas of landing craft, together with the formation of a naval Beach Commando and Signal unit (900 men) and the provision of 120 officer candidates for training under the Royal Navy. There is also some possibility that the R.C.N. will take over and man one or more of the smaller aircraft carriers.

Another minor naval matter on which agreement was reached was the form

of the monthly statements on the progress of submarine warfare which are now being given out in the name of Mr. Roosevelt and Mr. Churchill. Mr. Churchill explained the agreement reached about our association with these statements in the House of Commons after his return. We have now received the draft text three or four days before the time for its release and have, therefore, an opportunity to comment on it.

You will, I am sure, have noted with interest the very general U.S. suggestions for the organization of security after the war which were brought forward at Quebec. These were summarized in one of the Dominions Office telegrams two or three weeks ago which dealt with the preparations for the Moscow Conference. You may remember our comments on them were asked but that the request was withdrawn (to my relief) by a further telegram of the same day apparently after receipt of further information from Washington that the outline would not be brought forward at Moscow. Mr. Churchill at his second meeting with the Cabinet War Committee described these proposals and said that he himself much preferred a system of regional councils, adding that he thought a strong France was essential to European stability. I do not like either the general United States scheme or an essentially regional scheme.

We were not directly concerned at Quebec with the Far Eastern aspects of military planning which, of course, received a good deal of attention. I gather that a good deal was left for later discussion in the light of detailed alternative plans to be prepared by the staff planners. Lord Mountbatten's appointment⁷⁴ was, of course, one of the immediate consequences.

Yours sincerely,

H. H. WRONG

SECTION E

DÉCLARATION DE MOSCOU

MOSCOW DECLARATION

240.

DEA/7-Vs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 650

London, September 13, 1943

IMPORTANT. MOST SECRET AND PERSONAL. Following for the Prime Minister, Begins: President Roosevelt recently communicated to Prime Minister informally, text of the suggested Four-Power Declaration by the United States, United Kingdom, Russia and China in the terms set out in my immediately following telegram. Discussion between the President and Prime Minister has

⁷⁴ Commandant allié suprême en Asie du sud-est.

⁷⁴ Supreme Allied Commander South-East Asia.

proceeded on the basis of the possibility of the document being included on agenda of forthcoming Three-Power meeting of Foreign Ministers referred to in my telegram Circular D. 623 of September 6th.[†] If this is decided upon, procedure would, we expect, be that the United States Government would informally communicate draft to us and to the Russians simultaneously before the conference takes place.

Meanwhile the Cabinet here have been giving preliminary consideration to the document. In general, the Cabinet cordially welcome declaration of this nature in view of the great advantages which it would have in proclaiming interest of United States in post-war system and in linking up Soviet Russia with United States and ourselves in a joint policy for future security.

We should be grateful if we could receive the earliest possible expression of your views on this proposal. In view of the importance of the issue we are naturally anxious to have the fullest possible consultation with the Dominion Governments in the matter before the United Kingdom representative deals with it at the proposed Three-Power Conference.

On points of detail it has occurred to us that paragraphs 3 and 4 might read better as follows:

“3. That they will take all measures deemed by them to be necessary to provide against any violation of the terms imposed upon the enemy.

4. That they recognise the necessity of establishing at the earliest practicable date a general international organisation for the maintenance of international peace and security based on the principle of the sovereign equality of nations”.

It has further occurred to us that the last few words of paragraph 4 in the United States draft might be an embarrassment in the future since they might encourage the smaller powers to hope that in the future planning for Europe they will be treated as in all respects equivalent to the larger powers. It is, of course, important to avoid the impression that the greater powers would ride roughshod over the smaller powers and this could, it seems to us, be achieved equally well by somewhat different wording such as “. . . a general international organisation for the maintenance of international peace and security in which all peace-loving nations, great and small, may play their just part”.

It is probable that these amendments will be put forward by us at the Three-Power meeting. Generally we think it important to adhere as closely as possible to the wording proposed by the United States.

Very grateful if we could receive your views at the earliest possible date. Ends.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 651

London, September 13, 1943

IMPORTANT. MOST SECRET AND PERSONAL. Following for the Prime Minister,

Begins: My immediately preceding telegram. Following is text, Begins: The Governments of the United States, Great Britain, the Soviet Union and China, united in their determination, in accordance with Declaration by United Nations of January 1st, 1942,⁷⁵ and subsequent Declarations[†] to continue hostilities against those Axis Powers with which they respectively are at war until such Powers have laid down their arms on basis of unconditional surrender, conscious of their responsibilities to secure liberation [for] themselves and people allied with them from menace of aggression; recognizing necessity of ensuring a rapid and orderly transition from war to peace and of establishing and maintaining international peace and security with least diversion of world's human and economic resources for armaments, jointly declare —

1. That their united action, pledged for the prosecution of the war, will be continued for organization and maintenance of peace and security.
2. That those of them at war with a common enemy will act together in all matters relating to surrender and disarmament of the enemy, and to any occupation of enemy territory and of territory of other States held by that enemy.
3. That they will take all measures deemed by them to be necessary to provide against any violation of requirements imposed upon their present enemies.
4. That they recognize necessity of establishing at earliest practicable date a general international organization, based on principle of sovereign equality of all nations, and open to membership by all nations, large and small, for maintenance of international peace and security.
5. That for purpose of maintaining international peace and security pending re-establishment of law and order and inauguration of a general system of security, they will consult and act jointly on behalf of community of nations.
6. That in connection with the foregoing purpose, they will establish a Technical Commission to advise them on military problems involved, including composition and strength of forces available in an emergency arising from a threat to peace.
7. That they will not employ their military forces within territories of other States except for purposes envisaged in this Declaration and after joint consultation and agreement.
8. That they will confer and cooperate to bring about a practicable general agreement with respect to regulation of armaments in post-war period. Ends.

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DEA/7-Vs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 147

Ottawa, September 17, 1943

IMPORTANT. MOST SECRET AND PERSONAL. Your circular telegrams D. 650 and D. 651 of September 13th. Four-Power Declaration.

⁷⁵ Voir le document 131.

⁷⁵ See Document 131.

The Canadian Government welcomes the suggestion that there should be a declaration by the leading Powers along the general lines set forth in the United States proposals.

2. The text as proposed by the United States is generally acceptable. We prefer your wording of clause 3. With regard to clause 4 we would suggest a fusion of the United States and United Kingdom drafts as follows: "That they recognize the necessity of establishing at the earliest practicable date a general international organization based on the principle of sovereign equality of all nations for the maintenance of international peace and security in which all peace-loving nations, great and small, may play their just part".

3. Clause 5 of the United States draft appears to be open to the objection of excluding from consultation all Powers other than the four signatories. We would suggest amending it as follows: "... They will consult with one other and with other members of the United Nations acting jointly on behalf of the community of Nations". This suggestion would take into account the proposals in your telegram Circular D. 365 of June 19th⁷⁶ for the United Nations Commission for Europe.

4. We assume that the declaration set forth in clause 6 will not impair existing arrangements with regard to consultation on military questions.

5. We would suggest that clause 8 be amended to read: "That they will confer and co-operate with one another and with other members of the United Nations to bring about a practicable general agreement with respect to regulation of armaments in post-war period".

243.

W.L.M.K./Vol. 339

Le Premier ministre d'Australie au Premier ministre
Prime Minister of Australia to Prime Minister

TELEGRAM 18

Canberra, September 18, 1943

Following telegram has been sent to the Secretary of State for Dominion Affairs, Begins: No. 244. Your telegrams Circular D. 650 and Circular D. 651. It appears to us that the positive value of a Declaration of the nature proposed lies in the fact that the three main military Powers, viz. British Commonwealth, United States and Soviet Russia would definitely commit themselves to post-war collaboration and to policing the peace settlement.

2. But the terms of obligations are of such a nature that it is extremely doubtful whether China could be regarded as capable of fulfilling them. For this reason the Declaration might lose much of its positive effect if China is included.

3. It may have been politic from the point of view of public opinion in the United States that China should be proposed as a party to the Declaration. It is

⁷⁶ Document 516.

noticeable that it is not proposed that China should be represented at the Three-Power Conference where the proposed Declaration is to be listed and we doubt the inclusion of China in the Declaration.

4. From the point of view of effectiveness of weight and of avoidance of future difficulties, we believe that the three major Powers only should be associated, viz. the United States, the British Commonwealth of Nations and the Soviet Union. We appreciate that this entails prior agreement between the members of the British Commonwealth, but if they cannot agree amongst themselves it is obvious that wider agreement is impossible.

5. As to the terms of the proposed Declaration:

(a) We agree to your amendment paragraph 3,

(b) We agree to your first proposed amendment paragraph 4.

We are not prepared to agree to your second suggested amendment to paragraph 4. The words "peace-loving" and "just part" may give rise to untold difficulties. They may well be regarded as permanently excluding present enemy Powers from future participation and also as contradicting a basic principle of international law — viz., the general principle of equality of States.

6. We regard paragraph 5 as of crucial importance. We consider that in order to agree to it Australia should either separately or as part of the British Commonwealth of Nations be definitely included as one of the parties to act on behalf of the Community of Nations.

Appropriate drafting should make it certain that Australia is included in the connotation of the British Commonwealth of Nations. Our view is that in this and analogous matters it is desirable to give recognition to the British Dominions who have contributed so much to the Empire war effort during the past four years. The view is held to some extent in Australia that this principle is very very important otherwise our status may decline to the position existing before the Treaty of Versailles in 1919. It is desirable to keep in mind that in 1926 the Balfour Declaration asserted the equality of status of British Dominions with the United Kingdom in external affairs.

7. Paragraph 5 of the Declaration goes to the root of the proposal. We therefore regard it as essential that the views we have expressed in paragraph 6 of this message should be given effect to in form as well as in fact. Ends.

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DEA/7-Vs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 705

London, September 27, 1943

MOST SECRET AND PERSONAL. My telegram of September 20th, Circular D. 674[†] Four-Power Declaration. We are glad to note that principle of such a Declaration is welcomed by other British Commonwealth Governments and we have considered fully their comments on proposed wording.

2. Clause 4. After examining the various views expressed we think that it would be best to adopt following wording:

“That they recognise the necessity of establishing at the earliest practicable date a general international organisation based on the principle of the sovereign equality of all nations for the maintenance of international peace and security in which all peace-loving nations, great and small, may play their part”.

This we think would provide adequate recognition for the position and status of the smaller Powers while avoiding the danger to which Union Government's reply called attention. We do not think that this wording need exclude present enemy Powers from eventual participation.

3. Clause 5. We agree that this would be improved by including express reference to consultation with other members of United Nations and now favour following wording:

“That for the purpose of maintaining international peace and security, pending the re-establishment of law and order and the inauguration of a general system of security, they will consult with one another and as occasion requires with other members of the United Nations with a view to joint action on behalf of the community of nations”.

We agree that word “joint” involves some risk of inaction resulting from disagreement but it also seems important to aim at preventing independent action by one of the signatories.

4. Clause 6. With reference to paragraph 4 of Canadian reply,⁷⁷ we think it may safely be assumed that this clause would not impair any existing arrangements with regard to consultation on military questions.

5. Clause 8. We agree with Canadian suggestion⁷⁷ that this should read:

“That they will confer and co-operate with one another and with other members of the United Nations to bring about a practicable general agreement with respect to regulation of armaments in the post-war period.”

6. China. As regards Australian Government's observations on proposed participation of China,⁷⁸ we feel that from the point of view of opinion in the United States, the inclusion of China must be regarded as essential and that it would be unwise for us to suggest omitting China.

7. Dominions. We have given fullest consideration to Australian suggestion⁷⁸ that Declaration should be, so far as we are concerned, in the name of the British Commonwealth and that Australia should either separately or as part of the British Commonwealth be definitely included as one of the parties to act on behalf of the community of nations. We are of course in fullest agreement with the general idea that what we should aim at is to secure a joint British Commonwealth policy on all these matters. Australian suggestion would, however, as Commonwealth Government point out, require assent of all the Dominions and it will be that remembered, at the 1926 Imperial Conference, the idea of the

⁷⁷ Voir le document 242.

⁷⁸ Voir le document précédent.

⁷⁷ See Document 242.

⁷⁸ See preceding document.

British Commonwealth as a single contracting unit was ruled out at the request of the Dominions as tending to obscure their separate international status. Unless therefore the other Dominion Governments were prepared to support the Australian proposal it does not appear to be practicable. In any case we do not see how other foreign countries could now be expected to accept an arrangement under which Dominions were at the same time formally parts of one of the major Powers and also separately individual members of the general community of nations. In practice the position of the Dominions in the sense which the Australian Government desire should be fully safeguarded by existing system of consultation which would ensure fullest possible preliminary consideration between ourselves and other British Commonwealth Governments of all matters which under the terms of the Declaration would come before the major Powers. In practice if not in name the United Kingdom would support a policy acceptable to all members of the British Commonwealth. Our conclusion has therefore been against the adoption of the suggestions in paragraphs 6 and 7 of the Australian reply.

8. Nevertheless we think that there would be important advantages if it could be demonstrated to the world if and when the Declaration is adopted that though it is only signed by the United Kingdom it has the approval of other British Commonwealth Governments. If this suggestion is acceptable we should be happy to consider at a later stage how effect could best be given to it e.g. simultaneous statements or possibly by a joint declaration.

9. We are now putting to State Department the amendment to clause 3 set out in my telegram Circular D. 650, the above amendments to clauses 4, 5 and 8, and also a suggestion for substituting "to liberation of other States . . ." for "of territory of other States . . ." in clause 2.

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DEA/7-Vs

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures
au Premier ministre*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] September 30, 1943

You will have seen telegram Circular D. 705 of September 27 from London on the proposed Four Power Declaration on international security. The views expressed in this telegram seem to me to make it unnecessary for us to comment on the Australian point of view.⁷⁹ Robertson sent you a draft telegram a few days ago with suggested comments and a covering memorandum. This I think can now be dropped.

In fact, they have done a good job of redrafting in London and their proposed version of Clause 5 is better than our own suggestion.⁸⁰ In preserving the posi-

⁷⁹ Voir le document 243.

⁷⁹ See Document 243.

⁸⁰ Voir le document 242.

⁸⁰ See Document 242.

tion of the smaller countries, they have met all our points satisfactorily and have also answered the Australian plea for dropping China and for making the Declaration in the name of the British Commonwealth on lines which accord with our views.

If the Declaration is issued it will be a document of high importance. I think that it is desirable that we should let the United Kingdom Government know that we agree with the changes they are proposing in the draft. We have already said that we would welcome a declaration of this sort. The draft will be put forward by the U.S. representative at the Conference of Foreign Ministers in Moscow. Wilgress has reported that the Soviet Government may not agree to its publication because of the inclusion of China, but thinks that it is in general accord with their views on the post-war organization of security.

[H. WRONG]

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*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie*

*Under-Secretary of State for External Affairs
to High Commissioner in Australia*

MOST SECRET

Ottawa, October 20, 1943

Dear Mr. Davis,

I expect that you will have seen at the Department of External Affairs in Canberra the various telegrams exchanged between London, Canberra and other Dominion capitals on the proposed Declaration which is being submitted to the Moscow Conference. If these telegrams have not come to your notice you might arrange to see them and as a guide the following are the numbers of the more important ones:

Circulars D. 650 and 651 from the Dominions Office of September 13th,

No. 18 from Canberra to Ottawa of September 18th,

No. 10 from Ottawa to Canberra of September 21st,[†]

No. 177 from Wellington to Canberra of September 21st,[†]

No. 9 from South Africa to Canberra of September 22nd,[†]

Circular D. 705 from the Dominions Office of September 27th.

There have also been some later Dominions Office telegrams[†] concerning the status of the proposed declaration.

I particularly wish to draw your attention to the Australian proposal that this important declaration should be issued in the name of the British Commonwealth rather than in the name of the United Kingdom. The practical arguments against the adoption of this course were clearly set out by the Dominions Office in Circular D. 705. The importance which Mr. Evatt at least attached to them was shown by a personal message which he sent to the Prime Minister through Sir William Glasgow on September 21st[†] in which after referring to the

proposals and the Australian reply he said that if the tendency shown by the proposals were allowed to prevail, it would be most serious for Canada and Australia.

You will notice from the telegrams that a main Australian concern in commenting on the original draft was to ensure that in the execution of the policies laid down in the proposed Declaration the Australian Government should have its say through making the British Commonwealth as a whole a party to the Declaration. Our comments were also in part prompted by a desire to protect the position of Canada but they were designed to apply to all the United Nations (whether in the Commonwealth or outside of it) which were not parties to the Declaration.

Before we learnt from Dominions Office Circular D. 705 of September 27th that the United Kingdom Government had adopted all our suggestions and had refused the Australian proposal we had prepared a further telegram[†] commenting on the Australian views which was approved by the Prime Minister only after the occasion for its despatch had passed because of the receipt of Circular D. 705. This telegram began by saying that while we agreed that the inclusion of China in the Declaration was unrealistic we were not prepared to support the exclusion of China (this matter has now been looked after by the Russian objection to Chinese participation). Our draft telegram then continued as follows:

"We consider that it is not feasible for the British Commonwealth of Nations to be a party to the Declaration in place of the United Kingdom. The position of Ireland alone appears to us to make such a change impracticable, without entering into other important questions of intra-Commonwealth relationships involved in this suggestion. We have already proposed certain amendments, especially to paragraphs 4, 5 and 8, which are designed to clarify the position under the Declaration of members of the United Nations (whether in the Commonwealth or outside of it) which are not parties to it. We strongly share the Australian view that the language of paragraph 5 of the United States draft "They will consult and act jointly on behalf of the community of nations" should be altered so as to protect the position of countries not parties to the Declaration."

It concluded by saying that the problems of intra-Commonwealth relations with respect to the Declaration might be the subject of later Commonwealth discussions.

Whatever may be the fate of the Declaration itself these exchanges are interesting in other connections. The Australian Government committed itself to the view that in an important matter the British Commonwealth should act as a single unit. We are certainly not prepared to go as far as this. Dr. Evatt presumably wants Australia to be at the same time an influential part of a great power and to maintain her independent status as a separate member of the community of nations. We feel that you cannot formalize the unity of the Commonwealth internationally (even if that is desirable which is open to question) without surrendering the right of each self-governing member of the Commonwealth to speak vigorously in its own name. From one point of view the Commonwealth is now an *entente cordiale* strengthened by the long historical association and by

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the Crown; we do not wish to see it converted into an exclusive alliance.

I send you these observations not with the intention that you should take them up with the Australian Government but purely for your own information.

Yours sincerely,

N. A. ROBERTSON

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 874

London, October 29, 1943

MOST SECRET. Revised draft (October 26th) of Four-Power Declaration,⁸¹
 Begins:

1. That their united action, pledged for the prosecution of the war, against their respective enemies will be continued for the organization and maintenance of peace and security.
2. That those of them at war with a common enemy will act together in all matters relating to surrender and disarmament of that enemy.
3. That they will take all measures deemed by them to be necessary to provide against any violation of terms imposed on the enemy.
4. That they recognize the necessity of establishing at the earliest practicable date a general international organization, based on principle of sovereign equality of all peace-loving States and open to membership by all such States, large and small, for the maintenance of international peace and security.
5. That for purpose of maintaining international peace and security pending re-establishment of law and order and inauguration of a system of general freedom, they will consult each other, and, as the occasion requires, with other members of the United Nations, with a view to joint action on behalf of the Community of Nations.
6. That from the moment of termination of hostilities they will not employ their military forces within territories of other States except for purposes envisaged in this Declaration and after joint consultation, and;
7. That they will confer and co-operate with one another and with other members of the United Nations to bring about a practicable general agreement with respect to regulation of armaments in post-war period. Ends.

⁸¹ Pour le préambule, voir le document 241.

⁸¹ For preamble, see Document 241.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 880

London, October 31, 1943

IMMEDIATE. MOST SECRET. Following for the Prime Minister, Begins: My telegram Circular D. 874. Four-Power Declaration was signed October 29th by Mr. Hull, M. Molotov, Chinese Ambassador to Moscow and Mr. Eden.

2. Final text is given in my telegram under reference except that in Article 5 the words "general security" should be substituted for "freedom"; and in Article 6 "after termination" was substituted for "from the moment of termination". Ends.

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Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 171

Ottawa, November 1, 1943

Moscow Declaration on general security. We have issued statement declaring that the Canadian Government is fully in accord with provisions of Moscow Declaration, text of which has been telegraphed to the Canadian High Commissioner. In your telegram D. 705 of September 27th, paragraph 8, you indicated that you would welcome such a statement.

PARTIE 2/PART 2

ENQUÊTE SUR CORPS EXPÉDITIONNAIRE À HONG KONG
 INQUIRY ON EXPEDITIONARY FORCE TO HONG KONG

250.

DEA/2670-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 50

Ottawa, February 16, 1942

IMMEDIATE. CONFIDENTIAL. A judicial enquiry conducted by the Chief Justice of Canada is to be held in the immediate future regarding the circumstances surrounding the despatch of the Canadian force to Hong Kong including its inception, organization and authorization, the composition of the force, the training of its personnel and the provision of supplies and transportation.

The Canadian Government desires to be in a position to produce on [at?] the enquiry all the communications relevant to the above between the United Kingdom and Canadian authorities and including the following documents, but not necessarily limited thereto:

Telegram No. 162, Sept. 18, from Dominions Office to External Affairs.

Telegram No. 199, Sept. 29, from External Affairs to Dominions Office.

Telegram No. 171, Oct. 1, from Dominions Office to External Affairs.

Telegram No. 176, Oct. 9, from Dominions Office to External Affairs.

Telegram No. 177, Oct. 10, from Dominions Office to External Affairs.

Telegram No. 187, Oct. 28, from Dominions Office to External Affairs.

Telegram No. 224, Oct. 30, from External Affairs to Dominions Office.

Despatch No. 155, Oct. 31, from External Affairs to Dominions Office.

Despatch No. 164, Dec. 22, from Dominions Office to External Affairs.⁸²

Would appreciate early concurrence by United Kingdom authorities in the foregoing.

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DEA/2670-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 55

Ottawa, February 20, 1942

IMMEDIATE. CONFIDENTIAL. My telegram No. 50, February 16, 1942. The Chief Justice has decided that the Hong Kong Hearing will be closed to the press and public so that you will be justified in assuming that the documents referred to in Telegram No. 50 will be made available to the Chief Justice as Royal Commissioner and to Counsel, but they will not be published.

The Hearing begins February 25 and it would be greatly appreciated if you could let us have word of your concurrence as soon as is possible.

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DEA/2670-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 46

London, February 24, 1942

Your telegram of February 16th No. 50. Your telegram of February 20th No. 55.

His Majesty's Government in the United Kingdom agree to the disclosure to Royal Commissioner and counsel of documents specified in your telegram of February 16th No. 50 on the understanding that hearing will be in camera and that documents will not be published. It is also desired that His Majesty's Government in the United Kingdom should be consulted before publication of

⁸¹ Voir le volume 7, documents 941 et 943-948. Les deux dépêches qui ne sont pas reproduites traitaient des rapports juridiques entre les troupes canadiennes et les troupes britanniques à Hong Kong.

⁸² See Volume 7, Documents 941 and 943-948. The two despatches that are not printed dealt with the legal relationship between the Canadian and British forces in Hong Kong.

Commission's report in respect of any passages which are based on, or disclose, material contained in the documents in question.

Matter has been considered only in relation to documents specified, and we should be glad of an opportunity of considering further any question of release of other documents.

253.

DEA/2670-40

*Le conseiller juridique au secrétaire, le Conseil de défense,
le ministère de la Défense nationale*

Legal Adviser to Secretary, Defence Council, Department of National Defence

Ottawa, February 26, 1942

Dear Sir,

I understand that the question may arise at the Hong Kong enquiry whether Dominions Office telegram No. 162 of September 18, 1941, is the first record of any communication between the Government of the United Kingdom and the Government of Canada with regard to the despatch of Canadian contingents for the reinforcement of Hong Kong.

I have personally searched the records of the Department of External Affairs and have made enquiries from all possible sources within the Department including an enquiry from the Under-Secretary of State for External Affairs as to possible communications on the occasion of the Prime Minister's visit to the United Kingdom in the summer of 1941.

There is no record of any sort with regard to the despatch of a Canadian force for the reinforcement of the Hong Kong garrison prior to Dominions Office telegram No. 162 of September 18, 1941.

I have endeavoured to find some indication of verbal discussions in case the Minister may want to know whether there were any prior to the date of the telegram in question. It is, of course, difficult to establish a negative proposition. I am satisfied in my own mind that there were no earlier communications of any sort, and I can state with certainty that I have made all enquiries reasonably practicable and have been unable to find anything that would justify an assumption that there had been an earlier communication.

Yours sincerely,

J. E. READ

254.

DEA/2670-40

*Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary*

TELEGRAM 85

Ottawa, March 19, 1942

IMMEDIATE. MOST SECRET. My telegram No. 55, February 20, 1942, Hong Kong

inquiry. The Chief Justice and Counsel in the Hong Kong inquiry desire that there should be made available for confidential examination by Chief Justice and Counsel, but not for publication or inclusion in Record or reference in Report, following telegrams dealing with general situation in Far East:

M. 310, September 20, 1941; M. 317, October 4, 1941; M. 330, October 18, 1941; M. 337, October 24, 1941; M. 343, October 31, 1941.⁸³

255.

DEA/2670-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 74

London, March 28, 1942

IMMEDIATE. MOST SECRET. Your telegram 19/3 No. 85. We should normally have felt bound to resist any suggestion that documents so secret and of such recent date should be submitted to enquiry but request has been most carefully considered with a view to assisting His Majesty's Government in Canada and as exceptional measure we are prepared to agree to production of telegrams mentioned, viz. M. 310, M. 317, M. 330, M. 337 and M. 343, on strict understanding that they will not be published and will not be included in the record or referred to in any report of the enquiry, and subject to certain provisos as to particular documents. We feel sure that Canadian Government will appreciate necessity for these precautions from point of view of our relations with other Governments and their representatives.

2. Provisos are as follows

(a) Paragraph 2 of telegram No. 310 of 20/9 should be omitted; this involves omission of words "of these telegrams" from 1st sentence of following paragraph, which should be renumbered 2.

(b) Paragraph 5 of telegram M. No. 317 of 4/10 should be omitted.

(c) Since it is not desired to submit to enquiry telegram M. N. 338 of 24/10[†] (to which we should find difficulty in agreeing), it is suggested that paragraph 8 and words "see also my immediately following telegram" should be omitted from telegram M. No. 337 of 24/10.⁸⁴

⁸³ Les télégrammes M. 310 du 20 septembre et M. 330 du 18 octobre sont reproduits dans le volume 8, documents 1362 et 1371. Les autres télégrammes ne sont pas reproduits.

⁸⁴ Les omissions de ces télégrammes circulaires comprenaient la mention des États-Unis dans M. 317 et l'annonce dans M. 338 d'une démarche soviétique suggérant que l'Union soviétique, les États-Unis et la Grande-Bretagne lancent une mise en demeure au Japon.

⁸³ Telegrams M. 310 of September 20 and M. 330 of October 18 are printed in Volume 8, Documents 1362 and 1371. The other telegrams are not printed.

⁸⁴ The omissions from these Circular Telegrams included a reference to the United States in M. 317 and notification in M. 338 of a Soviet approach suggesting that the Soviet Union, the United States and Great Britain issue a warning to Japan.

256.

DEA/2670-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 136

Ottawa, May 26, 1942

MOST IMMEDIATE. MOST SECRET. Your telegram No. 74 March 28, 1942 Hong Kong Inquiry.

The Chief Justice of Canada is most anxious to reproduce in his report

(1) Text of Dominions Office telegram No. 162, September 19, 1941 omitting if desired from second paragraph the words "and would reassure Chiang Kai-shek as to reality of our intention to hold the island"; and from third paragraph the words "It may also be mentioned that the United States have recently despatched a small reinforcement to the Philippines".

(2) Text of Dominions Office telegram No. 171, October 1, 1941.

The Chief Justice plans to deliver his report at the beginning of next week, and it is hoped that you will be able to accede to his request and to give your concurrence in time to enable the report to be completed and go to press this week.

257.

DEA/2670-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 125

London, May 27, 1942

MOST IMMEDIATE. MOST SECRET. Your telegram No. 136 of May 26th, Hong Kong enquiry.

We are anxious not to be unhelpful but our view is that publication of text of two telegrams in question, even with amendments suggested to No. 162, would be embarrassing to us all and advantageous to the enemy, quite apart from risk which it would entail of encouraging requests for publication of other similar inter-Governmental correspondence relating to the war.

We hope, therefore, that the summary of the two telegrams in question which was given to the Canadian House of Commons by the Minister of National Defence on January 21st would be adequate for the Chief Justice's purpose.

PARTIE 3/PART 3
APPLICATION DES LOIS DE CONSCRIPTION⁸⁵
APPLICATION OF CONSCRIPTION LAWS⁸⁵

258.

DEA/715-F-1-40

*Le secrétaire d'Etat aux Affaires extérieures au ministre de Belgique*⁸⁶

*Secretary of State for External Affairs to Minister of Belgium*⁸⁶

No. 8

Ottawa, March 11, 1942

Sir,

I have the honour to state that the Canadian Government has had under review the question of compulsory military training and service in Canada and its application to nationals of Belgium and the other United Nations.

2. I am confident that the Belgian Government shares the opinion of the Canadian Government that, in view of the total demands of the struggle in which our countries are associated, it is undesirable that male Belgian nationals of military age should escape the duty of sharing in the military side of the united effort solely because of their residence in Canada.

3. It is proposed, therefore, that the Canadian regulations governing compulsory military training and service, which are at present restricted to British subjects, should be amended and made applicable to the nationals of Belgium. When this is done, all the provisions of the regulations, including the provisions regarding age groups and those respecting postponements, will be applied to Belgian nationals in the same manner as they are at present, and may be in the future, applied to British subjects.

4. It is further proposed that every Belgian national called up for training and service by the Canadian Government should have the option to enlist in the armed forces of Belgium, this option to be exercisable at any time prior or subsequent to his compulsory enrolment in the Canadian forces. (Of course, the exercise of the option subsequent to such enrolment would be subject to the exigencies of the Canadian service).

5. He would also have, like British subjects called up for compulsory service, an opportunity at all times to apply for voluntary enlistment in the Canadian Active Army, the Canadian naval forces, or the Royal Canadian Air Force. In such an event, the Canadian authorities would apply the rule already in force in respect of Belgian nationals applying for enlistment in those forces, namely, no

⁸⁵ Voir les documents 930, 939 and 1437.

⁸⁵ See Documents 930, 939 and 1437.

⁸⁶ Des notes semblables furent envoyées aux représentants à Ottawa des gouvernements de la Norvège, la Tchécoslovaquie, la Pologne, la Yougoslavie, les Pays-Bas et par l'entremise de ce dernier au gouvernement de Luxembourg.

⁸⁶ Similar notes were sent to the representatives in Ottawa of the Governments of Norway, Czechoslovakia, Poland, Yugoslavia, The Netherlands and, through the last, to the Government of Luxembourg.

application would be accepted until the matter had first been referred to the Belgian authorities — in order that the latter might have an opportunity to urge enlistment in the Belgian forces.

6. The Canadian Government trusts that these proposals, intended as they are for the purpose of strengthening the common cause, will meet with the approval of the Belgian Government. It is hoped, further, that no Belgian national who becomes a member of the Canadian forces, whether by conscription or voluntary enlistment, will be classified as a deserter or delinquent under Belgian law in consequence of his failure to join the Belgian forces.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

259.

DEA/715-F-1-40

*Mémorandum du troisième secrétaire⁸⁷ au sous-secrétaire d'État
aux Affaires extérieures*
*Memorandum from Third Secretary⁸⁷ to Under-Secretary of State
for External Affairs*

[Ottawa,] July 4, 1942

RE: CONSCRIPTION OF NATIONALS OF ALLIES HAVING FORCES IN CANADA

In this memorandum I shall summarize our negotiations with the Allies which have forces in Canada, and report briefly on the situation in the United Kingdom and the United States.

Some of the letters and documents referred to in this memorandum are reproduced in full in an appendix.[†] The numbers[†] in the margin of this memorandum refer to pages of the appendix.

CANADA

On March 11 we sent a formal note to the representatives of Belgium, Czechoslovakia, Netherlands, Norway and Poland, and on April 9 we sent a similar note to the representative of Yugoslavia. The note proposed that Canada's compulsory military service laws should be extended to the nationals of those countries, provided that such nationals should have the option of enlisting in the armed forces of their own country, this option to be exercisable before or after enrolment in the Canadian forces.

Belgium

The Belgian Minister replied on behalf of his government on April 13.[†] The reply does not expressly reject our proposal but puts forward a completely

⁸⁷M. Wershof.

contradictory proposal i.e. that Canada should help to enforce the conscription laws of Belgium.

Czechoslovakia

No formal reply has yet been received. However, the Consul General of Czechoslovakia set out his own views in a memorandum of May 5.[†] The memorandum sets out in detail reasons why it would be better for Czech nationals to enter the Czech army than for them to enter the Canadian army. In conversations with Mr. Read and myself the Consul General made it clear that he does not like our proposal and would like, instead, to have the Canadian Government enforce Czech conscription law. In one conversation the Consul General suggested a compromise procedure under which Canada would enforce Czech conscription law to the extent of allowing the Czech authorities to call men up, provided that persons called up would have the right to opt for the Canadian forces. The Consul General felt that more Czechs would remain with the Czech forces if they were called up in the first instance for the Czech forces.

Netherlands

The Netherlands Minister sent a formal reply on behalf of his government on May 12.[†] The reply recites the reasons why it is important to have Netherlands nationals join the Netherlands forces. The Netherlands Government rejects our proposal and asks instead that we enforce Netherlands conscription law.

Norway

No formal reply has yet been received. On March 30 the Norwegian Consul General sent us a letter[†] containing his own views. He explained the reasons why it is important for Norwegians to join the Norwegian forces. He suggested that Norwegians should be called up for the Norwegian forces and then given a chance to ask the Norwegian authorities for permission to opt for the Canadian forces.

On June 2 the Consul General wrote us again[†] saying that the Norwegian Government would like to obtain an arrangement similar to that adopted in Great Britain and that he was awaiting detailed instructions from his government.

Poland

The Polish Minister sent a formal reply on behalf of his government on April 29.[†] The reply recites the reasons why it is important that Polish nationals join the Polish forces. He implies that the Polish Government would like us to enforce Polish conscription law and he states, completely incorrectly, that the United Kingdom Government in 1940 fully recognized the right of the Polish Government to enforce conscription of Polish citizens in the United Kingdom. He suggests that, if Polish nationals were called up by the Polish Government, some might be given the right to ask Polish authorities for permission to opt for the Canadian forces. The letter amounts to a rejection of our proposal.

Yugoslavia

The Consul General of Yugoslavia wrote on May 18[†] that the Yugoslav Government agrees with the Canadian Government that Yugoslav nationals in Canada should not escape the duty of sharing in the military side of the united

effort. I suppose this means that the Yugoslav Government has accepted our proposal but the Consul General does not say so.

UNITED KINGDOM

On October 2, 1941 the Foreign Office proposed to the Allies that their nationals should be made liable by Act of Parliament to compulsory military service, to be performed at choice either in the Allied or British forces.

On March 23, 1942 Canada House reported[†] that it had become clear that the proposal was not satisfactory to the allied governments in the form in which it was made. The Allies considered that it was undesirable that British legislation should offer a right of option to allied citizens as this would seem to intervene between the citizens and their respective laws.

As a result of further negotiations all the Allies except Czechoslovakia agreed to a scheme which has been incorporated in a bill introduced in Parliament on June 25. This bill — The Allied Powers (War Service) Bill — states that its provisions may be applied by Order in Council to any ally. Once it has been applied to a particular ally, any national of that ally who is not a member of the allied force within two months of the "material date" will be conscripted under United Kingdom law as if he were a British subject, *provided* that any allied national who holds a certificate of exemption from his own government will be exempted from being conscripted by the United Kingdom. The "material date" has two meanings, — if a man is within the age groups already called up under British law, it means the date on which this Act is made applicable to his country; in any other case it means the date on which his age group is called up under British law. There is no provision in this Act for any right of option.

Canada House expects that Czechoslovakia will eventually agree to be covered by the Bill. Apparently the difficulty with the Czechs is that they wish to include Sudeten Germans as Czechoslovaks for the purposes of the Bill.

I am unable to understand why the Allies found this Bill more palatable than the opting proposal previously made to them by the British Government.

UNITED STATES

Under United States law both declarant⁸⁸ and non-declarant allied nationals are liable to service.

In the case of non-declarant allied nationals, our information is that the United States is willing to conclude with each allied government an agreement similar to the one made between Canada and the United States,⁸⁹ i.e. an agreement under which an allied national may, on being called up, opt for the forces of his own country. According to the latest information from the Canadian Legation no such agreements have yet been concluded with the allied governments in question.

I understand that it is your intention to tell the representatives of Belgium, Czechoslovakia, Netherlands, Norway and Poland, that, in view of the action of

⁸⁸ Personnes qui avaient formellement déclaré leur intention de faire une demande de naturalisation.

⁸⁹ Voir Canada, *Recueil des traités*, 1942, N° 7.

⁸⁸ Persons who had formally declared their intention to apply for naturalization.

⁸⁹ See Canada, *Treaty Series*, 1942, No. 7.

their governments in agreeing to the scheme set forth in the United Kingdom Allied Powers (War Service) Bill, and for other reasons, the Canadian Government considers it essential that they should agree either to the opting proposal we originally made or to a scheme along the lines contained in the United Kingdom Government legislation.

It would be possible, if desired, to attach one of the features of the United Kingdom scheme to the Canadian proposal or vice versa. The Canadian proposal could be altered by providing for the exemption of persons bearing certificates of exemption from their own governments. The United Kingdom scheme could be altered by providing for a right of option even after the two months waiting period.

We have never told the allied governments in question of our intention to introduce a 1st paper⁹⁰ procedure and to call up "1st paper aliens" as if they were British subjects, i.e. without any legal right of option. In practice I don't suppose that permission to opt would be refused to such persons.

260. DEA/715-F-1-40

*Mémorandum du troisième secrétaire⁹¹ au sous-secrétaire d'État
aux Affaires extérieures*
*Memorandum from Third Secretary⁹¹ to Under-Secretary of State
for External Affairs*

IMPORTANT

[Ottawa,] July 4, 1942

RE: CONSCRIPTION OF NATIONALS OF ALLIES HAVING FORCES IN CANADA

1. On your instructions, conveyed to me through Mr. Rae, I attended today a meeting held at the Department of National Defence of representatives of the various foreign forces in Canada, except the United States. Major Breuls of the Adjutant General's Office presided, and Major J. Leal (National Defence Liaison Officer for the Foreign Forces) was present.
2. The main subject of discussion was the long-standing desire of the allied governments that the Canadian Government should enforce their conscription laws against their nationals in Canada. The representatives repeated in strong terms the reasons why the Canadian Government should help to strengthen the allied forces. The principal reasons mentioned were the following —
 - (a) The strengthening of the allied forces will help to keep up the spirit of resistance in the occupied countries;
 - (b) The allied forces will be very important when the continent is invaded;
 - (c) Some of the allied countries need soldiers for the additional purpose of arming their merchant ships.
3. Some of those present seemed to think that the only reason why the Canadian Government has in the past refused to enforce their conscription laws was that Canada was calling up men only for home defence while the conscription

⁹⁰ Notice indiquant l'intention de faire une demande de naturalisation.

⁹⁰ Notice of intention to apply for naturalization.

⁹¹ M. Wershof.

laws of the allied countries were for overseas service. They felt therefore that, once the ban on overseas service is removed from the National Resources Mobilization Act, there would be no further reason for Canada to refuse to enforce allied conscription laws. Without going into details I said that there were other reasons for the decision of the Canadian Government.

4. One of the representatives argued very strongly, that, once the amendment to Canadian law goes through and Canadians are liable to be sent to fight anywhere in the world whether they like it or not, it would be unreasonable to be more considerate of the feelings of allied nationals in Canada than of the feelings of Canadians in Canada. Under those circumstances, what reason could there be for giving an allied national an option instead of telling him that he must serve in the forces of his own country?

5. The representatives urged most strongly that, if the Canadian Government will not change its decision on the basic question of enforcing the conscription laws of the allied countries, at least we should compel allied nationals (within the same age groups as British subjects being called out under present Canadian law) to serve *within Canada* with the respective allied forces. It was pointed out that the allied forces need a certain number of men within Canada and that, if their nationals could be compelled to serve within Canada, that would free a certain number of volunteers for overseas service.

6. I said that my expectation was that the Under-Secretary of State for External Affairs would shortly call in the diplomatic representatives of each allied country to discuss the basic question with a view to reaching a final decision. I said that I did not think that the subsidiary proposal just made (i.e. that allied nationals be called up for service within Canada with the forces of their own countries) could be answered before the larger question had been definitely settled. If the allied governments should decide to accept the proposal which the Canadian Government has made to them (i.e. that their nationals be called up under Canadian law and then given the right to opt for their own forces) there would be difficulty in attaching to such a scheme the plan of compelling allied nationals to serve within Canada with the forces of their own countries.

7. The Polish representative urged very strongly that the matter be settled quickly. He said that he realized that the final decision was one for the Canadian Government to make and he thought that it should be made without further delay. Those sentiments were concurred in by all the other representatives.

8. The following estimates were given of the men available:

	Within age limits of Canadian law i.e. 21 to 35 and single	Within age limits of allied law
Netherlanders	200	400
Czechoslovaks	300	500
Belgians	200	400
Poles	?	*15,000
Norwegians	300	600
Yugoslavs	150	280

*This number is obviously wrong — perhaps it is the total Polish national

population in Canada. According to the list in Mr. E. Reid's memorandum for Council in January, 1942, the number is under 4,000.

261. DEA/715-F-1-40

*Procès-verbal d'une réunion avec le ministre de Belgique*⁹²

*Minutes of a Meeting with Minister of Belgium*⁹²

Ottawa, July 7, 1942

CONSCRIPTION OF NATIONALS OF COUNTRIES
MAINTAINING FOREIGN FORCES IN CANADA

A meeting was held in Mr. Robertson's office on the afternoon of July 7th, at which the following were present:—

Mr. N.A. Robertson, Under-Secretary of State for External Affairs.

Baron Silvercruys, Belgian Minister to Canada.

Major J. Leal, Department of National Defence.

Mr. M. Wershof, Department of External Affairs.

Mr. S.F. Rae, Department of External Affairs.

Mr. Robertson referred to the previous correspondence with the various Allied Governments with respect to the proposal that the Canadian Government should apply the provisions of the National Resources Mobilization Act to nationals of countries maintaining Foreign Forces residing in Canada. From the replies which have been received, it had been made clear that many of the various allied governments, including the Belgian Government, felt strongly that the Canadian authorities should enforce their conscription laws against their nationals in Canada. Mr. Robertson set forth the objections to this counter-proposal in the following terms:—

(1) As a country of immigration, Canada was peopled by a good many people of foreign stock who had come to this country in order to make their homes here, and who, in many cases, had children who were Canadian nationals. The only tie to their former motherland lay in the fact that they had neglected to take the legal step of becoming naturalized in Canada. It was felt that severe hardships would be inflicted on such individuals if such compulsory military measures by their former governments were put into practice.

(2) While the Belgians, together with the Norwegians and Netherlanders were probable exceptions, so far as several of the other Allied Governments were concerned, hostility existed to these Governments in the minds of many persons, who in a purely formal sense, were nationals of the countries concerned. The majority of Ukrainians in Canada would, for example, strongly object to enlisting in the Polish Forces, as would a good many Polish Jews. Many Slovaks who were anti-Nazi would still prefer to serve with the Canadian Army rather than with the Czechoslovak Army. A similar situation existed between Croats and Serbs, and would give rise to grave difficulties in the application of Yugoslav compulsory measures. These difficulties would tend to outweigh the advantages in terms of manpower.

⁹² Des réunions ont aussi eu lieu avec le chargé d'affaires des Pays-Bas, le ministre de la Pologne et le ministre de la Norvège.

⁹² Meetings were also held with the Chargé d'Affaires of The Netherlands, the Minister of Poland and the Minister of Norway.

(3) The position of the United States had already been made clear, as had that of the United Kingdom. In neither country had permission been given to apply the conscription laws of foreign governments, and in the case of the United States, even voluntary enlistment was prohibited. Canada had already given considerable assistance to the foreign forces, but in the light of the considerations upon which the policies of the United Kingdom and the United States were based, it was not possible to reverse the previous decision of the Canadian Government, which had been opposed to permitting the application of foreign conscription laws in Canada.

In view of these considerations, Mr. Robertson indicated that the alternatives were either the acceptance of the original Canadian Government proposal, or of a proposal similar to that advanced by the United Kingdom Government which had been agreed to by the various foreign governments in the United Kingdom.

In reply, Baron Silvercruys pointed out that he clearly understood Canada's position, but felt that, on the first point, the Canadian view was based on what might be called a pre-war attitude of mind. He referred to the conflicting fact that the Canadian Government were preparing to put through Bill 80,⁹³ even at the risk of alienating an appreciable section of public opinion in Canada. The application of conscription for overseas service might be considered necessary from the point of view of the prosecution of the war, even though objections would be raised within Canada.

While feeling that the second point had more substance, Baron Silvercruys suggested that it might be possible to work out some provision for "political objectors", along the lines of the provisions for "conscientious objectors". In addition, he doubted whether the Czechoslovaks and Poles were anxious to apply conscription here. Mr. Robertson indicated that a uniform policy would have to be applied to all the governments maintaining foreign forces in Canada, and that there could be little doubt that, were the Canadian authorities to grant such permission, all the Governments concerned would be anxious to make full use of their powers. On the third point, Baron Silvercruys said that the Belgian Government had not concurred in the United Kingdom proposals, although they had finally accepted them. It was unlikely that steps would be taken to raise the question again in the United States.

Mr. Robertson said that, in general, the view of the Canadian authorities was that as much help as possible should be given to the foreign forces, the existence of which served to rally the people of occupied countries. The object of the Canadian policy was to help the foreign forces, and yet to refrain for the reasons stated, from permitting them to apply their conscription laws to their own nationals in Canada. The views which had been expressed could be regarded as a "semi-official" indication of the views of the Canadian Government, and a

⁹³ La Loi pour la mobilisation des ressources nationales, 1940, Bill d'amendement (abrogeant la section 3 établissant la limitation se rapportant au service outre-mer). Voir Canada, Chambre des Communes, *Débats*, 1942, volume 3, pp. 2354-5.

⁹³ National Resources Mobilization Act, 1940, Amendment Bill (to repeal Section 3, providing limitation in respect of service overseas). See Canada, House of Commons, *Debates*, 1942, Volume 3, pp. 2282-3.

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formal communication would be sent to the Belgian Minister along the lines of this conversation.

262.

DEA/715-F-1-40

*Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires des Pays-Bas⁹⁴*

*Secretary of State for External Affairs
to Chargé d'Affaires of The Netherlands⁹⁴*

No. 51

Ottawa, August 4, 1942

Sir,

I have the honor to refer to my note No. 18 of March 11, 1942,⁹⁵ and subsequent correspondence regarding the question of compulsory military training and service in Canada and its application to nationals of the Netherlands and the other United Nations.

2. In my earlier note, it was indicated that the Canadian Government has taken the position that, in view of the total demands of the common effort in which our countries are engaged, the liability for military service under the Canadian compulsory service requirements should be extended to include nationals of allied countries who are residents of Canada. At the same time it was understood that such nationals thus called up under the provisions of the National Resources Mobilization Act should have the right to serve with the forces of their own country.

3. In the course of our subsequent exchange of views, your Government and certain of the other allied Governments concerned, have suggested that the Canadian authorities should modify their position and, as an alternative, should consider permitting the enforcement in Canada, either fully or in part, of the conscription laws of the allied countries. While appreciating the force of certain of the points advanced, the Canadian authorities feel, after careful consideration, that it would not be possible to accept these alternative suggestions. Accordingly, it has been decided to proceed with the original policy outlined in my note of March 11. In making this decision the Canadian Government has taken into consideration the difficult and numerous personal problems which would be created in Canada if the suggestion of the allied Governments were to be accepted, and also the policies which have been followed by the United Kingdom and United States Governments in meeting a similar problem.

4. In informing you of this decision to call up nationals of the Netherlands in the same way as British subjects under the National Resources Mobilization Act, it is felt that this step will have the effect of strengthening our joint contribution to the common military effort. From the point of view of Canada, such

⁹⁴ Des notes semblables furent envoyées aux représentants à Ottawa des gouvernements de la Norvège, la Pologne, la Belgique et la Tchécoslovaquie.

⁹⁴ Similar notes were sent to the representatives in Ottawa of the Governments of Norway, Poland, Belgium and Czechoslovakia.

⁹⁵ Voir le document 258.

⁹⁵ See Document 258.

action will impose a common liability for military training and service on both allied nationals and British subjects. At the same time, in view of the procedure which is contemplated, it is reasonable to assume that a proportion of the Netherlands nationals so called up will instead join the Netherlands forces. It is intended to give full publicity to this arrangement, in order that the procedure will be clearly understood by the individuals concerned.

5. In order to place in effect the proposals outlined in paragraph 2 above, it is intended to issue an Order in Council shortly which will set forth the necessary amendment to the National War Services Regulations (Recruits).⁹⁶ For your confidential information, the amendment will take the form described in the next paragraph.

6. Section 4 of the Regulations (which provides at present for the calling up only of British subjects) will be revoked and a new section 4 will be substituted. The new section 4 will provide for the calling up of all residents, other than enemy aliens, regardless of nationality. There will be a subsection along the following lines:

“No national of a country which is a foreign power within the meaning of that expression as defined by the Foreign Forces Order, 1941, shall be liable to undergo or perform military training under subsection one of this section after he files with the Divisional Registrar of the Administrative Division in which he resides satisfactory evidence that he has become a member of the Armed Forces of the state of which he is a national.”

7. It will be noted that nothing in the amendment will interfere with the right, at present enjoyed by allied governments, to send call-up notices to their nationals in Canada under their own conscription laws.

8. I should also like to point out that nothing in the amendment will interfere with the present legal right of allied governments to record as a delinquent any of their nationals who fail to answer their calls. (Such persons cannot, of course, be punished in Canada). However, as stated in my note of March 11, it is hoped that no Netherlands national who becomes a member of the Canadian forces will be treated as a deserter or delinquent under the Netherlands law in consequence of his failure to join the Netherlands forces.

9. If a Netherlands national joins the Canadian forces pursuant to a Canadian call-up notice, he will have, like the Netherlands nationals who voluntarily join the Canadian forces, an opportunity to apply for transfer to the Netherlands forces, subject, of course, to the exigencies of the Canadian service.

10. Furthermore, as stated in my note of March 11, a Netherlands national who joins the Canadian forces pursuant to a Canadian call-up notice will have, like British subjects in the same position, an opportunity to apply for voluntary enlistment in the Canadian Active Army. If he so applies, the Canadian authorities will observe the rule already in force in respect of Netherlands nationals applying for enlistment in the Canadian Active Army, namely, the application will not be accepted until the matter has first been referred to the Netherlands

⁹⁶ Décret en Conseil P. C. 8343 du 16 septembre 1942.

⁹⁶ Order in Council P.C. 8343 of September 16, 1942.

authorities, in order that the latter may have an opportunity to urge enlistment in the Netherlands forces.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

PARTIE 4/PART 4
ENTRAÎNEMENT AÉRIEN⁹⁷
AIR TRAINING⁹⁷

263.

DEA/72-GD-40

Mémorandum du secrétaire, le Comité de guerre du Cabinet, au Premier ministre
Memorandum from Secretary, Cabinet War Committee, to Prime Minister

CONFIDENTIAL

Ottawa, April 13, 1942

RE: CANADA'S ROLE IN AIR TRAINING — PROPOSED OTTAWA
CONFERENCE — BRITISH COMMONWEALTH — UNITED STATES

1. From the beginning, the government have felt that because of geographical considerations and national characteristics, Canada could take a major part in developing the air strength necessary to defeat the Axis. As a matter of policy, therefore, first priority over all other forms of military endeavour has been given to the training in Canada of combat airmen for active service wherever the enemy is to be found.

The particular Canadian position, in this respect, was, early in the war, recognized by the British and other Commonwealth governments. In December, 1939, by agreement with the United Kingdom, Australia and New Zealand, the British Commonwealth Air Training Plan was established in Canada as a major source of aircrew for the Air Forces of the Empire.

2. The B.C.A.T.P. has proved to be probably the most successful, certainly the most spectacular, department of the Canadian war effort, and has amply justified the emphasis which the Canadian government have continued to give to Canada's role in this respect. The original scheme has been many times expanded to meet a growing conception of the magnitude of the task of beating the Axis in the air. Despite the fact that operational needs have prevented Britain from supplying a large proportion of the aircraft and engines which were to be her major contribution to the Plan, despite other difficulties, an immense organization has been built up and the output of trained aircrew from Canada has already constituted an important factor in enabling British air forces to take the offensive.

3. The success of the B.C.A.T.P. and the wisdom of the Canadian government in devoting to it a large proportion of Canadian resources in men, money and materials is illustrated by the following:

⁹⁷ Voir aussi les documents 912, 913, 1407, 1408, 1439 et 1440.

⁹⁷ See also Documents 912, 913, 1407, 1408, 1439 and 1440.

There are in operation in Canada some 70 flying training schools of all kinds, in addition to the necessary related ground training establishments.

Total aircrew trained to April 3rd, 1942, numbered 19,388. The B.C.A.T.P. is now turning out trained aircrew at the rate of approximately 25,000 annually; of these some 11,000 are pilots, the remainder, air observers and wireless-air gunners.

(About 70% of the aircrew graduating from B.C.A.T.P. schools are members of the Royal Canadian Air Force — the remainder being British, Australians and New Zealanders).

4. In addition to the B.C.A.T.P., some 35 flying training establishments of the R.A.F. itself have been or are being transferred to Canada, and the U.K. government now wish to add substantially to this number. Such R.A.F. schools, for all practical purposes, form part of Canadian training facilities and are administered by the R.C.A.F.

5. Canada has also embarked upon a large programme of expansion of her Home War Establishment for the defence of the Pacific and Atlantic Coasts, and vital areas within her own boundaries.

6. The President's programme for the development of the United States Army Air Corps is immense. It involves enormous expansion of American training facilities and the production of trained aircrew in the current year in numbers many times those which previously existing establishments were able to train.

Further, the United States have accepted, for training, substantial numbers of R.A.F. personnel and it is said that the Admiralty would like to transfer to North America practically all training for the Fleet [Air] Arm.

7. The Canada-U.S. Permanent Joint Board on Defence (in their 23rd Recommendation, December 20, 1941) recommended:

“that the Canadian and United States governments should consider the advisability of arranging for a meeting of appropriate representatives of Great Britain, Canada and the United States to make appropriate recommendations for the co-ordination of the entire aviation training programmes to be conducted in Canada and the United States.”

8. The Commonwealth Air Training Agreement will expire in March, 1943, and consideration is being given by the co-operating governments to the terms upon which the Plan will be continued. Involved in this is the important problem of providing, in advance, for the large numbers of trainer aircraft and engines which will be needed for replacements, development and improvement in training methods, and other important questions.

9. The Canadian government have felt that discussions regarding the continuance of the Commonwealth Plan offered an opportunity for consideration of the wider problem of British Commonwealth-United States air training as a whole and for the exploration of means of co-ordinating British and American programmes. The Canadian government have, therefore, proposed, and the U.K. government have agreed to, a conference of Empire and U.S. government

representatives in Ottawa, early next month to consider these questions on the highest level.

The United Kingdom favoured a preliminary meeting of Commonwealth representatives, followed by an invitation to the United States. We have contended that this would be a mistake and that the Americans should be invited to participate fully from the outset. Narrower problems of the B.C.A.T.P. could be dealt with, we felt, by a committee of the conference.

10. There is no doubt that Canada is capable of playing an increasingly important role in the development of the air forces of the United Nations. She has met and overcome successfully many of the problems of rapid expansion of air training facilities, under pressure, over the past two years. She already has a large training plant and has developed facilities and methods which have proved themselves. These facts are, perhaps, not fully appreciated in the United States.

At the same time, while supply of aircrew material in Canada is still large, and suitable candidates continue to come forward, Canadian manpower, in this respect, has obvious limitations.

Britain, for operational and other reasons, is committed to a policy of transferring the greater portion of R.A.F. training from the British Isles. The United States has, of course, enormous potential capacity, but it may be doubted whether she will be able, without great difficulty, to develop to the enormous extent, and as rapidly as is necessary, the training facilities needed for her immense programme. At the same time, the American reservoir for aircrew pupils is by far the largest in the United Nations.

11. One factor which gives added urgency to the need for an early conference is a proposal of the U.K. government to increase substantially, and beyond the period regarded by our officers as necessary or desirable, the length of training courses. This proposal is the result of serious shortages of operational aircraft (arising largely from diversions to Russia and alteration in bomber crew practice) and consequent embarrassing accumulations of trained aircrew. If it is given effect the R.C.A.F. fear that morale will suffer seriously.

It is obviously desirable that the supply of trained aircrew in relation to availability of operational aircraft should be dealt with in the closest co-operation with the United States.

12. In such circumstances, there is a strong case for a Canadian initiative in proposing the closest co-operation in British and American air training, so that the fullest and most efficient use may be made of Canadian experience and facilities and American manpower. Whether this can best be done by United States participation in the B.C.A.T.P., or otherwise, is a question which should be considered by the governments, as soon as possible. These are the considerations which have led to the Canadian proposal for an immediate conference, above the purely technical or Service level.

While the conference would meet primarily to deal with the broad problems of policy, many subsidiary questions of a more or less technical nature, such as those connected with the co-ordination of methods of training, "provisioning"

and the like, would, of course, have to be considered by appropriate officers of the countries concerned.

A. D. P. H[ENEY]

264.

DEA/72-GD-40

*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire par intérim de Grande-Bretagne*

*Under-Secretary of State for External Affairs
to Acting High Commissioner of Great Britain*

SECRET AND IMMEDIATE

Ottawa, April 21, 1942

Dear Sir Patrick [Duff],

With reference to the forthcoming Air Training Conference, I am submitting below certain items for an Agenda which you may wish to cable to London. We would, of course, be glad to have any comments which the United Kingdom authorities may wish to make on these suggestions, as well as any additional subjects which they think should be included.

The subjects to be discussed by the conference may well fall into three main divisions:

- (a) Those of interest to all members of the conference.
- (b) Those of interest to British Commonwealth representatives.
- (c) Those of interest to United Kingdom and Canadian representatives only.

The subjects to be included under (b) and (c) will, of course, be determined to some extent by the decisions reached on those under (a), and any suggestions made below should be regarded in that light.

The following subjects are proposed for consideration by the whole conference:

1. The necessity of relating training capacity of the United Nations to the output of operational types of aircraft by those Nations.

In explanation of this item, it is pointed out that it takes at least a year to train an aircrew. Therefore, unless firm allocations of the output of operational types are made more than a year in advance, it is not possible for the ultimate users to plan their training capacity to meet requirements.

Training programmes based on provisional allocations of operational types may result in one Nation having a surplus of aircrew, and another a surplus of operational aircraft. United Nations production of operational aircraft can now be planned with reasonable accuracy. Therefore, total aircrew requirements can also be planned. It might, however, become necessary to make some inter-governmental arrangement for interchange of aircrews between Nations as aircraft allocations and aircrew requirements are varied in accordance with strategic needs.

2. Arising out of 1, the balancing of training capacity between the United Nations, with a view to ensuring a continuous flow of trainees and adequate trainer aircraft and other necessary equipment.

Under this item there would be discussed such questions as —

Should Canada take members of the United States forces into B.C.A.T.P. schools whenever surplus capacity exists? Should R.A.F. personnel from American schools be transferred to the B.C.A.T.P.?

It is felt that changing conditions and the needs of the nations concerned will affect this balance from time to time and that some procedure for readjustment is, therefore, necessary.

3. The practicability and desirability of adopting standard systems of training.

If aircrew are to be interchanged between nations in accordance with the strategical allocation of aircraft, it is desirable that aircrew of the United Nations be trained along similar lines.

4. Composition of Aircrews.

It is thought that the United Kingdom might desire to initiate a general discussion of the effect on training requirements of changes recently proposed. If these changes have been proved desirable in the light of experience, the other nations at the conference might benefit from such a discussion and their own policies might be influenced thereby in the direction of greater uniformity.

How can the present surplus of semi-trained pilots, brought about by recent decisions be absorbed?

The following are proposed as subjects suitable for British Commonwealth discussion:

1. The adequacy of British Commonwealth training capacity for its own needs. To what extent is an extension of the training capacity of the B.C.A.T.P. necessary or desirable?

2. The continued participation of Australia and New Zealand in the B.C.A.T.P. Should adjustment be made to provide for their home needs?

3. Should R.A.F. transferred schools and/or operational units, formed or planned, be incorporated in the Plan?

4. Increase of Canada's quota of output to provide for home needs.

5. The problem of the supply of manpower to different grades of aircrew. To what extent, and until what date, can participating Nations under the Plan fill aircrew categories?

6. Questions concerning commissioning of aircrews. The anomalies of the present percentage basis. Possibility of special ranks, such as pilot officers, observer officers.

7. Responsibility for provisioning of aircraft and equipment under the new scheme. Channels for this provisioning.

8. Financial basis — lump sum or percentage.

In addition to the above there may be some subjects suitable only for discussion between United Kingdom and Canadian representatives, such as,

1. Questions relating to the organization and establishment of R.C.A.F. overseas.
2. In the event of R.A.F. transferred schools and O.T.U.⁹⁸ not being incorporated into the B.C.A.T.P., but continuing under R.C.A.F. administration, should they be manned to the maximum extent possible by R.C.A.F. personnel, having regard to shipping, financial, and other considerations?
3. Should Canada's requirements of O.T.U. capacity for home war needs be separate or merged?
4. Pay anomalies for R.A.F. personnel serving in Canada at the present time.
5. Financial basis for transferred schools.

We hope to begin the conference on Monday, May 18th, though I will have to confirm this date later. Naturally, the Canadian Government will be responsible for making arrangements for accommodation for the visiting representatives. In this connection, it would assist us if you could let us know as soon as possible the size and composition of the United Kingdom delegation.

Yours sincerely,

N. A. ROBERTSON

265.

DEA/72-GD-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 839

Ottawa, April 28, 1942

In view of disappointment of certain States not invited to forthcoming Air Conference, it has been decided to ask the Governments of Poland, Belgium, Czechoslovakia, Yugoslavia and South Africa to be present at this conference. It is not expected that they will send more than one representative each or that their participation will be much more than that of interested observers.⁹⁹

266.

DEA/72-GD-40

*Rapport du Comité de la Conférence à la dernière session plénière
de la Conférence d'Ottawa sur l'entraînement aérien
Report of the Conference Committee to the Final Plenary Session
of the Ottawa Air Training Conference*

SECRET

Ottawa, May 22, 1942

In accordance with the decision taken at the second Plenary Session of the Conference held on Tuesday afternoon, May the 19th, 1942, a Conference

⁹⁸ Operational Training Unit.

⁹⁹ On avait aussi invité l'Union soviétique, l'Inde et la Rhodésie du Sud.

⁹⁹ The Soviet Union, India and Southern Rhodesia were also invited.

Committee, to provide for the co-ordination of the work of special Committees of the Conference was constituted as follows:

The Minister of National Defence for Air,
The Honourable C.G. Power (Canada), Chairman
Air Marshal G.O. Johnson, R.C.A.F.,
The Secretary to the Conference,
A.D.P. Heeney, (Canada),
The Parliamentary Under-Secretary of State for Air,
The Right Honourable Harold H. Balfour, (United Kingdom),
The Assistant Secretary of War for Air,
The Honourable Robert A. Lovett, (United States),
Major General B.K. Yount, (U.S.A.)
The High Commissioner for Australia,
The Honourable Sir William Glasgow, (Australia),
The Deputy Chief of the Commission on Aeronautical Affairs,
Major General T.H. Shen, (China),
The High Commissioner for New Zealand,
The Honourable Frank Langstone, (New Zealand),
The Military Attaché, Legation of Poland,
Lieutenant-Colonel Janusz Ilinski, (Poland).

The Conference Committee, so constituted, submits herewith the following report to the final Plenary Session of the Conference:

SPECIAL COMMITTEES OF THE CONFERENCE

I. In accordance with the decision taken by the Conference at its second Plenary Session, the following special Committees of the Conference were constituted, and immediately began the examination of the subjects committed to them:

- (1) The Committee on Standardization of Training –
Air Marshal A.G.R. Garrod, R.A.F., Chairman,
- (2) Committee on Composition of Aircrew –
Air Vice-Marshal R. Leckie, R.C.A.F., Chairman.
- (3) Committee on Co-ordination of Training Capacity –
Captain A.W. Radford, U.S.N., Chairman,
- (4) Committee on Manpower Resources –
Colonel R.E. Nugent, U.S.A., Chairman,
- (5) Committee on General Training –
The Belgian Minister to Canada, Baron Silvercruys, Chairman.

Subsequently, to meet the special needs of Norway and the Netherlands, in respect of North American Training, the following additional Committee was constituted:

- (6) Committee on Training in North America –
Air Marshal G.O. Johnson, R.C.A.F., Chairman.

REPORTS BY SPECIAL COMMITTEES

II. All of the above Committees have now completed their work and reported to the Conference Committee. Their proceedings may be summarized as follows:

(1) COMMITTEE ON STANDARDIZATION OF TRAINING

The Committee exchanged full information on methods of training employed by the United States and by the nations participating in the British Commonwealth Air Training Plan with a view to achieving a common standard of training by means of a closer relationship between the methods employed. The discussions of the Committee disclosed a wide measure of agreement in the general principles governing such items as the training of instructors, the type of relationship between visual flying, night and instrument flying, the importance of precision flying, the relationship between air and ground training, the standard desired for entrance to operational training units, and the selection of aircrew personnel.

(2) COMMITTEE ON COMPOSITION OF AIRCREW

This Committee considered the position of aircrews as at present existing in the Air Forces of Great Britain, the United States of America and Canada. In most cases the crews were identical; no major differences existed. In cases where differences existed, the members of the Committee noted the reasons, with the object of giving further consideration to the problem.

The Committee came to the conclusion, however, that in general, there was no substantial difference in the composition of aircrews between the nations of the Commonwealth and the United States of America.

(3) COMMITTEE ON CO-ORDINATION OF TRAINING CAPACITY

As a result of the discussions of this Committee the Conference Committee recommends to the Conference that the following resolution be adopted as a resolution of the Conference.

“Combined Committee on Air Training in North America

1. There shall be a Committee to be known as the Combined Committee on Air Training in North America, to consist of representatives of the United States, the United Kingdom and Canada. A United States representative will be the Chairman of the Committee.

2. The Headquarters of the Committee will be in Washington, but it may meet elsewhere in the United States or in Canada, if it so desires.

3. The functions of the Committee will be advisory, and will include:

(a) The exchange of information on Air Training questions;

(b) Advice on standardization of training methods;

(c) Advice on the measures to be taken to ensure that the most effective use is made of the Air Training facilities of the United Nations in North America.

4. The Committee will submit agreed recommendations to the appropriate authorities.

5. The Committee will give opportunity to representatives of other governments concerned with Air Training in North America to appear before it whenever there are questions of interest to those Governments to be discussed.”

The Conference Committee also recommends that the text of the above reso-

lution be embodied in a press statement¹⁰⁰ for immediate release, preceded by the following paragraph:

“The Conference has given most careful thought to the means by which the training capacity of the United Nations can be co-ordinated. Alterations in requirements, some of which cannot even be foreseen at present, may alter the position at any time, thus involving training adjustments of considerable magnitude. With this probability in view, and with the further object of ensuring a rapid and effective interchange of information regarding training generally, the Conference has approved the formation of a Combined Committee on Air Training. The text of the resolution is as follows:”

(4) COMMITTEE ON MANPOWER RESOURCES

The Committee reviewed the manpower situation as far ahead as the end of 1943 and concluded that there would be no difficulty in filling aircrew and groundcrew requirements during this period. It found that in all countries, steps were being taken to extend the employment of women to trades to which they were suited. The Committee also found that it was improbable that the need for interchange of aircrew personnel between the United Nations would arise on any considerable scale in the near future, and that the question could best be dealt with as and when it arose.

It was stated that agreement as to the transfer to their own forces of all United States citizens serving in the R.A.F. and the R.C.A.F. had been reached through diplomatic channels, and it was agreed that similar transfers in future should be dealt with in the same manner.

(5) COMMITTEE ON GENERAL TRAINING

This Committee dealt with problems concerning certain of the Air Forces of the United Nations as a result of difficulties experienced in providing adequate reinforcements for their air establishments.

This matter was placed before the Conference Committee which, after full consideration of the submission, recommends to the Conference that its record include the following statement:

“The following representations were made by the representatives of Poland and Czechoslovakia:

“The representatives of these two nations pointed out that, having set up their Air Missions in Canada, the U.K. government had agreed that if they could obtain volunteers suitable in all respects to R.A.F. standards, the U.K. government was prepared to accept for training the following number of volunteers to keep filled up the Polish and Czech Squadrons now established in the U.K.

In the case of Poland

A total of 1820 aircrews per annum

A total of 1200 ground crews per annum

Since these figures were laid down, however, the U.K. government pointed out

¹⁰⁰ Le communiqué à la presse fut rendu public le même jour.

¹⁰⁰ The press statement was released the same day.

that a new source of supply had become available from Russia and that this fact must be considered.

In the case of Czechoslovakia

A total of 460 aircrews per annum

A total of 600 ground crews per annum

It was recognized that this question was outside the jurisdiction of the Conference. The representatives of Poland and Czechoslovakia were, accordingly, advised to address their representations in this respect, to the appropriate agencies of the governments concerned.

It was also agreed that, in regard to training in North America by other Allied Nations, the same procedure should be followed.

In taking note of this report, members of the Committee recorded their sincere thanks for the assistance received in the course of their deliberations from the representatives of the United Kingdom, United States of America and Canada, as well as their appreciation of the consideration given by the Conference to the situation outlined in the General Training Committee's Memorandum."

(6) COMMITTEE ON NORTH AMERICAN TRAINING

This Committee considered problems relating to the training being carried on in North America by certain of the United Nations having their own training establishments in North America. Following the discussions of this Committee, the Norwegian Delegation made representations on the subject of their manpower requirements.

The Conference Committee, after consideration thereof, recommends to the Conference that its record include the following statement:

"The following representations were made by the representatives of Norway:

1. For the period May 1st, 1942, to May 1st, 1943, the R.N.A.F. requires 900 recruits. It is considered desirable that this number be divided into monthly contingents of 75 men each.

On the basis of categories, the following are the requirements monthly and for the full year indicated.

	Monthly	Yearly
1. Pilots and Observers	30	360
2. W.O.A.G.'s ¹⁰¹	15	180
3. Other Categories: (Mechanics & other specialists)	30	360

2. In addition to the previously mentioned 900 recruits, 150 personnel are required as soon as possible to fill shortages presently existing consisting of 60 pilot and observer trainees, 30 W.O.A.G. trainees and 60 other categories.

3. The manpower requirements should preferably be met from Norwegian citizens in the United States and Canada or United States or Canadian citizens of Norwegian descent — especially those who speak the Norwegian language.

4. Although manpower requirements monthly are as shown above, the

¹⁰¹ Wireless operator-air gunner.

R.N.A.F. is prepared to accommodate an intake of upwards of 500 men at one time.

It was recognized that this question was outside the jurisdiction of the Conference. The representatives of Norway were, accordingly, advised to address their representations, in this respect, to the appropriate agencies of the governments concerned."

REPORTS OF CONFERENCE PROCEEDINGS — PUBLICATION AND DISTRIBUTION

III. The Conference Committee directs the attention of the Conference to the highly secret nature of many of the discussions and conclusions of the above special Committees. In the circumstances, members of the Conference Committee are satisfied that all delegates will share their view that the greatest possible care should be taken to prevent the disclosure of any information which even indirectly, might be of benefit to the enemy.

With due regard to these considerations of security, the Conference Committee recommends that the records of proceedings of the Conference be divided into two categories:

A. A public report containing — the names of delegates to the Conference, and the countries they represent, a verbatim record of proceedings at the first Plenary Session, and general descriptive material concerning the work of the Conference, including particularly the recommended press statement referred to in paragraph II (3) above.

B. A secret report to be made available to the governments of all nations participating in the Conference containing, in addition, — a description of the special Committees of the Conference and a general report of their discussions and conclusions, similar to that set forth above, also, *verbatim*, the reports of the special Committees numbers (5) and (6) in paragraph II above.

IV. In addition to the material contained in the reports above mentioned, members of the various delegations have exchanged much useful technical information of substantial value to those engaged in Air Training in the countries concerned.

V. Apart from the press statement mentioned in paragraph II (3) above, it is recommended that further publicity in connection with the work of the Conference be confined to such statements as may be made by, or under the authority of, the Chairman of the Conference, who has been charged with responsibility for public relations.

CONCLUSION

VI. In closing, the Conference Committee wishes to record appreciation of the high measure of co-operation which it has received throughout from the members of all delegations.

Respectfully submitted on behalf of the Conference Committee.

CHARLES G. POWER

Chairman

A. D. P. HEENEY

Secretary

267.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 22, 1942

...

OTTAWA AIR TRAINING CONFERENCE

8. THE MINISTER OF NATIONAL DEFENCE FOR AIR submitted a copy of the report of the Conference Committee as adopted by the Conference at its final Plenary Session held this morning.¹⁰²

The principal formal recommendation of the Conference related to the establishment of a Combined Committee on Air Training in North America, to consist of representatives of the United States, the United Kingdom and Canada. This Committee would be a consultative body, for the exchange of information and to advise upon air training questions.

Formal reports of the Conference proceedings would be of two kinds — a public report which could be tabled in the House of Commons,¹⁰³ and a secret report to governments participating in the Conference, which would contain a description of the work of the special Committees on various questions relating to air training.¹⁰⁴

(Report of the Conference Committee to the final Plenary Session of the Conference, May 22, 1942).

9. MR. POWER said that the results of the Conference were regarded as generally satisfactory. In addition to the conclusions embodied in the report adopted by the final Plenary Session, much useful technical information had been exchanged between delegations. The general effect upon co-operation between Nations participating in the B.C.A.T.P., and the United States, should be considerable.

It was recommended that approval be given to the report of the Conference,

¹⁰² La conférence a eu lieu du 18 au 22 mai. Les pays représentés étaient le Canada, les États-Unis, la Grande-Bretagne, l'Australie, la Nouvelle-Zélande, l'Afrique du Sud, la Belgique, la Chine, la Grèce, la Norvège, les Pays-Bas, la Pologne, la Tchécoslovaquie et la Yougoslavie.

¹⁰³ Voir Canada, *La Conférence d'Ottawa sur l'entraînement aérien mai 1942: Rapport de la Conférence*. Ottawa: Imprimeur Roi, 1942. Le rapport fut présenté à la Chambre des Communes le 24 juin.

¹⁰⁴ Canada, *La Conférence d'Ottawa sur l'entraînement aérien mai 1942: Rapport confidentiel des délibérations*. Ottawa: Imprimeur du Roi, 1942.

¹⁰² The conference was held May 18 to 22. The countries represented were Canada, the United States, Great Britain, Australia, New Zealand, South Africa, Belgium, China, Czechoslovakia, Greece, The Netherlands, Norway, Poland and Yugoslavia.

¹⁰³ See Canada, *Ottawa Air Training Conference May 1942: Report of the Conference*. Ottawa: King's Printer, 1942. The Report was tabled in the House of Commons on June 24.

¹⁰⁴ Canada, *Ottawa Air Training Conference May 1942: Confidential Report of Proceedings*. Ottawa: King's Printer, 1942.

specifically to the recommendation for the establishment of the Combined Committee on Air Training in North America, which was read.

10. THE PRIME MINISTER observed that, not only had the Conference accomplished important practical results, but it had been significant, as well, as the first real conference held by the United Nations during the present war. Fourteen Nations had been represented.

11. The War Committee, after some discussion, approved the report of the Air Training Conference, and agreed to the establishment of the Combined Committee on Air Training in North America, as recommended in the said report.¹⁰⁵

...

268.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, September 22, 1943

...

AIR; B.C.A.T.P.; INCREASED TRAINING CAPACITY

12. THE MINISTER OF NATIONAL DEFENCE FOR AIR submitted a request from the U.K. government, copies of which had been circulated, for additional training capacity in the British Commonwealth Air Training Plan. A net increase of 20 additional pupils at each Secondary [Service?] Flying Training School with a parallel increase in the Elementary Flying Training Schools, and of 1,360 navigators and 117 air bombers was sought. The U.K. authorities would be willing to provide the additional pupils.

This expansion was made necessary by the increased heavy bomber production, and by the need for crews for transport squadrons. The additional capacity was, in the opinion of the U.K. government, absolutely vital to the planned air programme, and could not be developed elsewhere in time to meet operational requirements. To carry out the present programmes in Europe and against Japan, 1,600 more pilots, 3,500 more navigators and 1,000 more air bombers per year were needed.

(Letter and enclosures, U.K. High Commissioner to Minister of National Defence for Air, Aug. 3, 1943 — C.W.C. document 584^f.)

¹⁰⁵ Après la conférence générale des Nations Unies, la Grande-Bretagne, le Canada, l'Australie et la Nouvelle-Zélande ont engagé des négociations pour l'extension du Plan d'entraînement aérien du Commonwealth britannique jusqu'au 31 mars 1945. Pour le texte de l'accord signé le 5 juin 1942, voir C. P. Stacey, *Armes, hommes et gouvernements*. Ottawa: Information Canada, 1970, pp. 619-22.

¹⁰⁵ Following the United Nations portion of the conference, Great Britain, Canada, Australia and New Zealand began negotiations for the extension of the British Commonwealth Air Training Plan up to March 31, 1945. For the text of the agreement signed on June 5, 1942, see C. P. Stacey, *Arms, Men and Governments*. Ottawa: Information Canada, 1970, pp. 564-8.

13. THE CHIEF OF THE AIR STAFF pointed out that the proposed increase would require 1,937 additional staff, 671 additional aircraft, a capital outlay of about \$35,000,000 and annual maintenance charges of about \$30,000,000. Under present arrangements, the United Kingdom would be liable for fifty percent of capital and maintenance costs.

In view of the manpower position in Canada, if the U.K. proposals were accepted it should be stipulated that the additional staff as well as pupils be supplied by the R.A.F.

(Memorandum, Chief of Air Staff to the Minister, Sept. 8, 1943[†]).

14. THE WAR COMMITTEE, after discussion, approved in principle the U.K. request for provision of additional training capacity in the British Commonwealth Air Training Plan, on condition that the United Kingdom supply the additional trainees and staff involved.

...

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W.L.M.K./Vol. 351

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 183

Ottawa, November 13, 1943

SECRET. The Supervisory Board of the British Commonwealth Air Training Plan is of the opinion that early consideration should be given to a number of major questions of policy relating to the scope and continuation of the Plan beyond March 31, 1945, the termination date of the present agreement. The Board believes that these questions can be most effectively decided by a conference of governmental representatives of the partners to the Plan, and the Board therefore recommends that a full-scale conference be held, to commence in Ottawa on January 10, 1944, the conference to be limited to the partners of the Plan, i.e. the United Kingdom, Canada, Australia and New Zealand, it being considered that the other powers for whom training is being carried out would be represented by the United Kingdom under whose quota they fall. The Board recognizes that an agenda should be tentatively prepared at the earliest possible date, so that supporting data for discussions would be readily available to the conference, and accordingly the Board recommends that agenda items be requested to be received by the Administrator (i.e. the Canadian Government) as soon as possible. The Board recommends that Canada as Administrator of the Plan should be responsible for the conference organization.

2. The Canadian Government has accepted the Board's recommendations, and would be pleased to convene this conference if the governments of the United Kingdom, Australia and New Zealand concur. The partner governments are invited to send agenda items to the Canadian Government by November 30 when a preliminary agenda will be circulated.

3. I am sending identical cables[†] to our High Commissioners in Australia and New Zealand for transmission to the Australian and New Zealand Governments.

270.

W.L.M.K./Vol. 237

Extrait du mémorandum du ministre de la Défense nationale pour l'Air
Extract from Memorandum by Minister of National Defence for Air

SECRET

Ottawa, November 13, 1943

Mr. Malcolm MacDonald who arrived from Great Britain yesterday morning called on me this morning. He stated that the people of Great Britain were extremely sanguine, that though they speak of the war lasting another year they felt that conditions in Germany due (a) to Russian victories— (b) to bombing— were such that Germany might possibly cave in at any minute.

He also stated that a friend of his had recently been in Sweden and the feeling of all shades of opinion was that Germany was in a pretty bad way.

The first subject brought up was the Air Training Conference which had been fixed for the middle of January. Mr. MacDonald asked for a delay on the following grounds:

That the United Kingdom War Committee was at the moment undertaking a strategic survey of future requirements. This survey would be completed and decisions based thereon made sometime between Christmas and the New Year. Air Ministry would require a month to six weeks in order to study the effect of decisions as they would necessarily have a very important bearing on the Air Training Plan. He therefore asked that the meeting be postponed to a tentative date, probably some time in February or March.

I stated that provided there was no objection from our Supply people I would concur in his suggestion. I stated further that if the provisioning was on a downward scale instead of upward the delay would be more readily acceptable. He stated that undoubtedly it would be downward.

He then proceeded to advise me that Air Ministry had come to the conclusion that 5 Service Flying Training Schools should be closed, and a corresponding number of Elementary Flying Training Schools. Two of the 5 S.F.T.S. should be converted into Navigation Schools. Air Ministry were quite willing that we begin by closing Royal Air Force schools and left it to Canada to decide which schools should be closed. Their reasons were:

(a) There is at present an ample supply of fighter pilots since the casualties among fighter pilots have not been anything nearly as high as expected owing to the fact that the German Air Force is not fighting to the extent anticipated. Bomber casualties continued high however and for that reason there is to be no let-up in the production of bomber crews but rather an increase;

(b) There is a great shortage of manpower in the United Kingdom and it was thought advisable to bring back personnel now manning R.A.F. schools;

(c) There is a shortage of workers and the production of aircraft in Great Britain is lower than anticipated.

(d) The changed conditions of the war being favourable to the Allies renders it unnecessary to produce pilots at the same rate as anticipated;

As a consequence of the decision that fighter pilots are not required with the same urgency, and in the same numbers as formerly, it was also suggested that pilot training be extended temporarily from sixteen weeks to twenty weeks in order to slow up output.

He stated that he had been somewhat embarrassed when these instructions were given to him because under instructions from Air Ministry he had been pressing Canada very strongly to increase its training capacity. He was somewhat apologetic at the sudden change in the point of view.

I told him the news was most encouraging, but a bit embarrassing for us particularly since even now we were in the midst of an intensive campaign for aircrew as a result of discussions which took place at the Conference in Quebec last September when great concern had been expressed at the possible reduction of aircrew input from Canada. I stated the campaign had been very successful and we now had ample aircrew to keep up the input as laid down last Summer. Under the circumstances our aircrew trainees would have to be backed up, not to speak of the embarrassment of closing schools, some of which had been opened comparatively recently.

I also stated I anticipated some difficulty in explaining matters to the Canadian public since we in Canada, following Churchill's lead, had been discouraging undue optimism of an early victory, and that if we stated that the changing conditions of the war justified our ceasing training in a number of schools, immediately the Canadian people would seize on this as a reason for slowing up. He agreed that explanations were somewhat difficult to give.

He also stated that according to his information these schools would not close for some six or seven months. I thought if that were the case the war situation would develop by that time to such an extent that there would be less difficulty in closing the schools. However, in subsequent conversation with Air Vice-Marshal Leckie, C.A.S., I gathered from him that the closing of the schools should take place almost at once, which would not be easy. In any case preparations for closing must be taken in hand immediately and these were bound to attract public attention.

He stated that the Conference would be on a very high level. That Captain Balfour would come as well as Sir John Abrahams, and that it was proposed to discuss the financial question as if a prelude to the closing of the J.A.T.P.

The other matters which we discussed before he left were we agreed matters which could be brought up at the Air Training Conference.

C. G. P[OWER]

271.

DEA/72-T-38

Aide-mémoire du gouvernement de Grande-Bretagne

Aide-mémoire by Government of Great Britain

SECRET

November 15, 1943

The expansion of training capacity in Canada which was asked for by the Air

Ministry in June 1943¹⁰⁶ was based on the rates of operational wastage experienced, and on the latest expansion programme approved, up to that date.

2. The altered strategical situation and the general diminution of enemy air effort in both Western and Southern Europe have, however, led to a reduction in operational wastage rates in all Commands other than Bomber Command; and on the latest information available as to the enemy's air strength and reserve potential, the Air Staff are satisfied that the wastage will continue on a diminished scale in all Commands other than Bomber Command.

The expansion programme has also had to be re-cast in the light of the new strategical requirements and of current estimates of aircraft production.

The above factors, and the fact that the manpower situation seriously limits the possibilities of further expansion have combined to cause considerable reductions in aircrew requirements.

3. This position has been reached at the same time as the manpower situation in the United Kingdom has become such as to make it urgently necessary to effect every possible saving in R.A.F. manpower. All R.A.F. Commands are at present operating with considerable deficiencies in ground personnel, and these deficiencies are likely to become more serious during 1944. In these circumstances there will be virtually no further increases after the end of this year in the R.A.F. target programme except in Bomber Command, which is the main offensive weapon of the R.A.F. and Dominion Air Forces against Germany.

4. In view of the fact that future intakes of ground personnel into the R.A.F. will be inadequate to make good the present deficiencies in such personnel, it will be appreciated that any economies that can be effected in ground personnel establishments will contribute directly to the strengthening of our future striking power.

5. Most of the Navigators of the RAF are required for Bomber Command, and the future expansion will be mainly in that Command. The navigator training capacity therefore needs to be expanded so as to produce 2300 more Navigators a year. On the other hand, the yearly requirements of pilots will be 3,400 less than the existing capacity is planned to produce, because the increased requirements of Bomber Command are outweighed by the reduced requirements of the other Commands.

6. In calculating the revised requirements, allowance has been made for the gradual cessation of the direct flow of fully-trained aircrews to this country from Australia. It has, however, been assumed that the Australian intake to the J.A.T.P.¹⁰⁷ in Canada will be maintained or, alternatively, that any deficiencies in the Australian intake will be made good by the R.C.A.F. and/or the R.A.F.

7. No alterations are required in the output of other aircrew categories from overseas training establishments because any variation in the requirements of these other categories can be met by adjustments in the training capacity of the United Kingdom.

¹⁰⁶ Voir le document 268.

¹⁰⁷ Joint Air Training Plan.

¹⁰⁶ See Document 268.

8. The output required from the schools in South Africa and Southern Rhodesia is governed by the requirements of the O.T.U.s.¹⁰⁸ in the Middle East and India. It is not possible therefore, to *reduce pilot-training capacity* in either of these countries, because this would necessitate the sending of pilots from other training theatres for O.T.U. training in the Middle East and India and this would be a very uneconomical course to adopt. And it would not be possible without considerable delay, to provide in either of these countries the required *additional navigator training capacity*.

9. It follows that the necessary adjustments in the training capacity for pilots and navigators must be made in North America.

10. Although the R.A.F. is making use of pilot-training facilities in the United States, no R.A.F. ground personnel are employed in the United States training schools. No economy in R.A.F. manpower would be effected, therefore, by closing down such schools and, as indicated in paras. 3 and 4, it has become essential to effect economy in R.A.F. manpower.

No facilities for training navigators are available in the United States for the R.A.F. and there is no likelihood of such facilities being made available. Moreover, the U.S.A.A.F. standards of navigational training are not in accord with R.A.F. standards.

11. All these considerations combine to make it very desirable that the necessary adjustments in training capacity should be effected in Canada.

12. The adjustments required could be effected (i) by closing 5 S.F.T.Ss.¹⁰⁹ of 240-pupil capacity, on a 16 weeks' course, (ii) by deleting from the Plan one S.F.T.S. included in the 1942 Agreement which has not been formed, (iii) by making a corresponding reduction in E.F.T.S.¹¹⁰ capacity, and (iv) by forming two new Air Navigation Schools of 520-pupil capacity on a 20 weeks' course. An alternative to the closing of 5 S.F.T.Ss. for the purpose of effecting the necessary reduction in the output of trained pilots would be to extend the course at 18 J.A.T.P. schools and 9 R.A.F. schools from 16 weeks to 20 weeks.

13. The R.A.F. is faced with two problems, namely:—

(I) The effect of the developments referred to in para. 2 will be felt almost immediately in that O.T.U. and A.F.U.¹¹¹ expansion in the United Kingdom must be stopped at once. This will automatically slow down the *outgoings* from the Personnel Reception Centres in the United Kingdom, and this in turn makes it necessary to reduce the intakes into these Centres. An immediate reduction in these intakes can only be effected by extending the courses in Canada.

(II) The drawback to extending the courses in Canada in this way is, however, that for so long as the extension remained in force no reduction in the total amount of training capacity would be possible. Meanwhile there would be a comparatively small reduction in the number of aircrew pupils passing through

¹⁰⁸ Operational Training Unit.

¹⁰⁹ Service Flying Training School.

¹¹⁰ Elementary Flying Training School.

¹¹¹ Advanced Flying Units.

the Training Schools but there would be no other saving in manpower either for the R.A.F. or for the R.C.A.F. In view, therefore, of the urgent necessity of saving manpower the best method of effecting the required reduction in the output from the training establishments would be by closing some of these establishments, because this would release maintenance and instructional personnel who could be used to make good the shortage of personnel in the Operational Commands.

14. The closing of training establishments even if decided upon at once can, however, only be fully effected after an interval. A beginning can be made by reducing the entries into the Initial Training Wings, but the effect of this reduced entry does not make itself felt in the S.F.T.Ss. till some time later.

15. Thus, if it were agreed that an S.F.T.S. should be closed, intakes to the E.F.T.S. feeding that S.F.T.S. could be stopped in about a month (the normal voyage time, plus the time required at No. 31 P.D., plus travelling from No. 31 P.D. to the E.F.T.S.) The outputs from the E.F.T.S. would not cease for a further eight weeks (the length of the course) and the R.A.F. ground personnel at the E.F.T.S. would need to be retained meanwhile. Intakes to the S.F.T.S. would, therefore, cease after a total period of approximately three months. The outputs from the S.F.T.S. would not cease for a further sixteen weeks (the length of the course), and it would be necessary, therefore, to continue to employ the R.A.F. ground personnel at the S.F.T.S. for that period.

Outputs from the S.F.T.S. would, therefore, continue for approximately seven months from the date on which it was agreed to close the school. Allowing a further month for leave, embarkation time and voyage, there would be no reduction of the flow into Personnel Reception Centres in this country for about eight months.

16. In addition to the foregoing an examination of the requirements in G.R.¹¹² training has been completed. Present capacity in Canada provides for a total of 47 courses made up as follows:—

32 Pilot
9 Navigator(B)
6 Navigator(W)

Of this total of courses 23 are carried out at No. 31 G.R. School, Charlottetown and 24 at No. 1 G.R. School, Summerside. The revised plans have now reduced requirements to a total of 24 courses made up of,

17 Pilot
3 Navigator(B)
4 Navigator(W)

It is considered that the reduction could best be made by closing down one of these two schools.

17. The quickest possible reduction of the flow *into* the P.R.Cs.¹¹³ is required, and this can only be effected by extending the courses immediately.

¹¹² General Reconnaissance.

¹¹³ Personnel Reception Centre.

Similarly the earliest possible saving in manpower is required, and this can only be effected by closing schools on the earliest possible date.

18. The best method of effecting the necessary adjustments is therefore to extend courses to twenty weeks at all S.F.T.Ss., other than those which are to be closed, (and to ten weeks at the corresponding E.F.T.Ss.) forthwith; and, at the same time, to stop the intakes into the E.F.T.Ss. matching five S.F.T.Ss.; then, one month *after* the closing of the five S.F.T.Ss. has been effected, to revert to the sixteen weeks' course at all S.F.T.Ss. and revert to the eight weeks' course at the E.F.T.Ss.

19. The increased navigator capacity required could best be provided by converting two of the S.F.T.Ss. into Air Navigation Schools.

On this basis the number of schools ultimately to be closed altogether would be three S.F.T.Ss. and the E.F.T.Ss. required to feed five S.F.T.Ss., and 1 G.R. School.

20. It is hoped that, in the light of the considerations set out above, the Canadian Government will agree that the necessary adjustments in the training capacity for pilots and navigators shall be effected in Canada and in the manner above indicated.

21. The convenient course from the R.A.F. point of view would be to close R.A.F. schools only. An advantage in effecting the reduction in this way would be that the J.A.T.P. as originally conceived would remain intact. On the other hand, the selection of the schools to be closed might give rise to political difficulties in the localities in which the schools selected are situated.

22. If the Canadian Government agree that R.A.F. schools only shall be closed, it is proposed that the R.A.F. shall provide an increased proportion of the intake into J.A.T.P. S.F.T.Ss. This will have the effect of reducing the number of Canadian pupils required; and, as Canada has her own manpower difficulties, it may be that the relief thus afforded will be welcome.

23. In view of the differences which exist between the initial selection procedure adopted in the United Kingdom and that adopted in Canada it would be desirable from the R.A.F. point of view to concentrate at selected J.A.T.P. schools the pupils who would have gone to the R.A.F. schools closed down had these been retained.

24. The Air Ministry suggest that, in general, the present proportion of intakes as between the R.C.A.F. and the R.A.F. should be maintained irrespective of any increase or decrease in capacity. They propose also that any deficiency in the supply of pupils from Australia should, if possible, be made good proportionately by the other partners.

25. The need for the adjustment of the training capacity is extremely urgent. It is essential, therefore, that the decision as to the manner of effecting it shall not be delayed until the January Conference in Ottawa.

26. To sum up, the Air Ministry make the following proposals:—

(a) The S.F.T.S. course to be extended immediately, (on a purely temporary basis) to twenty weeks, and the E.F.T.S. course to be correspondingly extended.

(b) Two S.F.T.Ss. to be turned over to navigator training as speedily as possible.

(c) Immediate action to be taken to close three other S.F.T.Ss. and the E.F.T.S. capacity matching five S.F.T.Ss.

(d) One G.R. School to be closed.

The extension of courses proposed in (a) not to apply to those schools which it is decided are to close or are to turn over to navigator training, since such extension would only delay the release of ground personnel.

27. It is desired that action on paras. 25 (a) and (b) above should be taken at once and that in order to save R.A.F. manpower the reductions referred to in para 25(c) should, if possible, be effected by closing R.A.F. schools.

28. If, however, the R.C.A.F. are anxious that J.A.T.P. schools rather than R.A.F. schools should be closed it is suggested that the number of R.C.A.F. ground personnel sent to the United Kingdom should be correspondingly increased. Otherwise the joint R.A.F. and R.C.A.F. operational effort in this country will not benefit from the reduction in training capacity.

272.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, November 17, 1943

...

BRITISH COMMONWEALTH AIR TRAINING PLAN; CONFERENCE

14. THE MINISTER OF NATIONAL DEFENCE FOR AIR referred to the report made to the War Committee on November 10th,¹¹⁴ and stated that the U.K. government had now requested postponement of the conference until late February or March, 1944, in order that the U.K. War Cabinet might complete a strategic survey of future manpower requirements, now under way. This survey would have an important bearing upon the Air Training Plan. It was proposed to agree to the British request.

(Memorandum, Minister of National Defence for Air, Nov. 13, 1943[†]).

15. THE WAR COMMITTEE noted the Minister's report and agreed to postpone-ment of the conference.

BRITISH COMMONWEALTH AIR TRAINING PLAN; FUTURE POLICY

16. THE MINISTER OF NATIONAL DEFENCE FOR AIR reported that he had received word through the U.K. High Commissioner of serious modification of the Training Plan proposed by the U.K. government.

As a result of the altered strategic situation, a marked reduction in operational wastage rates for aircrew except in Bomber Command, and a serious shortage in R.A.F. ground personnel, it was proposed to effect a substantial

¹¹⁴ Voir le document 269.

¹¹⁴ See Document 269.

reduction in pilot training in Canada and thereby release ground personnel for service elsewhere and bring output into line with requirements. At the same time it was proposed to increase training of navigators to meet the needs of Bomber Command.

In order to produce these desired results, the U.K. government suggested that three Service Flying Training Schools and one General Reconnaissance School be closed, that two S.F.T.S.'s be transferred to navigational training, and that Elementary Flying Training School capacity be reduced accordingly (i.e. to match five S.F.T.S.'s). It was also suggested that the S.F.T.S. courses be extended temporarily to twenty weeks, with corresponding modification of E.F.T.S. training.

17. MR. POWER said that, from the U.K. point of view, the most suitable method of accomplishing these proposals would be to close R.A.F. schools only, thus releasing R.A.F. ground personnel. If this were done, the Commonwealth Air Training Plan would remain intact and the R.A.F. would provide an increased proportion of the intake into S.F.T.S.'s under the Plan. If B.C.A.T.P. schools, however, were to be closed, it was suggested that the numbers of R.C.A.F. ground personnel sent to the United Kingdom should be increased.

(Memorandum, Minister of National Defence for Air, Nov. 13, 1943 and attached U.K. Aide-Mémoire, undated¹¹⁵).

18. MR. POWER suggested that, if these substantial reductions were to be made and schools in Canada closed, it would be desirable for the Canadian and British governments to issue a joint agreed statement on the subject, rather than leave the way open to misinterpretation and serious misunderstanding both at home and abroad.

For the time being, it would not be necessary to close all the schools indicated, since the proposed extension of the training period, together with the favourable results of recent aircrew recruiting in Canada, would make it possible to make use of this capacity, for the present, for R.C.A.F. personnel.

19. THE PRIME MINISTER stated that the attention of the U.K. High Commissioner had been drawn to the situation which had arisen in the United States on the announcement recently of a reduction in Canada's Home War strength. An unfortunate impression might be created there as to U.K. intentions regarding the future prosecution of the war by the proposed modification in air training. The U.S. government should at least be informed in advance of these proposals. The High Commissioner had undertaken to bring these considerations to the attention of his government.

20. THE WAR COMMITTEE, after discussion, noted the Minister's report, agreed that, for the present at all events, no public announcement should be made, and deferred further consideration of the subject pending a further report from Mr. Power.

¹¹⁵ Le document précédent.

¹¹⁵ Preceding document.

PARTIE 5/PART 5
FORCES CANADIENNES OUTRE-MER
CANADIAN FORCES OVERSEAS

SECTION A
ARMÉE/ARMY

273.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*
*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1630

London, June 15, 1942

MOST SECRET. The War Office has raised through the Dominions Office an important question regarding the future employment of our forces and the following is text of a memorandum addressed to me on this subject, Begins:

It has now become necessary to put in hand advance planning for future operations outside this country involving the use of land forces on a large scale on the continent of Europe. Planning in so far as the army is concerned has been entrusted to the Commander-in-Chief, Home Forces. This raises the question of the inclusion of Canadian troops in the expeditionary force for which plans are being worked out.

The Canadian Prime Minister has made it clear that Canadian forces would be made available to go wherever their services are most needed. His Majesty's Government in Canada desire however to be consulted as to any suggestion that Canadian forces should be moved out of the United Kingdom to another theatre of operations. At the present stage the United Kingdom Government cannot commit themselves to a specific proposition in respect of the use of Canadian troops elsewhere than in the United Kingdom. On the other hand it is impossible for the Commander-in-Chief to complete his plans without knowing whether the Canadians are to be included and whether the preliminary organisation is to be worked out on this basis.

His Majesty's Government in the United Kingdom would be grateful therefore if the Canadian Government would signify:

- (a) Their concurrence in the inclusion in the prospective expeditionary force of Canadian military forces to be under the operational control of the Commander-in-Chief of the British expeditionary force;
- (b) Their agreement that arrangements may be made accordingly and that meanwhile the Canadian forces in this country available for operational duties should be regarded as under the operational control of the Commander-in-Chief, Home Forces.

The arrangement that Canadian forces were under the Commander-in-

Chief's operational control would of course be subject in each case to the retention by the Canadian Commander of his right of reference to his own Government. Ends.

I have communicated a copy of the memorandum to McNaughton but have not yet had an opportunity of conferring with him.

MASSEY

274.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, June 24, 1942

FUTURE EMPLOYMENT OF CANADIAN ARMY OVERSEAS

11. THE MINISTER OF NATIONAL DEFENCE referred to consideration of this subject at the last meeting. General McNaughton's comments[†] had now been received upon the War Office's request regarding the inclusion of Canadian military forces in a British expeditionary force under the operational control of a British Commander. They raised many practical problems relating principally to legal details involved.

After careful consideration, it was proposed to reply to the U.K. government giving the undertaking requested and reserving detailed arrangements for further discussion. It was thought that Canadian authorities should retain control over the Canadian forces in matters which did not affect operational control and unity of command. The Canadian Commander would also retain his right of reference to the Canadian government. A draft telegram to the High Commissioner, in this sense, was submitted.

(External Affairs note for the Prime Minister, June 22, 1942[†] — draft telegram, External Affairs to High Commissioner, London, June 21, 1942.)

12. THE WAR COMMITTEE, after discussion, approved, for despatch, the draft telegram submitted.¹¹⁶

275.

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Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain

TELEGRAM 1226

Ottawa, June 25, 1942

MOST SECRET. Your telegram No. 1630 June 15th, 1942, concerning War Office Memorandum.

It is desired that you should signify to the Government of the United Kingdom on behalf of the Canadian Government:

¹¹⁶ Voir le document suivant.

¹¹⁶ See following document.

(a) The Canadian Government's concurrence in the inclusion in the prospective expeditionary force of Canadian Military Forces to be under the operational control of the Commander-in-Chief of the British Expeditionary Force;

(b) The Canadian Government's agreement that arrangements may be made accordingly and that meanwhile the Canadian Forces in the United Kingdom available for operational duties should be regarded as under the operational control of the Commander-in-Chief Home Forces.

That arrangement that Canadian Forces would be under the Commander-in-Chief's operational control would be subject in each case to the retention by the Canadian Commander of his right of reference to the Canadian Government.

It should also be understood that by operational control it is meant that the Canadian Forces will be placed in combination under the Visiting Forces Act and that appropriate action will be taken to ensure that the Commander-in-Chief of the British Expeditionary Force and the Commander-in-Chief Home Forces are empowered under the Act to command the combined Force. The detailed measures to accomplish these results are now being considered and we shall communicate with regard to them later. They will include such matters as control over discipline, organization, administration, training and equipment which it is thought should continue to be reserved for Canadian authorities.

For your own information the views set forth in Canmilitary telegram J 54 of June twenty¹ are being carefully examined and due regard will be had thereto in working out the detailed arrangements.

Please communicate a copy of this telegram to General McNaughton and General Montague.

276.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1790

London, July 7, 1942

IMMEDIATE. SECRET. My telegram No. 1767, July 3rd, 1942.[†] McNaughton makes the following observations on your telegram No. 1226, Begins:

(a) Assuming that it remains the purpose of the Government of Canada to retain control of the Canadian Army overseas, then I believe it would be wise to revise the paragraph of No. 1226 which begins "It should also be understood etc." so that it will read as follows:

"It should also be understood that by operational control is meant the general direction of the military efforts of the Canadian troops in a combined force and that such direction will be exercised through, and any task or plan of operation assigned the Canadian troops as may be subject to, the approval of the Senior Canadian Combatant Officer overseas unless otherwise specified by him.

Canadian forces will be placed in combination under Visiting Forces Act and appropriate action will be taken to establish the relationship of the Commander-in-Chief of any combined force to the Canadian force.

It is considered that there should be reserved to Canadian authority exclusive control over such matters as discipline, organisation, administration, training and equipment except when in the opinion of the Senior Combatant Officer circumstances otherwise require.

The detailed measures to establish such relationship and reservations are now being considered and we shall communicate with regard to them later.

The Senior Canadian Combatant Officer has been instructed to place himself in contact with the Commander-in-Chief designate of the British Expeditionary Force and with him to concert the plans for the employment of Canadian forces. He has also been instructed to keep the Government of Canada informed of these plans as they develop."

This revision describes my relationship with the Commander-in-Chief Home Forces as I understand it, but it requires formal recognition both as regards present situation in the United Kingdom and also as regards the future on the continent of Europe.

(b) In the United Kingdom such operational control over Canadian troops in combination as should be preserved for Canadian authority is only made possible by the words with which I have concluded my orders detailing Canadian troops into combination namely, "until I shall otherwise direct". When the troops are on the continent it will be noted that under the terms of P.C. 1066 of April 3rd, 1940, they are automatically in combination, and should an extreme occasion call for their being taken out of combination P.C. 1066 would have to be amended in that regard. I doubt the practicability of this action being taken in time should an emergency require and so I think the difficulty should be obviated by the procedure I have suggested in paragraph (a) above for your consideration.

(c) In your consideration of the above I would invite your attention to the cable[†] being despatched which gives you the draft of a regulation which Montague suggests will serve to implement No. 1226 as so clarified. Ends.

I concur in McNaughton's views and regard the clarification of the position as highly important. There is I feel no doubt that the proposed definition of the relationship between the Canadian Army Command overseas and the War Office will do much to ensure the continuance of full and satisfactory co-operation, and also that it would be wise to clarify the position now and not later when circumstances might make the consideration of the problem difficult.

I have in mind the consideration set forth in your telegram No. 1284 of July 5th[†] and have satisfied myself that any delay in communicating with the United Kingdom authorities will not be misconstrued. It is desirable, however, that a reply should now be sent as soon as possible, and I should therefore be grateful for an early reply to this telegram.

MASSEY

277.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, July 8, 1942

...

FUTURE EMPLOYMENT OF CANADIAN ARMY OVERSEAS

8. THE MINISTER OF NATIONAL DEFENCE referred to the reply, authorized by the War Committee on June the 24th, to the War Office's request regarding the inclusion of Canadian military forces in a British Expeditionary Force under the operational control of a British Commander.

The Canadian High Commissioner had delayed the communication of this reply to the U.K. authorities pending the government's consideration of certain observations thereon by Lieutenant-General McNaughton. These observations had now been received and considered by the Army Staff and the Department of External Affairs.

(Telegram 1790, Canadian High Commissioner, London, to External Affairs, July 7, 1942.)

9. MR. RALSTON read a telegram from Mr. Massey setting out a revision of the Canadian reply proposed by General McNaughton; also a note thereon from the Legal Adviser of the Department of External Affairs.

The effect of the proposed revision was to reserve to the Canadian Commander a power of veto over assignment of tasks and plans of operation. Whether such power should be reserved was a matter of policy requiring most careful consideration. It was pointed out by General McNaughton that operational control in the United Kingdom was now reserved to him by the detailing of Canadian troops into "combination" under the condition "until I (the Canadian Commander) shall otherwise direct". This position might appropriately be extended to Canadian forces elsewhere by the revision suggested. A third point in the General's message related to a difference of opinion concerning the interpretation of the Visiting Forces Act.

10. MR. RALSTON recommended that the War Committee concur in General McNaughton's suggested revision of the communication to the U.K. government, provided that steps were first taken to ensure that British authorities would regard such reservation of authority to the Canadian Commander as acceptable, in the circumstances.

The legal situation, under the Visiting Forces Act, might stand over for consideration with U.K. officials. (External Affairs note, July 8, 1942).[†]

11. THE WAR COMMITTEE, after discussion, approved the Minister's recommendation.

...

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*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1310

Ottawa, July 9, 1942

MOST IMMEDIATE. SECRET. Your telegram No. 1790 July 7, 1942, secret, setting forth McNaughton's observations on our telegram No. 1226.

2. Reference Section (a) paragraphs following "as follows:" and ending with "they develop". Canadian Government agrees in principle with proposed revision of No. 1226.

3. It is considered that as this raises an important question of policy you should consult with the appropriate authorities of the United Kingdom Government when you communicate the views of the Canadian Government in accordance with No. 1226 revised as in paragraph two above. It is hoped that these views will be acceptable, but it is possible that the United Kingdom Government may want to make some observations with regard to the question of policy involved. We are naturally anxious to avoid any delay or any impression that the Canadian Government is reluctant to cooperate fully in this matter or is interposing any conditions which would give ground for that impression.

4. Reference section (c). If you will refer to the telegram which is being sent by Defensor to Canmilitary in reply to J five six[†] you will observe that the action that needs to be taken to carry out the above policy is the subject of further consideration and consequently immediate consultations will need to be confined to the question of policy involved, deferring for the time being consideration of the legal measures which will need to be adopted in order to give effect to it, which measures are the subject of J five six and of Defensor's telegram above mentioned.

279.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1980

London, August 1, 1942

MOST IMMEDIATE. Your telegram No. 1310 of July 9th, relations between Canadian and United Kingdom armies.

2. Letter was sent to Dominions Office on July 14¹¹⁷ setting forth policy in

¹¹⁷ Voir le document suivant.

¹¹⁷ See following document.

terms as settled by Canadian Government and set forth in your telegram under reference.

3. Letter has been received from Dominions Office July 31, text of which is as follows, Begins:

I have now received the comments of the War Office on the questions raised in your letter of July 14 regarding the employment of the Canadian Military Forces.

As I said in my letter of July 17th the attitude of the Canadian Government in agreeing that the Canadian Forces in this country available for operational duties should be regarded as under the operational control of the Commander-in-Chief Home Forces and that Canadian Forces should be included in the prospective Expeditionary Force under control of the Commander-in-Chief British Expeditionary Force is warmly appreciated here. In order, however, to clear up one or two points of detail, the War Office have asked me to put the following observations to you.

It is assumed that the fourth paragraph of your letter is intended to convey that the approval of the Senior Canadian Combatant Officer overseas is required only for the general task assigned to the Canadian Forces and not for more detailed tasks or plans arising in the course of operations. The latter interpretation would be inconsistent with the placing of the Canadian Forces under the operational control of the Commander-in-Chief British Expeditionary Force and it is suggested that the right of reference to the Canadian Government provided for in the third paragraph of your letter should be a reasonable and an adequate safeguard. It is therefore suggested that the text of paragraph 4 of your letter might be amended by the deletion of the words "and any task or plan of operation assigned the Canadian troops will be subject to the approval of".

It is also observed that the fourth paragraph of your letter as it stands does not provide for the case of a part of the Canadian Forces being overseas with a British Expeditionary Force leaving the Senior Canadian Combatant Officer behind in the United Kingdom. In such a case it is presumed that direction would have to be exercised through the Senior Canadian Combatant Officer with the combined force. It is therefore suggested that this point should be met by substituting for "Senior Canadian Combatant Officer overseas" in the last line of the paragraph "Senior Canadian Combatant Officer with the combined force".

As regards the sixth paragraph of your letter, it is observed that the training of the Canadian forces must necessarily be closely correlated with operational plans and the Commander responsible for operational control must be able to satisfy himself that training is being conducted in accordance with the policy which suits the intended method of employment. It is thought that the terms of the paragraph as set out in your letter are not intended to imply that the Canadian Government desire to change the existing arrangements for training Canadian Military Forces in this country under which the general policy is laid down and its execution supervised by the Commander-in-Chief Home Forces while the detail is carried out under Canadian control. In order to make the

point clear it is suggested that the following amendments might be made:

(1) After "such matters as discipline, organisation, administration" delete "training".

(2) After the sixth paragraph insert as a new paragraph: "It is understood that the responsibility for training the Canadian Force included in the proposed British Expeditionary Force is, in so far as policy is concerned, that of the Commander-in-Chief Home Forces and in so far as the detailed arrangements for and execution of training are concerned that of the Canadian authority".

It is thought that the above suggestions are not inconsistent with the intentions of the Canadian Government but it seems desirable that the matter should be made clear in order to avoid possible misunderstandings.

I should therefore be glad if you would let me know whether I may assume that these amendments can be taken to represent the wishes of the Canadian Government. Ends.

4. Suggestions of Dominions Office have been considered by McNaughton, Montague, Read and myself, and I am proposing to send reply which keeps within the limits of the policy of the Canadian Government as set forth in your telegram and in my letter to Dominions Office of July 14. The sending of this reply will be deferred until Tuesday in case you have any suggestions to make with regard to it.

Text of draft reply, Begins:

I have received your letter of July 31 communicating the observations of the War Office on the points of policy presented in my letter of 14 July regarding the employment of Canadian Military Forces in the United Kingdom and as part of an Expeditionary Force. I may say that the Canadian Government hoped that their views set out in my letter of July 14 would be acceptable to the Government of the United Kingdom. At the same time it was suggested by my Government that you might wish to make some observations with regard to the question of policy involved and I was directed to assure you that my Government was anxious to co-operate fully in this matter and did not wish to impose any conditions which would stand in the way of full co-operation.

I am able to assure you that the Government of Canada and the Military Commanders responsible to it are fully appreciative of the need for unity of command, and to this end there is no doubt that all concerned will accord the Commander-in-Chief Home Forces and the Commander-in-Chief of a British Expeditionary Force the fullest support and co-operation. We are confident that the policy advanced by the Canadian Government of reserving to its Commanders the approval on its behalf of all tasks or plans arising in the course of operations will not prejudice the operational control of the Commander-in-Chief British Expeditionary Force. It is to be realised that the Canadian Service authorities are responsible to the Government and the people of Canada for the forces entrusted to their commands, and accordingly it is clear that a corresponding measure of authority and discretion must be accorded those so responsible. We have placed our full confidence in your Officers commanding combined forces and I am sure the Government of the United Kingdom is prepared to place equal confidence on the ability and good sense of our Com-

manders. Coordination in other spheres already exists in full measure in the prosecution of our common war effort and I am sure that our co-operation in the military sphere will be no less cordial in the future than it has been in the past.

It is for the same reasons that Canada has reserved the subject of training to the Canadian authorities. It has in fact been understood that the War Office was already in agreement on this point. I am informed that the Army Council in its War Office letter 110/Gen/5564 (M.O.2) March 21, 1940 to the Commander-in-Chief Home Forces (copy to Senior Officer C.M.H.Q.) stated in part "Control in all matters relating to training, policy, discipline and internal administration of the Canadian Forces is reserved for the appropriate Canadian Service authorities".

I am quite prepared to assure you that the Canadian authorities will be entirely agreeable to correlate training with operational plans and that the Commander-in-Chief designate of the British Expeditionary Force need have no doubts that this will be done.

There is a further point taken in your letter, namely, that when a part of the Canadian Forces is overseas with a British Expeditionary Force and the Senior Combatant Officer may still be in the United Kingdom, it should be understood that the direction of operations would have to be exercised through the Senior Canadian Combatant Officer with the combined force. I am informed by the legal advisors to the Canadian Service authorities that this point has been anticipated in the draft of the regulation to be submitted to the Canadian Government for enactment under the Visiting Forces Act of Canada to implement the policy which has been referred to in my letter of July 14. It is provided that as exigencies in general or circumstances of the moment may dictate, the Senior Combatant Officer of the Canadian Army overseas may arrange that such direction will be exercised through the Senior Canadian Officer with the combined force. Again I am confident that you will find that such arrangements will always be made in such instances as will meet the existing situation.

May I repeat that the Canadian Government and its Service authorities desire to adhere to the essential principle of unity of command in the interest of the effective prosecution of the war and the measure of control which it is proposed to reserve for Canadian authorities is only such as is considered commensurate with their responsibility to the people of Canada.

In view of the foregoing considerations I am sure you will agree that it would be undesirable to make the amendments suggested in your letter and that, for the reasons I have given, full co-operation between the forces will be assured. Ends.

5. Draft regulations in satisfactory form have been settled by Read and Orde in consultation with Cannilitary and approved by McNaughton. Read is deferring return which had been planned for Monday pending settlement of questions raised in Dominions Office letter July 31.

MASSEY

280.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1986

London, August 2, 1942

MOST IMMEDIATE. SECRET. Your telegram No. 1464, August 1st,[†] relations Canadian and United Kingdom forces. Following is text of my letter to Dominions Office of July 14 based on my telegram No. 1790, July 7, and your reply No. 1310, July 9, Begins:

I am now in a position to let you have the views of the Canadian Government on the questions raised in the memorandum accompanying your letter of June 12.

The Canadian Government have instructed me to convey to the United Kingdom Government:

(A) The Canadian Government's concurrence in the inclusion in the prospective Expeditionary Force of Canadian Military Forces to be under the operational control of the Commander-in-Chief of the British Expeditionary Force.

(B) The Canadian Government's agreement that arrangements may be made accordingly and that meanwhile the Canadian Forces in the United Kingdom available for operational duties should be regarded as under the operational control of the Commander-in-Chief Home Forces.

The arrangement that Canadian Forces would be under the Commander-in-Chief's operational control would be subject in each case to the retention by the Senior Canadian Combatant Officer of his right of reference to the Canadian Government.

It should also be understood that by operational control is meant the general direction of the military efforts of the Canadian troops in a combined force and that such direction will be exercised through and any task or plan of operation assigned to the Canadian troops will be subject to the approval of the Senior Canadian Combatant Officer overseas unless otherwise specified by him.

Canadian Forces will be placed in combination under the Visiting Forces Act and appropriate action will be taken to establish the relationship of the Commander-in-Chief of any combined force to the Canadian force.

It is understood that there should be reserved to Canadian authority exclusive control over such matters as discipline, organisation, administration, training and equipment, except when in the opinion of the Senior Canadian Combatant Officer circumstances otherwise require.

The detailed measures to establish such relationship and reservations are now under consideration and a communication will be sent with regard to them later. The Senior Canadian Combatant Officer has been instructed to place himself in contact with the Commander-in-Chief designate of the British Expe-

ditionary Force and with him to concert the plans for the employment of Canadian Forces. He has also been instructed to keep the Government of Canada informed of these plans as they develop.

I shall be glad to receive any observations that the United Kingdom Government may wish to make with regard to the questions of policy involved in these arrangements. I can assure you of the desire of my Government to co-operate in every possible way. Ends.

Proposed reply was drafted in collaboration with all concerned, including Read and Orde, but Stuart had not then arrived. I shall consult him as soon as possible.

Proposed reply will be held until I receive your further instructions. I should be grateful if you would send them at the earliest possible moment. Read is postponing his departure in the meantime.

MASSEY

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1987

London, August 3, 1942

Your telegram No. 1464 of August 1,[†] relations Canadian and United Kingdom forces. Following from Read to Robertson, Begins:

1. After consultation with Military authorities here and with Mr. Massey, I have reached conclusion that only practical scheme for establishing operational command on a workable basis is that set forth in letter to Dominions Office July 14.

2. The order which we have drafted gives effect completely to Government's policy as set forth in letter, keeping within limits discussed with Minister of National Defence before departure.

3. Dominions Office letter July 31 accepts basic principles involved in our proposals and raises three unimportant points, one already provided for in our order and the other two entirely unacceptable to our Military authorities and not workable.

4. It is my personal opinion that we should insist on acceptance of our views on these two points, namely Canadian control of details of tactical employment and Canadian control of training. If we give in on these two points it is my personal opinion that our concession would lead to friction between Canadian and British Commanders and would impair the practical and effective operational command established by our proposals. Ends.

MASSEY

282.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1988

London, August 3, 1942

Your telegram No. 1464, August 1st,[†] paragraph 2. Stuart agrees with draft text and recommends same.

MASSEY

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*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1490

Ottawa, August 6, 1942

IMPORTANT. SECRET. 1. Your telegram No. 1980 of August 1st and subsequent telegrams regarding relations between Canadian and United Kingdom Armies were considered today at Cabinet War Committee. Before finally approving despatch of your draft reply Committee would be glad to have your views and those of General MacNaughton on relevance of following considerations which have probably been present in your minds as well as in those of the United Kingdom authorities:

(a) Would present probability that supreme command of combined operations on Continent will be entrusted to an American General affect your views on the relationship which should obtain between British and Canadian Armies? Do United Kingdom authorities contemplate that relationship of British to American Armies in respect of interpretation of operational control, etc., should be similar to the Canadian-United Kingdom relationship set forth in your draft reply?

(b) We are puzzled by apparent conflict between a reference in United Kingdom letter of July 31st¹¹⁸ to "one or two points of detail" and the explanation in succeeding paragraph that our interpretation of one of these "points of detail" would be inconsistent with the placing of the Canadian Forces under the operational control of the Commander-in-Chief of the British Expeditionary Force.

(c) We wonder whether there would be any real difference in practice between formula put forward in your letter of July 14th and the principle of

¹¹⁸ Voir le document 279.

¹¹⁸ See Document 279.

reference to Government accepted in the United Kingdom communication of July 31st since non-approval of an allotted task involving withdrawal of forces from combination would normally involve reference to Government if time permitted.

2. Canadian Government consider it most important that the Government of the United Kingdom should be assured that there is no reluctance on Canada's part to the fullest and most active participation possible in proposed operations. In this connection we are anxious to avoid the appearance of interposing what might be regarded as obstructive conditions.

3. We should therefore be grateful if you could explore informally with the United Kingdom Government the degree of importance they really attach from the point of view of effective conduct of operations to our reserving the requirement of approval of the Senior Canadian Combatant Officer overseas for detailed tasks or plans arising in the course of operations.

4. We feel it desirable that such exploratory talks should precede the despatch of your draft reply so as to preclude any possibility of an impasse arising which might conceivably result in the United Kingdom and the United States coming to the conclusion that it would be preferable to have Canadian Forces serve in the defence of the United Kingdom rather than participate in other theatres of war under conditions which they might consider constituted a divided command.

5. Pending receipt of your observations on points raised in this telegram I think it would be helpful if Read could return to Ottawa by first opportunity so that he could supplement your cabled comments on the points that are still worrying us.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2071

London, August 14, 1942

SECRET. Your telegram No. 1490, August 6th. Read will be able to give you answers to most of the questions which you ask. As regards your question in (a) in first paragraph concerning relationship of British and American armies, I gather from such enquiries as I have been able to make that no formal agreement has as yet been reached on this subject and I think it likely that the matter will be dealt with only in terms of broad principle. It is quite clear however that a British Commander in relation to an American Commander-in-Chief, if such is appointed, or an American Commander in relation to a British Commander-in-Chief, would enjoy a measure of autonomy at least as complete as that which is proposed in my draft letter for the Canadian Army. The answers to (b) and (c) in the first paragraph of No. 1490 will be given you by Read.

2. The United Kingdom Government has been assured that there is no reluctance on Canada's part to fullest measure of co-operation and I feel that there is no danger of our appearing obstructive. To make sure what the reaction of United Kingdom Government would be to my draft letter, I asked General Montague to show it to those officers at the War Office whose duty it is to advise the Secretary of State on this subject. Montague now tells me that he has been informed that the Vice-Chief of the Imperial General Staff is sending a memo to the Secretary of State for War recommending that the letter be accepted when received. From this I think it safe to conclude that the terms of my draft letter can be regarded as acceptable to United Kingdom Government.

3. A point has occurred to me which I venture to suggest is not irrelevant. Sir Arthur Currie,¹¹⁹ I believe, received an order on or about August 8th, 1918, to the effect that his troops should be employed on a certain operation. According [sic] to misunderstanding of the incident he demurred to this order and made representations through Army Command which resulted in its being withdrawn. The proposal is therefore that the Commander of the Canadian Forces now should merely be given powers *de jure* which General Currie assumed in the last war *de facto*. Ends.

285.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, August 19, 1942

...

EMPLOYMENT OF CANADIAN ARMY OVERSEAS — RELATIONSHIP WITH U.K. FORCES

13. THE CHIEF OF THE GENERAL STAFF explained the reasons why the Canadian Army Commander was anxious to have the legal relationship between Canadian and British forces carefully and adequately defined. He was asking for the same authority, on a legal basis, which had been exercised by General Currie, in fact, during the last war. He wished to be in a position, if the occasion arose, to withstand pressure for the inclusion of Canadian troops in operations which did not commend themselves to his judgment.

The War Office would not object to definition of the relationship on the basis set out in Mr. Massey's draft letter which had been under discussion by the War Committee.

14. THE MINISTER OF NATIONAL DEFENCE said that he had wished to be assured that the United Kingdom would not regard the position taken in the draft letter as an indication of reluctance on Canada's part to full and active participation by Canadian forces. Such an assurance had now been obtained by consultation with the appropriate officers.

It had been thought that the reservation by the Canadian Commander of the

¹¹⁹ Commandant, Corps canadien, 1917-1919.

¹¹⁹ Commander, Canadian Corps, 1917-1919.

right of reference to the government might, in practice, have had the same effect as stipulation for him of the right to approve or refuse tasks for Canadian troops.

If the recommendations of the Canadian Commander and the High Commissioner were accepted, the powers of the Canadian Commander vis-à-vis the British would require to be the subject of carefully prepared instructions.

15. THE SECRETARY referred to the memorandum prepared by the Legal Adviser of the Department of External Affairs following the War Committee's last meeting.[†]

Mr. Read had said that the Canadian Commanders expected to receive instructions, which should call for consultation with the government before any action were taken as a result of an impasse in the field, except in cases of extreme emergency.

Mr. Read placed great emphasis on the avoidance of consultation between governments on issues capable of being settled between commanders in the field. Settlement on the spot would avoid the raising of political issues and the consequent necessity of more drastic action.

Mr. Read did not feel that the formula set out in the Massey letter would interfere with the principle of unity of command, and had recommended strongly that its terms be approved.

16. THE WAR COMMITTEE, after further discussion, approved the terms of the draft letter, from Mr. Massey to Mr. Attlee, as set out in the High Commissioner's telegram of August 1, 1942, and approved by Generals McNaughton and Montague, and Mr. Read, and concurred in by the Chief of the General Staff.

(Telegram 1980, High Commissioner, London to External Affairs, August 1, 1942).

It was also agreed that consequential instructions to the Canadian Commanders should be communicated through the Department of National Defence.

...

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*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1568

Ottawa, August 20, 1942

IMPORTANT. MOST SECRET. Reference our telegram No. 1490 of August 6th, relations between Canadian and United Kingdom Armies. War Committee have now approved despatch of draft reply to Dominions Office quoted in your telegram No. 1980 of August 1st.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2202

London, September 4, 1942

MOST SECRET. My telegram No. 2114 of August 22nd,[†] relations between Canadian and United Kingdom armies.

Letter dated September 3rd received from Dominions Secretary reading as follows:

“My dear High Commissioner:

I have consulted the War Office on the points made in your letter of August 21st¹²⁰ about the employment of Canadian military forces in the United Kingdom and as part of an expeditionary force.

I need hardly say that the assurances in your letter are greatly welcomed. In view of what you say, the War Office are content to leave the matters raised in my letter of July 31st¹²¹ where they stand and accept the Canadian Government's view that no practical difficulties will arise in the association of United Kingdom and Canadian troops against the enemy.

Yours sincerely,

C. R. ATTLEE.”

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*Le haut commissaire de Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner of Great Britain to
Secretary of State for External Affairs*

IMMEDIATE. MOST SECRET AND PERSONAL

Ottawa, September 22, 1942

My dear Prime Minister,

I have been asked in a telegram from the Dominions Office to convey to you the following most secret message from Mr. Winston Churchill.

“We wish to send McNaughton to Moscow to discuss with Stalin and his experts the possibilities of the operation Jupiter,¹²² for the examination of which you kindly placed him at our disposal in July. There will be no question of any

¹²⁰ Voir le document précédent.

¹²¹ Voir le document 279.

¹²² Plan pour une attaque contre les forces ennemies en Norvège.

¹²⁰ See preceding document.

¹²¹ See Document 279.

¹²² Plan for an attack on enemy forces in Norway.

Canadian commitment. I shall be greatly obliged if you will authorise me to propose his name to Stalin."

If you would let me know what reply you would wish to send to Mr. Churchill, I shall be glad to arrange for its immediate transmission to him.

Yours sincerely,

MALCOLM MACDONALD

289.

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*Le secrétaire d'État aux Affaires extérieures
au haut commissaire de Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner of Great Britain*

IMMEDIATE. MOST SECRET AND PERSONAL

Ottawa, September 23, 1942

My dear High Commissioner,

I should be grateful if you would convey the enclosed message to Mr. Winston Churchill, in reply to the most secret message from him, contained in your letter to me of September the 22nd.

Yours sincerely,

[W. L. MACKENZIE KING]

[PIÈCE JOINTE/ENCLOSURE]

Le Premier ministre au Premier ministre de Grande-Bretagne

Prime Minister to Prime Minister of Great Britain

Ottawa, September 23, 1942

IMMEDIATE. MOST SECRET AND PERSONAL. Following from Prime Minister for your Prime Minister, Begins: My colleagues in the War Committee and I have given the most careful consideration today to your most secret message conveyed in Malcolm MacDonald's letter to me of September 22nd. The Minister of National Defence had already been advised fully by General McNaughton, whose views in regard to the proposed operation and whose recommendation of an affirmative reply to your request were before the War Committee.

Before I received your personal message, we had communicated with General McNaughton pointing out that it was felt very strongly that his participation in such a mission would probably be taken to imply commitment in advance, on Canada's part, to an operation, the feasibility of which was, in view of his own conclusions, open to the gravest doubts, and that notwithstanding any reservations which might be made, it might be taken as indicating our readiness to undertake such a commitment regardless of military considerations.

It was pointed out to General McNaughton that it was felt that it would be much more natural and appropriate that such a mission should be headed by a United Kingdom officer. This would follow naturally upon visits to Moscow by

yourself and United Kingdom officers, and would be so viewed in the United States as well as in Britain and Canada.

I think that you would also wish to know of the following additional relevant considerations which we feel to be of importance:

It would be extremely difficult, if not impossible, to keep the mission secret. General McNaughton's leadership of such a mission would, we believe, give rise, at once, to speculation of his being selected as Commander-in-Chief of a United Nations force for the opening of a second front. Concerning this, as you are aware, there has already been much public discussion, particularly in the United States and this we fear might prejudice McNaughton in his relations with the Chiefs of Staff in Britain and the United States, and also subject him to embarrassing comment in the press and elsewhere.

General McNaughton's heading of the mission would at once suggest an operation in conjunction with Russia was contemplated and that the Canadian Army would participate. It seems to us that Jupiter would be an obvious conclusion for the enemy to reach.

General McNaughton would consider, and properly so, that his paramount responsibility as Commander of the Canadian Army would be to tender to the Canadian government such advice as he might feel bound to give as to the military feasibility of the expedition. With this responsibility it might be embarrassing to you and to us as well as to him if he were at the same time to represent the United Kingdom government or Chiefs of Staffs in discussions looking to the adoption, after possible modification, of a project on which he had already expressed a considered and adverse opinion. This embarrassment might be increased by the fact that the discussions on which conclusions turned would be affected by political as well as military considerations.

McNaughton has mentioned that any plans drafted would be referred for consideration to the "three Governments concerned", viz. the United Kingdom, the U.S.S.R. and Canada. In our view the operation envisaged is of a scale and significance which bring it within the realm of major strategy, decisions in respect of which should be shared by the United States.

You are aware of the extent to which U.S. and Canadian forces are co-operating on this Continent, as well as in Europe. Were the President not to be advised, and his approval obtained in advance, of the proposed mission, its personnel and its object, he almost certainly would feel that he should have been given an opportunity to express his views.

In all the circumstances we are of the opinion that it would be unwise to have General McNaughton singled out for the purpose suggested. Our misgivings would not be as strong if McNaughton were to be a member though not the head of a combined mission upon which the United Kingdom and the United States were represented.

I need not assure you that the views expressed above should not be construed as in any way modifying our fixed policy that Canadian forces are to be available to be used wherever they can best serve the common cause.

The Minister of National Defence and the Chief of our General Staff will be

in Britain at the beginning of next week and will be able to give you our considered views in more detail. Ends.

290.

W.L.M.K./Vol. 327

*Le haut commissaire de Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner of Great Britain to
Secretary of State for External Affairs*

IMMEDIATE. MOST SECRET AND PERSONAL.

Ottawa, September 25, 1942

My dear Prime Minister,

In reply to your letter of the 23rd September I enclose a most personal and secret message from Mr. Churchill to you.

Yours sincerely,

MALCOLM MACDONALD

[PIÈCE JOINTE/ENCLOSURE]

*Le Premier ministre de Grande-Bretagne au Premier ministre
Prime Minister of Great Britain to Prime Minister*

London, September [25], 1942

MOST SECRET AND PERSONAL. I am very sorry about McNaughton. I thought that at this critical juncture in Anglo-American relations with the Soviet his personality and knowledge of the subject might have got a good plan worked out with Russia and on a far better basis than that on which his own study had been made. Moreover as Commander-in-Chief of the Canadian Army he would no doubt have got access to Stalin himself, which will probably not be the case with any British general.

2. There would of course have been no question of any commitment being entered into by any Government nor would the full freedom of Canadian action have been compromised in the slightest degree.

3. It is quite true that the arrival of the Canadian Commander-in-Chief in Moscow would have led the enemy to think some joint operation for a second front in northerly latitudes was being planned. As you know, we are trying to spread that very idea as cover for "TORCH", and the Americans also are training an Arctic division with some ostentation. Thus exactly the right impression would have been given to the enemy at this critical time.

4. Moreover it so happens that this use of the "JUPITER" operation as cover for the "TORCH" would not compromise or hamper its eventual execution in reality after some months had passed. When the enemy saw "TORCH" become operative, they would conclude that McNaughton mission was part of the blind and would therefore cease to worry about the northern theatre and meanwhile if we had decided in favour of "JUPITER" our programme could continue.

5. No question had arisen or could arise between us for some time of Canadian troops being employed or of General McNaughton being selected and in fact we are preparing British divisions in Scotland for Arctic service as part of cover.

6. Apart from all the above which seem to me to fit together rather neatly we were under dire necessity of convincing Premier Stalin of our resolve to help him to the utmost of our strength. We have now to suspend PQ convoys for the sake of "TORCH". This will be another heavy blow to Stalin. Russian resistance will only be maintained on a great scale if during 1943 we are able to keep the general broad stream of supplies flowing in by the Arctic route from Britain and the United States. The whole burden of fighting these convoys through falls upon the Royal Navy (77 warships were used last time) and unless "JUPITER" or something like it cleans up Norwegian tip, the waste, loss and effort in munitions and naval power during 1943 will be paralysing to our action elsewhere. The first thing, however, was to get a good plan and find out what the Russians themselves could do. Stalin seemed very keen about it when talking in Moscow and I am of opinion he might make a great effort thus simplifying the whole business.

7. I would have put all these reasons to you when making my request if I had thought serious issues mentioned in your message would be raised simply by his visit. Of course if after hearing them you still feel McNaughton should not go, I will send someone else. I need not emphasise the extreme secrecy of all the foregoing.

Kindest regards.

291.

W.L.M.K./Vol. 327

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire de Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner of Great Britain*

IMMEDIATE. MOST SECRET AND PERSONAL

Ottawa, September 25, 1942

My dear High Commissioner,

I should be grateful if you would convey the enclosed message to Mr. Winston Churchill, in reply to the most secret message from him, contained in your letter to me of today's date.

Yours sincerely,

[W. L. MACKENZIE KING]

[PIÈCE JOINTE/ENCLOSURE]

*Le Premier ministre au Premier ministre de Grande-Bretagne
Prime Minister to Prime Minister of Great Britain*

Ottawa, September 25, 1942

IMMEDIATE. MOST SECRET AND PERSONAL. We have considered with the greatest care your message received today through Malcolm MacDonald. General

McNaughton has also informed us of his correspondence with the Chiefs of Staff.

I need scarcely say that we have had very much in mind the critical importance of everything practicable being done to encourage and sustain Russia at this time and are most anxious to give every possible assistance towards that end.

Aside altogether from any question of commitment on Canada's part, it seems to us that to have McNaughton undertake a mission of the kind contemplated without a realistic plan, in which he himself has confidence, offering at least a reasonable prospect of success, upon which military discussions could be based, would be to risk not only the failure of the mission in its immediate object, but also to risk results prejudicial to relations with the Soviet Union as well as to McNaughton's own future usefulness. From what we have before us it would seem that plans so far considered do not provide such a background.

We have endeavoured to give full weight to the important points you now mention. However, everything considered, we cannot but feel that the serious issues mentioned in my reply to your previous message would inevitably be raised by a visit to Moscow of the Commander of the Canadian Army as the head of such a mission.

Knowing how great your anxieties are, we all very much regret not being able to see eye to eye with you in this matter. I can assure you, however, that we have sought to view it sympathetically in all its bearings.

Kindest personal regards,

[W. L. MACKENZIE KING]

292.

W.L.M.K./Vol. 327

*Le haut commissaire de Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner of Great Britain to
Secretary of State for External Affairs*

MOST SECRET AND PERSONAL

Ottawa, September 26, 1942.

My dear Prime Minister,

I enclose a message for you from Mr. Churchill which he has asked me to give you in reply to that enclosed with your letter to me of the 25th September.

Yours sincerely,

MALCOLM MACDONALD

[PIÈCE JOINTE/ENCLOSURE]

*Le Premier ministre de Grande-Bretagne au Premier ministre
Prime Minister of Great Britain to Prime Minister*

London, September 26, 1942

MOST SECRET AND PERSONAL. If I had known that McNaughton was not keen on this mission to try to make plan, I would not have troubled you with my reasons for it.

I only learned, however, of his attitude after my last message. Pray think no more about it.

293.

DEA/41s

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

MOST SECRET

[Ottawa,] January 28, 1943

EMPLOYMENT OF CANADIAN ARMY

Decisions about the grand strategy of the war have just been taken, and the moment is appropriate for looking again at the role of the Canadian Army. The Department of External Affairs has no claim to express an opinion on the purely military aspects of war strategy. The use to which the Canadian Army is put, however, will have long-range political effects of the first importance on Canadian external relations, on which I believe that this Department has the right and duty to make its voice heard.

When I was in England in November the question came up in nearly every conversation with members of the Canadian forces and Canadian civilians. Almost without exception they expressed the gravest concern over the continued concentration in England of the Canadian Army. This concern became much more acute on the receipt of the news of the landing of United States and British forces in French North Africa. I found that there was a frequent belief among the Canadian officers with whom I talked that the policy of the Canadian Government was to hold the Canadian Army together in England until it could be used as a single formation in active operations. To the statement that the Canadian Government had repeatedly assured the United Kingdom authorities that they desired the Canadian Army to be used wherever it could be most usefully employed, either as one Army or in detachments, the answer was polite incredulity that this was sincerely meant. I mention this to show that the Canadian Government is likely to be blamed, however falsely, for keeping the Canadian Army together in England.

A good deal of anxiety was also expressed by responsible persons in England about the discipline and morale of the troops if they were retained much longer in England. A common informed opinion was that they could get through this winter all right with the aid of the new battle training but that there was real danger that efficiency and enthusiasm would begin to wane in the spring, at any rate in the case of the formations which have been longest overseas. There seems no doubt that the Army is anxious to engage in active fighting soon, that they are growing increasingly sensitive over their long retention in England, and that they are inclined to blame the Canadian Government rather than the military authorities for keeping them where they are.

What is alarming many is the possibility that the Army may be left on the

sidelines in England while the war is being won in Europe by Russian, British and United States troops. The consequences of this would be serious. Canada's prestige among the United Nations would be reduced; our own national pride would be hurt; and our influence at the peace settlement and thereafter would be gravely diminished. Inside the British Commonwealth the fighting record of the Canadian Army would be contrasted with that of the Australian, New Zealand and South African forces. Canada would become the object of taunts similar to that which Henri Quatre addressed to a tardy supporter who had arrived too late for the battle: "Go hang yourself, brave Crillon, for we fought at Arques and you were not there!"

It may well be that these fears are unfounded and that the Canadian Army will see action soon in Western Europe. That is General McNaughton's conviction. He told me on November 18th last that he was satisfied that the great battles of the war would begin in Western Europe in the late summer of 1943, that the North African operations, while important, could not be decisive and might absorb too large a portion of the Allied strength, that the German defences in Russia were immensely strong, and that he believed that the Germans could withdraw enough troops from Russia to stage soon a great new offensive, probably either an attack against the Middle East from the Balkans via Cyprus and Syria or a direct attack on England.

While it is too soon to speak with confidence, subsequent military events on the Russian front cast doubt on some of these forecasts. The Canadian Army as "the dagger pointed at Berlin" is playing a useful role in immobilizing German forces along the invasion coast, but this is no longer a glorious role. The fear of an invasion of England, which would give the Canadian Army the most important task of all, has almost vanished. There are many in the Canadian Army and outside it who have come to think that, unless the Army is used on other fronts, its service outside England may consist merely of the occupation of European territory after German resistance has been broken. On the Eastern front there is no evidence whatever that the Germans have been able to withdraw any troops for operations outside Russia. One must admit that there is a possibility, even if it be not rated a strong possibility, that the military defeat of Germany may take place around the periphery of Europe and may make unnecessary the costly and risky course of a direct invasion of the continent from England. Russian pressure on the East and Allied pressure from the South, perhaps with an invasion through Italy or the Balkans, may be the means to victory.

In any event it must be assumed that at the Casablanca conference firm decisions were taken on the form of the offensive operations during 1943 by forces under British and United States command. Reports from Washington have shown that up to the date of this meeting the United States Staff favoured a direct attack from the United Kingdom, whereas the British Staff maintained that the German power of resistance was still too great for this operation to be launched with a reasonable hope of success and that in any case the necessary concentration could not be effected for many months. The British Staff, therefore, were urging that the major offensive operation should be in the Mediterranean area. We ought soon to hear what view prevailed when the issues were

debated at Casablanca.

I have encountered, both in England and in informed British quarters in Washington, a feeling that it is now most unlikely that the British Military authorities will take the initiative in asking that Canadian detachments should be sent from England to other fronts. It is regarded as impracticable to move the Canadian Army or a complete Canadian Corps to North Africa or the Middle East, and a Division which could serve with British or United States troops in a mixed Corps seems to be the largest Canadian formation which the military authorities think could be sent at one time to those areas. I have heard it suggested that General McNaughton has, perhaps unconsciously, created a situation in which the initiative will have to be taken by Canada if the Canadian forces are to be used otherwise than as a Canadian Army. His great prestige in the United Kingdom, his desire to perfect the Canadian Army as an unequalled modern fighting force, and his natural anxiety that it should have a fine record under Canadian command may possibly have led him to discourage in his discussions with the British military authorities any suggestions for using Canadian detachments on other fronts.

The British military authorities may in any case be quite willing to keep the Canadian Army in England. They must obviously retain there a strong and efficient force, as a constant threat to the invasion coast of Europe and as an insurance against a final German gamble in the form of a direct attack on England. If they felt that this course carried the judgment of the Canadian Army Commander, their reluctance to propose the use of Canadian troops on other fronts would be fortified.

The time may now have come to repeat in a new form the offer of the use of Canadian troops on any front on which they can be usefully employed. This might be done through the despatch of a personal message from the Prime Minister to Mr. Churchill expressing concern lest the inactive role of the Canadian Army should continue through 1943 and emphasizing the readiness of the Canadian Government to agree to its employment in part or in whole in North Africa and elsewhere. At the same time General McNaughton might be informed of this decision, perhaps through the Chief of the General Staff who is now in England, and might be asked to make similar representations at the War Office. If we learn that it was decided at Casablanca to concentrate offensive action in the Mediterranean area, the case for adopting this course immediately is reinforced.

H. W[RONG]

294.

DEA/41-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 56

London, March 14, 1943

MOST SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins: At the Casablanca Conference the President and I agreed as to

the high priority to be given to the bombing of Germany. The United States Government have now requested that shipping should be made available for the ground personnel of the air units which they propose to send over here in the April-June quarter, and I am most anxious to accede to their request. It is, however, clear that owing to operational commitments elsewhere there will be a shortage of facilities in the trans-Atlantic movement to the United Kingdom during this quarter, and I fear that the only way in which we can lift these air forces is by delaying the lifting of 37,000 Canadian Army personnel. If the United States request is to be met it would be possible on present forecasts to lift before the end of June only 18,000 out of 55,000 Canadians to be lifted between April the 1st and August 15th. We will, however, make every effort to complete the balance of 37,000 early in the July-September quarter.

I know that any further delay in the build-up of your Army here would be a great disappointment to Canada and I am loth to raise the question with you in view of the promises you have received in the matter. But in view of the fact that we can make immediate use of the United States air forces to intensify our bombing effort I earnestly hope that you will see your way to agreeing to this postponement. I am causing every means to be investigated for increasing the lift during the April-June quarter and if any increase is possible it would be allotted to the Canadians.

I am sure that I can rely on your help in this difficulty, as so often in the past. Ends.

295.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 17, 1943

CANADIAN ARMY OVERSEAS; EMPLOYMENT;
 RE-ALLOTMENT OF OVERSEAS TRANSPORT

21. THE PRIME MINISTER read a telegram received from the Prime Minister of the United Kingdom, stating that the U.S. government had now requested shipping for U.S. groundcrew to make possible the increased bombing of Germany, which had been given high priority at the Casablanca conference.

Owing to operational commitments elsewhere, the American request could be granted only if the movement of Canadian Army personnel to Britain were substantially postponed. It was recognized that further delay in building up the Canadian Army overseas would be a disappointment, but it was hoped that, in the interests of the bombing effort, agreement would be given.

(Telegram 56, Dominions Office to External Affairs, Mar. 14, 1943).

22. THE MINISTER OF NATIONAL DEFENCE explained the consequences of reducing, to the extent suggested, the shipping available to Army personnel over the next few months. It would mean a serious blow to settled plans for the

completion of the Army overseas and the building up of required re-enforcements; it would mean the building up in Canada of an apparent surplus of Army personnel in the face of a serious manpower shortage in other fields; it would postpone the development of the Army for employment in an active theatre and so put an added and longer strain on the morale of the troops; it would also cause criticism that U.S. personnel were being given preference over Canadians.

23. MR. RALSTON said that the Army Commander had been consulted. After discussion with the Vice-Chief of the Imperial General Staff, General McNaughton had replied that Mr. Churchill's message was apparently the result of the considered judgment and advice of the U.K. Chiefs of Staff Committee based upon strategical considerations and that, in the circumstances, there seemed nothing for us to do but to make the best of it.

If the War Committee came to the same conclusion, at least Canadian personnel should be embarked, as agreed, in two early sailings.

(Telegram GS-570, General McNaughton to C.G.S., Mar. 16, 1943)[†].

24. THE CHIEF OF THE GENERAL STAFF said that the message from General McNaughton completely changed the basis of his report to the War Committee on March 11th, on the employment of the Canadian Army. If, during the coming summer, Canadian troops were not to be employed in offensive operations from the United Kingdom, it was of the greatest importance that at least one Canadian division should move to some active theatre; otherwise, the effect upon morale and efficiency might be serious.

25. THE WAR COMMITTEE, after further discussion, agreed that Mr. Churchill be informed that his proposal had come as a serious shock, particularly in the light of the recent report of the Chief of the General Staff as to the allotted role of the Canadian Army, that withdrawal of the allocated transport would postpone completion and re-enforcement of the Army as planned and that, in the circumstances, the early employment of Canadian troops in another active theatre required earnest re-examination; meantime, it was hoped that the projected change of transport would, in any event, not interfere with the two early ship movements for agreed Canadian Army personnel.

It was also agreed that the Canadian Army Commander be further consulted with regard to the effect of the proposed re-allocation of transport upon plans for the completion, re-enforcement and use of the Army overseas.

(Telegram 47, External Affairs to Dominions Office, Mar. 17, 1943).

...

296.

DEA/41-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 47

Ottawa, March 17, 1943

MOST SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins: Your telegram No. 56 of March 14 came as a very serious

shock to us, particularly in the light of the report we had received from the Chief of the General Staff of his recent talks with the C.I.G.S. regarding future employment of the Canadian Army. Given the task assigned to it and the probable timetable set for that task, we saw the force of the objections to the suggestion that at least part of the Canadian Forces should be employed at an early date in the North African theatre. Withdrawal of transport allocated to carry Canadian troops will postpone projected completion and reinforcement of Canadian Army and presumably entail considerable postponement of operation discussed with C.G.S. In circumstances the strong considerations, with which you are familiar, in favour of employment of Canadian troops in North Africa appear to require earnest re-examination.

We fully appreciate force of strategic considerations which require prior movement of United States ground crews required for sustained bombing of Germany. We very much hope however that projected change of transport plans will in any event not interfere with ship movements AT40 and AT41 for agreed Canadian Army allocation. Ends.

297.

DEA/41-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 60

London, March 20, 1943

MOST SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins: Very grateful for your telegram No. 47 of March 17. In the matter of AT40 and AT41 I can assure you that the sailings will proceed on the agreed Canadian Army allocation. Since my telegram of March 14th United States Government have reduced their minimum bid for ground personnel of the air units they are sending over, thus enabling us to increase the lift for Canadian Army personnel before the end of June from 18,000 to 24,000. Every effort will be made to improve on this figure. I am advised that the postponement of the balance until early in the July-September quarter will not affect the availability of the Canadian Army for whatever operations are undertaken this year.

2. For your personal information we contemplate sending only one more division to North Africa from this country. This is already committed and under special training. Plans are therefore too far advanced to permit of a Canadian division being sent in its place and no further divisions are likely to be required.

3. I fully realise and appreciate the anxiety of your fine troops to take an active part in operations and you may be sure that I am keeping this very much in mind.

298.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 31, 1943

...

EMPLOYMENT OF CANADIAN ARMY

11. THE PRIME MINISTER reaffirmed the policy of the government with regard to the employment of the Canadian Army. It had already been stated on numerous occasions to members of the U.K. government and to British military authorities. It was important that the government's position be clearly understood in the United Kingdom.

The government and the Army Command were ready and willing to have the Canadian Army employed, in whole or in part, at any time and in any theatre of operations in which it would be most effective. In this connection it was recognized that strategic decisions rested with those responsible for the higher direction of the war, in this case the British Chiefs of Staff; Canadian military authorities should have the opportunity of placing their views where the Canadian Army was affected.

12. MR. RALSTON emphasized the importance of using at least some of the Canadian troops in an active theatre, as soon as possible, from the point of view of morale and in order to provide necessary battle experience.

It had been understood that the Canadian Army was to be held in Britain for use as a unit in European operations later this year. If there had been any change in this plan and Canadian troops were not to be used even for limited operations this year, it would be a serious blow to the spirit of both the Canadian Army and the Canadian people.

13. MR. EDEN said that, when he had left England, plans had been based on the possibility of offensive operations in the late summer or early autumn. This did not mean that full-scale invasion during 1943 was a probability: A great deal depended on the developments in Russia and North Africa.

...

299.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 28, 1943

...

EMPLOYMENT OF CANADIAN ARMY OVERSEAS

25. THE MINISTER OF NATIONAL DEFENCE reported that the U.K. government had enquired, through the Army Commander, whether agreement would be

given for the participation in a certain impending operation in the Middle East of a portion of the Canadian Army, namely one infantry division, one tank brigade and ancillary units.

The Army Commander had examined the general plans of the operation, discussed them with the British Staff and had expressed himself as satisfied that they represented a practicable operation of war. The role proposed for the Canadian force was satisfactory to the Canadian officer who would have command, and to General McNaughton.

In the circumstances and, in view of the War Committee's decision of March 17th, Canadian participation as recommended by General McNaughton had been approved.

(Minutes of March 17, para. 25; National Defence telegrams[†] G.S. 906 and 907, April 23; C.G.S. 314, April 24; G.S. 914 and 915, April 25; C.G.S. 335, April 27; and G.S. 941, April 29, 1943).

26. THE WAR COMMITTEE, after discussion, noted the Minister's report and approved the action taken regarding participation in the proposed operation.

...

300.

DEA/41-As

*Le secrétaire d'Etat aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 951

Ottawa, June 5, 1943

IMPORTANT. MOST SECRET. Reference Dominions Office telegrams Nos. 56 of March 14th and No. 60 of March 20th, and our telegram to Dominions Office No. 47 of March 17th, relative to the transport of Canadian troops.

There have been repeated postponements and major reductions in shipping space allotted to us. In the past we have reluctantly accepted these in the light of assurances, which seemed satisfactory under the circumstances, that such postponements and reductions were of a temporary nature and would not therefore seriously retard the final date of completion of our programme.

Originally it was planned that the Canadian Army Overseas Programme would be completed by the end of August. Shipping was promised to enable us to achieve this goal.

However, the effect of the most recent postponement, as per QM 207[†] and CGS 610[†] between Holmes and Stuart, is that completion of programme will now probably be delayed until late September.

We reluctantly accepted this final delay, but we should be grateful if you would make it clear that we feel that the responsibilities of the Canadian Army are such that we are justified in expecting that all possible measures will be taken to ensure that this latest allocation is completely maintained.

301.

W.L.M.K./Vol. 346

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*
*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1163

Ottawa, July 7, 1943

MOST IMMEDIATE. MOST SECRET. DEFENSOR has received tonight from Canadian Joint Staff Washington text of proposed announcement to the Italian people from Commander-in-Chief of Allied Forces[†] beginning quote I transmit this message on behalf of the governments of the United States and Great Britain. The Allied Forces are occupying Italian territory unquote. Also text of *avis* for French transmission from Allied Forces Headquarters which mentions quote The Anglo-American forces unquote.

DEFENSOR is asking CANMILITRY to inquire whether the Government of Canada could not appropriately be associated in this message and *avis* if the Allied Forces concerned are composed of those from United States, Great Britain and Canada.

CANMILITRY has been advised that we are advising you with the idea that you might be of some assistance in this respect.

J. L. RALSTON
Minister of National Defence

302.

W.L.M.K./Vol. 346

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*
*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1537

London, July 8, 1943

MOST IMMEDIATE. MOST SECRET. Your telegram No. 1163 of July 7th.

Have discussed problem with United Kingdom authorities and am informed that they have telegraphed Washington to the effect that they do not think that proposed announcement to the Italian people from Commander-in-Chief, Allied forces, would serve any useful purpose and should be abandoned. They agree, however, to the proposed *avis* for French transmission. I am told that for military reasons it would not be possible to mention presence of Canadian forces at the date when the *avis* will be published.¹²³

Later it is proposed to issue statement by Churchill and Roosevelt in the draft

¹²³ Note marginale:

¹²³ Marginal note:

It was later fairly used. K[ING]

of which the following passage occurs.¹²⁴ "At this moment the combined armed forces of the United States and Great Britain under the command of General Eisenhower and his Deputy General Alexander are carrying the war deep into the territory of your country." I have expressed my view that this would not be satisfactory to Canada and have upheld that some appropriate reference in this statement should be made to a Canadian force participating. This proposal was sympathetically received and I have been promised that effort will be made to find a suitable formula. I expect to be able to telegraph you again tomorrow.

MASSEY

303.

W.L.M.K./Vol. 346

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1170

Ottawa, July 8, 1943

MOST IMMEDIATE. MOST SECRET. Your message No. 1537.

1. Wording of proposed *avis* to people of Metropolitan France, in which United Kingdom and United States Chiefs of Staff are said to have concurred, is thoroughly objectionable to Canada since it refers to landing of "Anglo-American armed forces". *Avis* should include reference to Canadian forces or else should be couched in general terms such as Allied forces or, less accurately, forces of the United Nations.¹²⁵

2. Wording of proposed announcement to Italian people by Commander-in-Chief of Allied Forces is equally objectionable in that message purports to be issued "on behalf of the Governments of the United States and Great Britain", thus by implication excluding Canada. If, for security reasons, specific reference to the Canadian Government is impossible, announcement should be made by Eisenhower in his capacity as Commander-in-Chief of the Allied Forces without reference to any individual Governments.

3. If, as seems likely in the light of the information contained in your telegram, Eisenhower does not proceed with proposed announcement to Italian people and message is to be sent to them by leaders of Governments whose forces are participating in the invasion, then the Prime Minister of Canada should be associated with Roosevelt and Churchill in the Proclamation. The text of the proposed Proclamation should be carefully vetted to see that offending phrases, such as that noted in paragraph 2 of your telegram under reference, are removed or altered. Please arrange to have text of agreed Proclamation available here for simultaneous release by Prime Minister.

¹²⁴Note marginale:

¹²⁴Marginal note:

When — had been issued July 11. K[ING]

¹²⁵Note marginale:

¹²⁵Marginal note:

too generous K[ING]

4. In your representations, please emphasize that this is the first big operation in which our forces will have participated after waiting so long, and that therefore it is of great importance that their participation should be referred to whenever possible. I cannot stress too strongly the importance of the Prime Minister being in a position to inform Canadians that their forces are at last in action.

304.

W.L.M.K./Vol. 346

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1171

Ottawa, July 8, 1943

MOST IMMEDIATE. MOST SECRET. Our telegram No. 1170 of July 8th was repeated to Washington and the Legation was asked to see that the points made in it were brought immediately to the attention of the United States Government. At the Prime Minister's request, President Roosevelt received Mr. Pearson with Mr. Harry Hopkins this evening. He was very friendly and recognized the force and reasonableness of our representations, which he thought could be met. He thought it would be much better to mention Canada and the Canadian Government specifically, rather than use the phrase of "United Nations" operations which we had suggested as a less desirable alternative to enumeration.¹²⁶

The President thought it would be very unwise to issue the proclamation to the Italian people at the moment of landing and thought it should wait for a few days until the military situation had taken shape. He was sure there would be ample time to have our point of view taken into consideration in its preparation.

305.

W.L.M.K./Vol. 346

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1549

London, July 9, 1943

MOST IMMEDIATE. MOST SECRET. Your telegram No. 1170 of July 8th.

Have just seen Deputy Prime Minister and General Ismay again. Was shown copy of telegram sent to Eisenhower from Combined Chiefs of Staff, Washington, giving him instructions regarding mention of Canada which will cover the

¹²⁶ Note marginale:¹²⁶ Marginal note:

"and take steps to see this was done" was what he said.

avis to the French people. Phrase "Anglo-American Armed Forces" in paragraph 1 your telegram under reference will therefore be changed to include Canadian forces. Supplementary telegram to this effect is being sent this afternoon from London to Algiers to make assurance doubly sure. I am told that, for military reasons, Chiefs of Staff were reluctant to disclose presence of Canadian forces at this early stage of operations, but agreed to do so because of special circumstances referred to in paragraph 4 your telegram No. 1170.

2. I have also been shown telegrams exchanged between London and Washington in which it is agreed that in passage quoted in paragraph 2 my telegram No. 1537 phrase commencing "combined armed forces" will now read "combined armed forces of the United States, Great Britain and Canada".

3. In reply to my representations I am informed that although force of argument is recognised it will not be possible to act on suggestion in first sentence paragraph 3 your telegram No. 1170 in this matter. I have been told that so to alter form of this proclamation would lead to an awkward precedent in connection with future operations where forces of several nations may be engaged. For this reason it is felt that there would be insuperable difficulties in changing what has been agreed upon in this regard between Washington and London.

MASSEY

306.

W.L.M.K./Vol. 346

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1180

Ottawa, July 9, 1943

MOST IMMEDIATE. MOST SECRET. Your messages Nos. 1549 and 1553.[†]

1. It is noted that steps have been taken to make satisfactory alteration in *avis* to French people.

2. It is also noted that alteration is being made in passage of later statement by Churchill and Roosevelt so as to refer to Combined Armed Forces of United States, Great Britain and Canada.

3. With regard to paragraph 3 of your message No. 1549, it is not clear whether this refers to the proposed Churchill-Roosevelt message mentioned in the preceding paragraph or to some other separate document described as a "Proclamation". Please inform us at once whether two messages are proposed and whether the objection referred to in paragraph 3 of your No. 1549 refers only to the "Proclamation".

The objection made in London to associating Prime Minister of Canada with the Proclamation does not impress us. On the other hand, message received today by General Staff from Montague (G.S. 1604)[†] speaks of "wording of Proclamation unlikely to be changed as printed copies in hands of assault troops".

This information does not accord with President's statement to Pearson as reported in our message No. 1171, that there would be ample time to have consideration given to our views in preparation of Proclamation to the Italian people.

Montague message to Murchie, G.S. 1604, paragraph 1 shows that it is now possible that initial communiqué will now include reference to nationality of troops involved. Please confirm immediately if possible.

You should inform U.K. authorities of President's views as expressed to Pearson with regard to Proclamation and emphasize high importance attached by the Canadian government to the change suggested in paragraph 3 of our message 1170, if at all possible.

307.

W.L.M.K./Vol. 346

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1560

London, July 10, 1943

MOST IMMEDIATE. MOST SECRET. Your telegram No. 1180, July 9th.

The answer to question in paragraph three is that document referred to as "Proclamation" is one and the same thing as "Statement" referred to in paragraph two of same telegram, in which appears phrase "combined armed forces of the United States, Great Britain and Canada".

2. Proclamation referred to in a telegram from Canmilitary G.S. 1604 to General Staff is an announcement to Italian people and to people of Sicily in form of message from Commander-in-Chief. This is entirely different from Churchill-Roosevelt statement referred to in paragraph one above. Eisenhower's message will not be broadcast or given to the press.¹²⁷

3. Initial communiqué definitely referred to participation of Canadian troops.¹²⁸

4. I am making further representations regarding association of Prime Minister with Churchill-Roosevelt proclamation and will be cabling you further on

¹²⁷ Le message fut rendu public le 21 juillet à Alger.

¹²⁸ Le premier communiqué, radiodiffusé d'Alger, employa seulement l'expression "forces alliées". La participation canadienne fut mentionnée quelques minutes plus tard cependant dans l'annonce du département de la Guerre des États-Unis. L'avis au peuple français communiqué le 10 juillet d'Alger notait aussi la participation canadienne.

¹²⁷ The message was made public on July 21 in Algiers.

¹²⁸ The earliest communiqué, broadcast from Algiers, referred only to "Allied forces". Canadian participation was mentioned a few minutes later, however, in the United States War Department's announcement. The avis to the French people issued from Algiers on July 10 also referred to Canadian participation.

this point today. Full text of this proclamation is contained in my immediately following telegram.[†]

MASSEY

308.

DEA/41-Cs

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 120

London, July 10, 1943

IMMEDIATE. MOST SECRET AND PERSONAL. Following from the Prime Minister to the Prime Minister, Begins:

1. I fear it might be resented by the other Dominions if one alone were associated with a document of this character.¹²⁹ It seems to me that if any of the Dominions are in, all should be in. Time does not permit of this. It is therefore with great regret that I am unable to agree to alter the form of the appeal, which has been concerted with much thought between the British and the United States Governments and has received the sanction of the War Cabinet.

2. I have just heard with great relief that 9,800 of the Canadian Division were ashore by 11 a.m. today. We must expect severe action in the course of the next few days when the counter-attacks begin. Ends.

309.

DEA/41-Cs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 114

Ottawa, July 13, 1943

IMMEDIATE. MOST SECRET. Following from the Prime Minister for the Prime Minister, Begins: Your telegram No. 120. I agree that in the circumstances and because of the recognition of the joint high direction of the war by the President and yourself, the proposed statement to the Italian people should be issued only by you and the President. I could not however agree that documents of this nature, even when concerted between the British and United States governments, and sanctioned by the United Kingdom War Cabinet, are not subject to alteration in order to meet the views of other governments profoundly interested in their subject matter.

In this connection I should like to draw your personal attention to a statement which appeared in press despatches from London of July 10th in the course of which it was announced that a monthly statement "approved by the President and the Prime Minister" is to be issued on the 10th of each month on the

¹²⁹ La proclamation de Churchill et de Roosevelt. Voir aussi le document 312.

¹²⁹ The Churchill-Roosevelt proclamation. See also Document 312.

progress of the war against the U-boats. In view of the part played by the Canadian Navy in this aspect of the war, and the fact that the naval war in the North-western Atlantic is being conducted under a Canadian Commander-in-Chief, the people of Canada will, I believe, expect that monthly statements of the kind would be issued in the name of the three governments most concerned in operations against U-boats, and I should be glad if you would consider having arrangements changed accordingly. We shall probably find it desirable to issue, from time to time, specially authorized statements of particular incidents in the U-boat war involving Canadian naval forces.

I wish to thank you most warmly for the messages received giving immediate particulars of the landings of our own and the other forces in Sicily, with your personal observations thereon. They have been deeply appreciated. The success of the Canadian and other troops in the initial landing has greatly cheered the Canadian people.

310.

W.L.M.K./Vol. 350

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 121

London, July 17, 1943

IMMEDIATE. MOST SECRET AND PERSONAL. Following from Prime Minister to Mr. Mackenzie King, Begins: For your eye only.

1. Your telegram No. 114. It will not, I fear, be physically possible to guarantee that any statement agreed upon between the President and myself shall be submitted to and concurred in by the four Dominions. This would, indeed, amount to paralysis of action. Every effort has been and will be made to reach the maximum effective association of us all.

2. With regard to the statement of July 10th, I will discuss with the President the proposal which you make and will advise you. It may be that we shall have to fall back on the old plan of everyone making his own statement, though this certainly led to some confusion. Naturally I shall also be vigilant in recognizing the splendid contribution of the Canadian Navy to the Battle of the Atlantic. You will be glad to hear that we have destroyed 19 U-boats so far in the first sixteen days of this month. Of these 7 have fallen to the Royal Navy and 6 to the R.A.F., total 13, so that we hope we may be conceded a certain amount of leadership in handling such matters. You are of course perfectly free to issue any special statement about any particular instance in the U-boat war involving Canadian naval forces and I know well the care you will take that the common interest does not suffer thereby.

3. I was very sorry to see that you have been vexed about the publicity given to the presence and work of the Canadian Division in the Sicilian operations. The papers here have been full of their exploits. Indeed they have been featured far more than any single one of the British divisions engaged. The form of your remarks in the Canadian House of Commons seemed rather to suggest that

Canada got better treatment from the United States authorities than from us. This was painful reading.

4. As a matter of fact we have felt somewhat at a disadvantage through the great prominence given to the United States direction and contribution. You know, I suppose, that we have far the larger share in this venture and that by formal resolution at Casablanca General Alexander was entrusted with the general planning and execution of the whole operation. He is at the present time in effective command of the Seventh and Eighth Armies which comprise the 15th Army Group. Nothing of this has been made known by us to the British public out of deference to our Allies. The main thing, however, is to win the battles and then there will be credit enough for all.

5. I have given directions to the War Office that the name of the Commander of the Canadian Division¹³⁰ is to be made public immediately. The reason this has not hitherto been done is that so far no names have been mentioned except the Commanders of armies or better. No Corps Commander, for instance, has been mentioned either by the United States or ourselves. An exception should certainly have been made in the case of your division after the long time you have had to wait on guard here before having your opportunity. I am sure you will realise how difficult it is to keep all these things straight, especially when so much else is going forward, and I know you will believe that my most earnest desire is to give the utmost satisfaction to you and to your troops on whose dramatic entry into this successful battle I offer you and your colleagues my sincere congratulations.

6. Please always, if possible, let me know if anything causes trouble as I am always most desirous of meeting your wishes and making all go well. Ends.

311.

W.L.M.K./Vol. 344

*Le Premier ministre de Grande-Bretagne au Premier ministre*¹³¹
*Prime Minister of Great Britain to Prime Minister*¹³¹

London, July 18, 1943

MOST SECRET AND PERSONAL. Following from Prime Minister for Prime Minister, Begins: Personal and Most Secret.

1. The following is for your eye alone. I have now received the full text of your statement in the Canadian House of Commons. I am to be questioned in Parliament on Tuesday about it. Obviously I cannot accept the position created. Equally obviously I wish to say what causes the least friction. I shall be very grateful to you for any suggestions you may make as to the kind of thing you

¹³⁰ Le major général G. G. Simonds.

¹³¹ Ce message fut communiqué au Premier ministre par le haut commissaire de Grande-Bretagne. Pour la déclaration dont il est question, voir Canada, Chambre des Communes, *Débats*, 1943, volume 5, pp. 4964-6.

¹³⁰ Major-General G. G. Simonds.

¹³¹ This message was delivered to the Prime Minister by the High Commissioner of Great Britain. For statement in question, see Canada, House of Commons, *Debates*, 1943, Volume 5, pp. 4825-7.

would wish me to say, and you may always be sure I shall try to meet your wishes in every way. You could if necessary telephone the suggested text en clair prefixing YZ.

312.

L.B.P./Vol. 12

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures*¹³²
au Premier ministre

*Memorandum from Assistant Under-Secretary of State for External Affairs*¹³²
to Prime Minister

[Ottawa,] July 19, 1943

Mr. Pearson informed me on the telephone this morning that he had learnt (in response to enquiries instituted by him on instructions from Ottawa) that the text of the proclamation to the Italian people had been given out by President Roosevelt at his Press Conference.¹³³ He had been in touch with both the State Department and the War Department and had been informed that neither Department was responsible for the final text issued to the press. Before pursuing enquiries at the White House with the object of finding out the reason for the omission of the agreed reference to Canadian participation in the operations in Italy¹³⁴ he felt that we should know here that the enquiry would probably have to be carried to the President himself. I told him that you would be consulted on the matter and that further instructions would be given to him.¹³⁵

¹³² H. Wrong.

¹³³ La proclamation de Churchill et de Roosevelt. La conférence de presse avait eu lieu le 16 juillet.

¹³⁴ Le texte de la proclamation fut rendu public à Ottawa ainsi qu'à Londres et à Washington. La participation canadienne fut mentionnée dans les versions d'Ottawa et de Londres, mais non dans celle de Washington.

¹³⁵ Les notes suivantes étaient écrites sur cette copie du mémorandum:

Mr. King's reaction is "no".
J. A. G[IBSON]¹³⁶ M. McK[ENZIE]¹³⁷
Pearson so advised 20-7-43.

Notation on Mr. King's copy of this name [sic] is as follows: Mr. King says no further action necessary at the moment. J. A. G[IBSON]

¹³⁶ Cabinet du Premier ministre.

¹³⁷ Chef de bureau, ministère des Affaires extérieures.

¹³³ The Churchill-Roosevelt proclamation. The press conference was held on July 16.

¹³⁴ The text of the proclamation was issued in Ottawa as well as in London and Washington. Canadian participation was mentioned in the Ottawa and London versions but not in the Washington version.

¹³⁵ The following notes were written on this copy of the memorandum:

¹³⁶ Prime Minister's Office.

¹³⁷ Chief Clerk, Department of External Affairs.

313.

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*Le secrétaire d'État aux Affaires extérieures
au haut commissaire de Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner of Great Britain*

MOST SECRET

Ottawa, July 19, 1943

My dear High Commissioner,

I enclose a message to Mr. Churchill in further acknowledgment of his letter of July 18, received from you last night.

I should be grateful if you will have it duly transmitted.

Yours sincerely,

[W. L. MACKENZIE KING]

[PIÈCE JOINTE/ENCLOSURE]

Le Premier ministre au Premier ministre de Grande-Bretagne

Prime Minister to Prime Minister of Great Britain

Ottawa, July 19, 1943

MOST SECRET AND PERSONAL. Following from Prime Minister of Canada for Prime Minister, Begins: Personal and Most Secret. The Under-Secretary of State for External Affairs and I have gone over carefully together all aspects of matter referred to in your most secret and personal communication of yesterday communicated to me last night by United Kingdom High Commissioner.

I have shown MacDonal communications received by Department of External Affairs and our National Defence Headquarters Ottawa from Washington and from Canmilitary London giving views of Troopers as well as all communications from myself and Ralston to Massey, together with his replies.

I believe MacDonal is convinced that, despite all efforts made to secure mention of participation of Canadian forces, I was placed in a position where, because of communications received from Canmilitary, London, during Friday night, July 9th,[†] I could not make any announcement as to Canadian participation without going directly contrary to views expressed by Troopers. Canmilitary was informed by Troopers on Friday, July 9th, that it was imperative, in order to avoid assisting the enemy, that no statement should be made on the participation of Canadians at the time of landing operations. The United States War Department also informed our Joint Staff Mission at Washington that word had come from Eisenhower that if the Prime Minister of Canada wished to make an announcement on participation of Canadians, he should do so only twenty-four hours after the beginning of landing operations.

As a matter of fact, if the United States War Department, shortly after midnight, had not announced over the radio that Canadian, British and United States troops had begun landing operations against Sicily, I would, for the

above reasons, not have been able to give out any statement on the participation of Canadian troops until near midnight Saturday night. It was only because of the fact that the President had definitely assured me that it would be all right for me to announce the participation of Canadians, and that an announcement by the United States War Department shortly after midnight made clear that Canadians were participating with British and American troops,¹³⁸ that I felt free to make the announcement to the Canadian people which I did, when I did. To justify myself in not heeding the representations made by Troopers to Canmil-litry, I felt it necessary to say in the House of Commons that but for assurances which came from the United States, I would not have been able to say to the Canadian people that Canadian soldiers were participating in Sicily.

In reply to your message that you would be grateful for any suggestions I might make as to the kind of thing to be said, I have already transmitted through MacDonald a suggested reply[†] to such questions as may be asked. Not knowing what questions may be asked, my only other suggestion would be that the whole matter be treated as one in which all parties were looking at the situation with the best of intentions, but from their own particular points of view; that as the approval of the authorities in North Africa had to be obtained, as well as the approval of the governments of the United States and the United Kingdom, it was extremely difficult and, indeed, as it proved, impossible to have final authority in time to permit of the Canadian, United Kingdom, and United States governments making simultaneous and identical announcements.

The fact that both the United Kingdom and the United States in their radio announcements did mention the presence of Canadian troops, also that the *avis* from Eisenhower to the people of France made mention of Canadians, makes it clear that both the United Kingdom and the United States governments had come to agree upon publicity being given to the participation of Canadians, at the commencement of landing operations.

Something might possibly be added as to three-cornered character of communications, all necessarily in cypher, crossing oceans and continents, under great pressure of time, and on the very day of the landing operations. While as between civil authorities the matter appeared to have been arranged satisfactorily, in the minds of the military authorities, there appeared to remain the necessity for extra precautions, which, unfortunately, served to cancel out the understandings between civil authorities which it was believed would permit of simultaneous announcement by all of the participation by Canadians as well as British and United States troops.

In my statement in Parliament, I was not seeking to criticize, much less to attach blame to anyone. I had, however, to make clear the grounds on which I felt justified in making any announcement. Failure of an immediate announcement of the participation of Canadians, once it was known that British and American forces had landed in Sicily, would have been fraught with the most serious consequences to the whole of Canada's war effort.

¹³⁸ Note marginale:

¹³⁸ Marginal note:

(thereby nullifying troopers' restriction) K[ING]

314.

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*Le haut commissaire de Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner of Great Britain to
Secretary of State for External Affairs*

MOST SECRET AND PERSONAL

Ottawa, July 20, 1943

Dear Prime Minister,

I have received a telegram from London, asking me to give you the enclosed message from the Prime Minister, together with the text of Mr. Churchill's statement in the House of Commons,¹³⁹ which is contained in the separate telegram enclosed herewith.[†]

Yours sincerely,

MALCOLM MACDONALD

[PIÈCE JOINTE/ENCLOSURE]

*Le Premier ministre de Grande-Bretagne au Premier ministre
Prime Minister of Great Britain to Prime Minister*

London, July 20, 1943

Thank you for your message and for your suggestions for a reply to question in Parliament here today. I entirely understand your position but I feel that the reply which you have suggested would be rather long for Parliamentary purposes here and might possibly lead to further discussion. I have, therefore, prepared a shorter draft using some of the material in your reply and am giving this in a few minutes time. Text of this is contained in immediately following telegram. I feel sure that this should dispose of the matter satisfactorily.

315.

W.L.M.K./Vol. 350

*Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary*

TELEGRAM 118

Ottawa, July 21, 1943

MOST SECRET AND PERSONAL. Following from Prime Minister for Mr. Churchill, Begins: I thank you for your message enclosing copy of your reply to question raised by Douglas in British House of Commons yesterday. I agree it is most desirable to have matter disposed of without possibility of future controversy arising in press or Parliament. I therefore appreciate reasons which governed wording of your reply.

¹³⁹ Voir Grande-Bretagne, Chambre des Communes, *Débats*, cinquième série, volume 391, colonnes 689-690.

¹³⁹ See Great Britain, House of Commons, *Debates*, Fifth series, Volume 391, columns 689-690.

In order that there should be no misunderstanding between our two governments as to the real question which was at issue, I should point out that it was not "the publicity actually given to the presence and work of the Canadian Division in the Sicilian operations" but rather the preliminary proposed arrangements for publicity and the serious situations to which these gave rise. All the draft announcements prepared for release at the moment the invasion was launched completely omitted reference to Canadian participation. But for the representations made to both the United Kingdom and the United States governments by the Canadian government, specific mention would have been made both in the *avis* to France and the proposed proclamation to Italy of the participation of British and American forces, but there would have been no mention whatever of participation of Canadian forces. We took no exception to the use of the phrase "Allied forces" in the agreed communiqué to be issued from Allied General Headquarters. There developed later the situation in which, without doing violence to military directions, which cancelled out agreements reached by civil authorities, no announcement could have been made in Canada of the participation of Canadian forces simultaneously with the announcement from Allied Headquarters in Africa that British and American forces were engaged.

Referring more particularly to paragraph three of your telegram Number 121,¹⁴⁰ it was not vexation about the publicity subsequently given to the First Canadian Division which occasioned my remarks in our House of Commons. But for the strong representations made from Ottawa to London and Washington, most, if not all, of this publicity would not have appeared. Instead, there would have been, for the first twenty-four hours, no reference at all to the Canadian forces in Sicily. My remarks were occasioned by profound concern about the effect upon the whole future of Canada's war effort if no statement to the Canadian people from their government had been possible simultaneously with the announcement that British and American troops were in action.

I thank you for letting me know in your message transmitting your reply in the House that you entirely understand my position. I shall leave you to imagine what it and the position of the Canadian government would have been today if no announcement of participation by Canadian troops had been made to the people of Canada by their own government simultaneously with the announcement that United States and United Kingdom forces had landed in Sicily.

I need scarcely add that I am very conscious of the perplexing problems which surround you at all times and how difficult, if not impossible, it is to have all these things kept straight. You know, I am sure, how particularly anxious I am, on every score, not only to avoid embarrassments to you personally and to the government of the United Kingdom, but to be of help to both as powerfully and actively as I can.

As always kindest personal regards and warmest wishes, Mackenzie King.
ENDS

¹⁴⁰ Document 310.

316.

PCO

*Extraits du procès-verbal d'une réunion du Comité de guerre du Cabinet
et du Cabinet de guerre de Grande-Bretagne*

*Extracts of Minutes of a Meeting of Cabinet War Committee
and War Cabinet of Great Britain*

SECRET

Quebec, August 11, 1943

EMPLOYMENT OF CANADIAN ARMY OVERSEAS

7. THE MINISTER OF NATIONAL DEFENCE pointed out that it had been, and continued to be, the policy of the Canadian government that the Canadian Army overseas should be employed, in whole or in part, wherever, in the judgment of those charged with the strategic direction of the war, it could make the most effective contribution.¹⁴¹

Canada did not demand an equal voice in determining the high strategy of the war, but the military advisers of the Canadian government should, in all cases, have the opportunity of passing upon operations which involved Canadian troops, reserving the right of reference to the Canadian government for final decision.

In view of the long period which most of the Canadian Army had spent in Britain, in a defensive role, and the prospect of further delay before operations would be launched from the British Isles, it was, in Mr. Ralston's own opinion,¹⁴² desirable that additional Canadian formations should be given an opportunity of participating in the Mediterranean area, possibly with the establishment of a Canadian Corps Headquarters there.

8. MR. CHURCHILL expressed his appreciation of the desirability of employing further Canadian forces in active operations at the earliest possible date. Decision in this respect, however, could not be made until the Combined Chiefs of Staff had, at their coming conference, reached definitive conclusions regarding future strategy. Thereafter, full and sympathetic consideration would be given to the questions raised by the Minister.

9. IT WAS AGREED that further consideration would be given to these matters, following the conference of the Combined Chiefs of Staff.

¹⁴¹ La note suivante était dans l'original:

¹⁴¹ The following footnote was in the original:

The Minister of National Defence wished to have added to this paragraph the following:

"At the same time we felt that in determining what was best, those responsible would want to know of any considerations which might affect that decision. In that connection the Minister, when in England, had already mentioned to Mr. Churchill that after consultation with our military advisers it seemed to us important that Canadian troops and Canadian Headquarters Staffs should if possible have the benefit of battle experience, to increase their efficiency for participation in the cross-channel operations which are contemplated eventually, and maintain the morale of the Canadian Army as a whole and of the troops overseas in particular. It would also have a beneficial effect on public morale in support of the war effort."

¹⁴² La note suivante était dans l'original:

¹⁴² The following footnote was in the original:

The Minister of National Defence indicated that he was not speaking personally, but for and as a member of the Cabinet War Committee.

SICILIAN OPERATIONS; CANADIAN PARTICIPATION; COMMUNIQUÉS

17. THE UNITED KINGDOM PRIME MINISTER referred to the difficulties experienced in including reference to Canadian participation in the early announcements of the operations.

The U.K. government had not been less anxious to meet the Canadian request than the U.S. government. It had been possible to obtain earlier agreement from Washington solely because of the greater ease and speed of communication.

Difficulties of this nature were bound to arise in connection with communiqués requiring approval of several authorities particularly where, for security reasons, they had to be issued on short notice. Further misunderstandings of this kind might be avoided if Mr. King were to communicate with him by telephone, wherever he might be.

18. THE CANADIAN PRIME MINISTER reviewed the events leading up to the issue of the initial communiqués and explained the importance, from the Canadian viewpoint, of including reference to Canadian participation. Since no assurance had been obtained from London by the preceding Thursday night (when it was thought that the landing might take place) and since the first announcement was to be made by General Eisenhower, he had then communicated direct with President Roosevelt.

ANTI-SUBMARINE WARFARE; MONTHLY STATEMENTS

19. THE CANADIAN PRIME MINISTER referred to the proposal for the issuing of regular Anglo-American statements on the progress of anti-submarine warfare.

It had been assumed that these statements would refer, in particular, to the North Atlantic, though this did not now appear to be the intention. The R.C.N. were responsible for a substantial proportion of convoying in the North Atlantic area and it appeared to the Canadian government that statements of the kind it was proposed to issue should take account of that fact.

20. THE UNITED KINGDOM PRIME MINISTER stated that the purpose of the proposal for regular release of information, which had originated with President Roosevelt, was the desire to stop confusion which resulted from frequent fragmentary statements coming from various sources.

The joint statements to be issued would deal with anti-submarine warfare in all theatres of action and he now intended to propose to the President that they contain reference to the fact that they were issued after consultation with the Canadian Department of National Defence for Naval Services.

21. IT WAS AGREED that the reference in the joint statements proposed by Mr. Churchill would meet the situation adequately.

...

317.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Quebec, August 31, 1943

EMPLOYMENT OF THE CANADIAN ARMY OVERSEAS

20. THE MINISTER OF NATIONAL DEFENCE enquired as to the prospect of employing additional Canadian forces in the Mediterranean. This question had been discussed at the joint meeting held on August 11th when he had mentioned the desirability of having a second Canadian Division and a Canadian Corps Headquarters sent to that theatre.

21. THE UNITED KINGDOM PRIME MINISTER explained this question had to be considered in relation to plans for operations against Europe. In the immediate future the U.K. government were under obligation to bring back certain forces from the Mediterranean to the British Isles. If further Canadian troops were to be sent out, additional British troops would have to be withdrawn. An exchange of this kind might well be feasible.

The question would be taken up at once with the War Cabinet and the Chiefs of Staff in London and, if possible, arrangements made accordingly. If the movement were acceptable a request would be presented to the Canadian government, through the usual channels.

22. THE WAR COMMITTEE noted Mr. Churchill's statement.

318.

DEA/41s

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne**Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1631

Ottawa, September 15, 1943

IMMEDIATE. MOST SECRET. You are requested to convey to Mr. Churchill personally the following message from the Minister of National Defence. Terms of message have been discussed by Mr. Ralston with Prime Minister following meeting of Cabinet War Committee today. Message begins:

McNaughton advises that in conversation with C.I.G.S. it appeared that now no likelihood of additional Canadian Division or Corps H.Q. being sent out on account of shipping situation. He does indicate however it is contemplated that seven divisions be returned to U.K. provided situation in Mediterranean permits.

You know our desire as expressed to you at Quebec meetings with our Cabinet War Committee that another Canadian Division and Corps H.Q. be despatched to the Mediterranean in order to gain battle experience and promote efficiency for the tasks ahead.

May we ask that further, and we strongly hope favourable, consideration be given to formulating arrangements which will make this possible. It occurs to us that shipping being used for return of troops to U.K. might be utilized on outward trip for transport of Canadians. Message Ends.

319.

DEA/41s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 143

London, September 19, 1943

IMPORTANT. MOST SECRET AND PERSONAL. Following for the Prime Minister from Prime Minister, Begins: I have done my very best to devise ways and means to meet your wishes to move a second Canadian division and Corps Headquarters to the Mediterranean but I find that this can be done only at expense of either:

- (a) The building up for OVERLORD, or
- (b) Pacific move.

2. Either alternative would involve disturbing decisions taken as recently as Quebec Conference without any military justification which was not valid when Conference took place. Even if I felt it right to press our friends in the matter I am sure they would not agree.

3. I can assure you that I will bear your wishes in mind and that if at some future date it should become possible to despatch a second division and Corps Headquarters to the Mediterranean without interfering with operations already agreed upon, we will not hesitate to do so. Ends.

320.

DEA/41s

Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs

TELEGRAM 2343

London, September 30, 1943

IMMEDIATE. MOST SECRET. I saw Mr. Churchill this morning. Although I had seen his telegram to the Prime Minister No. 143 of September 19, conveying a negative reply to Canadian Government's request, I regarded the instructions which I received in your telegram No. 1631 of September 15, as still standing having received no word to the contrary. When I asked whether the decision

might be reconsidered, Mr. Churchill said "I will have another try". He promised that I would have a communication from the Chiefs of Staff without delay, following their further consideration of the matter.

MASSEY

321.

DEA/41s

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1741

Ottawa, October 2, 1943

IMPORTANT. MOST SECRET. Your telegram No. 2343 of September 30th. Please convey to Mr. Churchill as Minister of Defence the following message from the Minister of National Defence, approved by the Prime Minister and the other members of the Cabinet War Committee, Begins:

1. The Cabinet War Committee have considered your telegram No. 143 of September 19th. We all greatly regret outcome of our representations and only hope, for the reasons conveyed to you by me in London and reiterated at the two meetings of War Committee in Quebec, that the possibilities mentioned in your paragraph 3 may develop in such a way as to make project for employment eventually possible.

2. We should be very grateful if you would let us know if it would be of assistance to you in trying to arrange the matter to have us mention the project and the reasons therefor to the United States authorities to ascertain their reaction. They have been most understanding with us in connection with matters of this kind, particularly Special Service Force and Kiska.

3. We fully realize that this does not bulk large in the overall strategy. We know you do appreciate, however, that it does affect our army generally and particularly the potential usefulness of our troops overseas, both in units and staffs. We are sure you appreciate, too, that they have carried out faithfully the allotted, but trying, tasks of defence of Britain and that we are concerned to do everything which may help to ensure that they are prepared as completely as possible for the offensive when it comes.

4. We feel that this project would be of great value for this purpose. Ends.

322.

DEA/41s

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM 154

London, October 12, 1943

MOST IMMEDIATE. MOST SECRET AND PERSONAL. Following for the Prime Minister, from the Prime Minister, Begins: Reference your telegrams September 18th

and October 4th¹⁴³ about move of Canadian division. As stated in my telegram No. 143, September 19th, we could not then see ways and means to meet your request to move a second Canadian division and Corps Headquarters to Mediterranean without disturbing quadrant¹⁴⁴ decisions. I nevertheless undertook to continue to bear your wishes in mind and I am glad to say that we now see our way to meeting them.

2. Under the quadrant decisions we are to send back three British divisions from the Mediterranean for OVERLORD. To compensate for loss of Canadian division from United Kingdom we should have to find shipping to send back a fourth British division from Mediterranean.

3. By various means and adjustments and in particular because many of our returning units are not now at full strength we can now, I think, find the shipping required to bring back a fourth British division.

4. I therefore suggest that we should exchange the personnel of Canadian Armoured Division now in United Kingdom with personnel of a British Armoured Division in Mediterranean, together with an exchange of Canadian and British non-divisional troops. A Canadian Corps would thus be formed in the Mediterranean.

5. If you agree, we plan to sail the first contingent of Canadian troops in outward convoy on October 24th, the balance would go in November and December. If possible I should be glad to know your answer during to-morrow, October 13th so that movement arrangements for First Contingent can go ahead immediately. Ends.

323.

DEA/41s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 161

Ottawa, October 12, 1943

MOST IMMEDIATE. MOST SECRET AND PERSONAL. Following for the Prime Minister from the Prime Minister, Begins:

1. The Cabinet War Committee have this evening considered your telegram No. 154 of October 12th regarding employment of further Canadian forces on the Italian front.

2. We accept the proposals for the formation of a Canadian Corps in the Mediterranean on the basis described in paragraph 4 of your telegram under reference.

¹⁴³ Les dates citées sont inexactes. Voir le document 318 et le document précédent.

¹⁴⁴ La conférence de Québec.

¹⁴³ The dates indicated are incorrect. See Document 318 and preceding document.

¹⁴⁴ The Quebec Conference.

3. I need hardly add, in this connection, how much we appreciate the consideration which you have given to the special position of the Canadian Army. Ends.

SECTION B
MARINE/NAVY

324.

DEA/7287-40

*Le haut commissaire de Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner of Great Britain to
Secretary of State for External Affairs*

IMMEDIATE. MOST SECRET AND PERSONAL

Ottawa, September 5, 1942

My dear Prime Minister,

I have been asked to convey to you the enclosed message from Mr. Churchill.

Mr. Churchill's most secret and personal telegram No. 1900 of the 27th August¹⁴⁵, to which he refers, is the message enclosed in my letter to you of the 29th August.[†]

Yours sincerely,

MALCOLM MACDONALD

[PIÈCE JOINTE/ENCLOSURE]

*Le Premier ministre de Grande-Bretagne au Premier ministre
Prime Minister of Great Britain to Prime Minister*

London, September 5, 1942

MOST SECRET AND PERSONAL. With reference to paragraph 2 of my most secret and personal telegram 1900 of 27th August, one of our chief anxieties is the lack of escorting craft. We would be grateful if you could lend us every available ship from both Canadian coasts capable of escorting, save those required to maintain strength of H X and S C convoy escorts, which are already dangerously weak. If you approve our naval advisers could arrange details including such questions as the date of return of such Canadian escort ships as you can spare.

¹⁴⁵ Ce télégramme donnait un compte rendu d'une discussion avec Staline au sujet de l'invasion de l'Afrique du Nord.

¹⁴⁵ This telegram reported on a discussion with Stalin of the invasion of North Africa.

325.

DEA/7287-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire de Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner of Great Britain*

IMMEDIATE. MOST SECRET AND PERSONAL

Ottawa, September 9, 1942

Dear Mr. MacDonald,

We have carefully considered the request for naval escort vessels contained in Mr. Churchill's telegram of which you sent me a copy with your letter of September the 5th.

We are prepared to make available a number of corvettes for this important task, on the understanding that they will be returned as soon as possible, and, in any event, not later than the beginning of April, 1943. Details will be arranged, as you suggest, between our naval advisers. The Chief of the Naval Staff is communicating tonight, on this matter, with the First Sea Lord.[†]

We are anxious that the Admiralty should understand that this decision will involve a serious risk of increased sinkings on the Canadian coasts, where the losses have recently been heavy. It will also involve the immediate closing of the St. Lawrence River to ocean-going shipping. We can spare no destroyers if we are to maintain the strength of ocean convoy escorts.

Yours sincerely,

[W. L. MACKENZIE KING]

326.

DEA/7287-40

*Le haut commissaire de Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner of Great Britain to
Secretary of State for External Affairs*

MOST SECRET AND PERSONAL

Ottawa, September 14, 1942

My dear Prime Minister,

I telegraphed without delay to London the contents of your letter of the 9th September regarding naval escort vessels, and I have now been asked to convey the following reply from Mr. Churchill to you:

"Thank you for Canada's magnificent response to our appeal for assistance with escorting craft in our special operation. The seventeen corvettes promised by the Chief of the Naval Staff, Ottawa, in his telegram to the First Sea Lord[†] will make all the difference in the strength of our escorts.

"We fully realise the added difficulties with which you will be faced in Canadian waters whilst these ships are away and we will do our best to send them back to you as quickly as possible."

Yours sincerely,

MALCOLM MACDONALD

327.

DEA/6-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 264

London, December 17, 1942

MOST SECRET AND PERSONAL. Following from the Prime Minister for the Prime Minister, Begins: I am sending you copies of my telegrams Nos. 233 and 234 (see my immediately following telegram) to the President of the United States regarding the serious position of the United Kingdom oil stocks.

2. You will have noted that the Admiralty propose that the 8 British manned escort groups should operate the trans-Atlantic convoys accepting the shorter lay-over entailed and that the 4 groups of escort vessels released as a result of opening out the trans-Atlantic cycle should comprise the 3 Canadian and 1 American groups. The Admiralty further propose that these latter should be temporarily employed together with some of the 17 Canadian corvettes you have already lent us in escorting the Torch¹⁴⁶ build-up convoys between the United Kingdom and Gibraltar in order to enable the necessary long endurance escorts to be made available for the tanker convoys.

3. A careful analysis of attacks on our trans-Atlantic convoys has clearly shown that in those cases where heavy losses have occurred lack of training of the escorts both individually and as a team has been largely responsible for these disasters.

4. I appreciate the grand contribution of the Royal Canadian Navy to the battle of the Atlantic but the expansion of the R.C.N. has created a training problem which must take some time to solve.

5. An advantage of the Admiralty proposal is therefore that until your training facilities are built up it will afford the Canadian and American groups an opportunity of using the unique training facilities available on this side of the Atlantic which their employment on the shorter voyage between the United Kingdom and Gibraltar and the longer lay-over in the United Kingdom will enable them to do.

6. I trust therefore that you will see your way to agree to these proposals since there is no question that we must put a stop to the heavy toll which U-boats are taking from our Atlantic convoys and this can only be achieved by training our escorts to the highest possible pitch of efficiency. Ends.

¹⁴⁶ Invasion de l'Afrique du Nord.

¹⁴⁶ Invasion of North Africa.

328.

DEA/6-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 265

London, December 18, 1942

MOST SECRET AND PERSONAL. My immediately preceding telegram. Following from Prime Minister for Prime Minister, Begins: Following is text of message No. 233.

1. I am most grateful for the assistance you have given us by establishing a pool of oil in New York from which our tankers can draw. Without this assistance our oil position would soon have become grave in the extreme.

Unfortunately despite this new arrangement our consumption will continue to exceed imports and it is clear that very early steps are necessary not only to check this drain but also to build up stocks which are at a dangerously low level.

2. If the present situation is allowed to persist our stocks will be reduced in the coming months to such a degree that it may be necessary to restrict the movements of our warships and oil-burning ships which would affect north Russia and Torch convoys.

3. I am advised that this serious state of affairs has arisen as a result of lengthened turn-around of tankers occasioned by extension of convoy system to Gulf of Mexico and Caribbean accentuated by unexpectedly large claims of oil supplies to Torch area which under the present arrangements can only be made from United Kingdom resources.

4. Drastic measures are obviously necessary to remedy this situation and proposals which have been worked out by the Admiralty and Ministry of War Transport are contained in my immediately following telegram.

5. One of the proposed measures is that as you have assumed responsibility for civil administration of North Africa you should also assume responsibility for the supply of petroleum products both civil and military to this area. I very much hope you will be able to agree to this though we cannot offer you any assistance in providing escorts for tankers so employed.

6. In view of urgency of preventing our position from deteriorating further I should be grateful if proposals contained in paragraph 5 above and in my immediately following telegram could be given early consideration. Message ends. End of part one. Part two follows.

329.

DEA/6-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 265

London, December 17[*sic*], 1942

MOST SECRET AND PERSONAL. Part two. Following is text of message No. 234.

With reference to my immediately preceding telegram. Following are measures proposed for arresting decline of United Kingdom oil stocks.

2. (a) To institute direct tanker convoys every twenty days between Dutch West Indies and United Kingdom, by which we should hope to improve our imports by 100,000 tons a month.

(b) To find escorts for these convoys by a further opening cycle of transatlantic convoys from 8 to 10 days, which will enable four groups of escort vessels to be released.

3. By opening transatlantic cycle to 10 days it will be possible to operate these convoys with 8 groups of escorts by accepting a shorter period of lay-over between voyages and it is proposed that 8 British manned groups should be employed on this duty. The four groups released would therefore consist of American group and three Canadian manned groups which it is proposed should be temporarily transferred to escort of Torch build-up convoys. This would enable four long endurance groups to be released which would provide three groups of increased strength for D.W.I. to United Kingdom tanker convoys. It is necessary to have groups of increased strength for these convoys as we hope to include an escort aircraft carrier in escort of these convoys.

4. Effect on our non-tanker import programme of opening transatlantic cycle is serious in view of acute shortage of shipping in early part of next year. It is estimated it will result in a loss of 30,000 tons a month using shipping we have at present available. It is hoped however when more escorts become available in the summer of 1943 that it will be possible to restore cycle to 8 days.

5. Effect of above measures on United Kingdom oil situation combined with loading of tankers from United States Navy pool at New York will, it is estimated, do little more than arrest decline of our stocks and it is therefore necessary to consider measures to build up our stock position.

Measures for improving United Kingdom stock position.

6. The only ways that can be suggested of effecting any substantial improvements in our stock position are;

(a) By direct shipment of oil from the Gulf or Dutch West Indies to the United Kingdom using fast independently sailed United States tankers. This is quickest way of building up stocks in this country.

(b) Increasing supplies of oil in New York Navy pool for on-carriage to the United Kingdom, thus enabling more tankers of convoy speed to be employed on shortest voyage from New York to the United Kingdom.

(c) To meet oil requirements, both civil and military, of Torch area by direct shipment from the United States or Dutch West Indies, preferably by fast United States tankers.

(d) The tankers referred to in (c) above to be allowed to proceed to discharge ports in the Mediterranean.

330.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, January 6, 1943

...

UNITED KINGDOM OIL STOCKS—ATLANTIC CONVOYS;
EMPLOYMENT OF CANADIAN NAVAL FORCES

18. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES referred to the Admiralty proposals regarding Atlantic convoys which had been brought to the attention of the War Committee on December the 23rd.

Commodore Mansfield, R.N., Chief of Staff to the Admiral Commanding the Western Approaches, had discussed the British proposals with U.S. and Canadian naval officials in Washington and in Ottawa. It appeared that the proposed changes in convoy arrangements, including substantial diversion of Canadian forces from the North Atlantic, offered the only solution for the serious shortage of oil in the United Kingdom and in North Africa.

19. THE CHIEF OF THE NAVAL STAFF explained the scope and purpose of the proposed re-arrangement of Atlantic convoys with particular reference to their effect upon Canadian dispositions. In the result, the majority of Canadian units would be employed on the other side of the Atlantic, namely between the United Kingdom and Gibraltar. This would permit these Canadian units to benefit by special escort duty training facilities which were to be provided in the United Kingdom.

The objections to allowing Canadian ships and personnel to pass beyond the operational control of the R.C.N., was fully appreciated. Further, it was recognized that the protection of North Atlantic trade convoys and coastal communications, rather than service in European waters, was a natural responsibility of Canada and the Canadian Navy had been developed for this purpose as a matter of policy. Nevertheless, the Admiralty's proposals should be accepted since they provided the only solution to an urgent and immediate problem.

In the circumstances, it was recommended that approval be given for acceptance of the British proposals, conditional upon return of all Canadian units to the North Atlantic, as training was completed and, in any event, after a maximum period of four months. R.N. escort vessels should also be retained on this side of the Atlantic.

(Memoranda, Chief of Naval Staff to Minister of National Defence for Naval Services, January 5, 1943).[†]

20. CAPTAIN DEWOLF¹⁴⁷, who had participated in the Washington discussions, explained that the shortage of oil in the United Kingdom could not be relieved under the present system of convoys to the United Kingdom and North

¹⁴⁷ Directeur, direction des plans, Marine royale du Canada.

¹⁴⁷ Director, Plans Division, Royal Canadian Navy.

Africa. The proposed re-organization would substantially reduce present inefficiencies.

21. THE WAR COMMITTEE, after discussion, approved acceptance of the Admiralty's proposals for re-organization of Atlantic convoys, including movement of Canadian groups to European waters, on condition of return of Canadian units not later than May, 1943, and provided R.N. escort vessels now operating in western local and western support forces be retained in their present duties.

...

331.

DEA/6-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 3

Ottawa, January 9, 1943

MOST SECRET AND PERSONAL. Reference your telegrams No. 264 of December 17th and No. 265 of December 18th, following from Prime Minister for your Prime Minister, Begins: As First Sea Lord has been advised by Chief of Naval Services, Cabinet War Committee have agreed to the temporary transfer of four Canadian groups from mid-ocean escort force to the United Kingdom-Gibraltar convoys, on the understanding

(a) that these groups will be returned to the North Atlantic Convoys as soon as they have reached a satisfactory state of efficiency and in any case not later than May, 1943.

(b) That the Royal Navy escort vessels now operating in the western local and western support forces are retained on this side.

2. It has been our policy to build up Canadian escort forces for the specific purpose of protecting North Atlantic trade convoys in addition to our coastal communications. Public interest in the Canadian Navy is centred on the part it has taken in this task, which is without question one of highest and enduring priority upon which the outcome of the war depends. We are satisfied that the Canadian Navy can serve no higher purpose than to continue to share this task, which we have come to look upon as a natural responsibility for Canada and one which geographically and strategically we are well placed to undertake.

3. It is our desire, therefore, to concentrate all Canadian escort vessels for this purpose to which end the above conditions and the early return of the seventeen corvettes loaned for Torch are necessary. Ends.

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 11, 1943

ORGANIZATION FOR ANTI-SUBMARINE WARFARE—COMMAND
 RELATIONS; U.K., U.S., AND CANADIAN FORCES¹⁴⁸

1. THE CHIEF OF THE NAVAL STAFF reported upon discussions in Washington between British, U.S., and Canadian officers.

The conference had agreed upon re-arrangement of command relations, the effect of which would be to give the United Kingdom and Canada control of convoys and escort forces in the North Atlantic. Under this arrangement Canadian Naval Headquarters would have charge of routing and diverting of convoys and operational control of escorts in the Western Atlantic; the British Admiralty in the Eastern Atlantic. Command in the Canadian area would be exercised by a "Commander-in-Chief Canadian North West Atlantic Command" who would, in addition, have general operational direction of all anti-submarine aviation within the area.

This new arrangement would put a much heavier responsibility upon the Canadian Navy. It was, however, regarded as a satisfactory solution of an important and difficult problem. The Commanding Officer Atlantic Coast would exercise the Canadian Command, and, for this purpose, was moving forthwith into a combined headquarters with the Air Staff.

(Naval Signal, Naval Member Joint Staff, Washington, to Chief of the Naval Staff, Mar. 6, 1943).[†]

2. THE CHIEF OF THE AIR STAFF described arrangements in respect of air forces. It had been agreed, in Washington, that all anti-submarine operations in a given area would be under the operational direction of the naval commander; general operational control of aircraft to be exercised by an air commander. Detailed arrangements, on this principle, were being worked out for general and regional operational control of all anti-submarine aircraft in the Canadian area.

Air cover for convoys was to be provided by the United Kingdom to the limit of aircraft range from bases in the United Kingdom and Iceland, by Canada to the limit of range from bases in Labrador, Newfoundland and Canada.

(R.C.A.F. Signal, Vice-Chief of the Air Staff, Washington, to Chief of the Air Staff, Mar. 8, 1943).[†]

3. THE WAR COMMITTEE noted, with approval, the reports of the Chiefs of the Naval and Air Staffs.

EMPLOYMENT OF CANADIAN DESTROYERS

4. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES, referring to

¹⁴⁸ Voir aussi les documents 309, 310 et 316.

¹⁴⁸ See also Documents 309, 310 and 316.

previous discussions as to employment of new tribal destroyers, reported that arrangements were being made to make available during 1943 four Canadian "tribals" for service with the British Home Fleet, and to obtain, in return, six refitted British destroyers suitable for escort work.

(Naval Signals, First Sea Lord to C.N.S., Jan. 19[†] and Feb. 23, 1943,[†] also telegram 34 Dominions Office to External Affairs, Feb. 23, 1943[†]).

5. THE WAR COMMITTEE noted, with approval, the report of the Minister.

TRANSFER OF ANTI-SUBMARINE UNITS FROM PACIFIC COAST

6. THE CHIEF OF THE NAVAL STAFF reported that the Washington discussions had given emphasis to the acute and urgent escort situation in the North Atlantic. To supplement the inadequate escort groups available for increased convoys, it was proposed to form four "support" groups. Of these the United Kingdom could supply two and the United States one. It had been suggested that Canada might be able to provide the fourth by transferring six anti-submarine vessels (Bangor minesweepers) from the Pacific, in order to release, for this purpose, six corvettes from local escort forces on the Atlantic Coast.

The vital nature of the need in the Atlantic during the present critical period would, in the opinion of the Naval Staff, justify this diversion. The risk entailed in reducing, by six, the present small force of fifteen anti-submarine units in the Pacific was minor in comparison with the danger in the Atlantic. It was, therefore, recommended that the transfer of these vessels be authorized.

(Memorandum, C.N.S., from Director of Plans, R.C.N., Mar. 10, 1943).[†]

7. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES expressed the opinion that the action recommended by the Naval Staff was urgent and imperative and should be authorized. Incidentally, the Canadian naval units employed in North African operations were now being returned.

8. THE WAR COMMITTEE, after discussion, approved the action recommended.

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333.

DEA/27-Js

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2086

Ottawa, November 17, 1943

MOST SECRET. The question was raised during the Quebec Conference by the British Admiralty of the transfer to the Royal Canadian Navy of certain ships of the Royal Navy and discussions have since been proceeding between the Naval authorities on the arrangements which might be made.

2. The Cabinet War Committee has now approved the transfer of the ownership of two cruisers, one training cruiser and two fleet destroyers on the understanding that these ships are to be acquired without cost to the Canadian Government. Provision for their operation and maintenance will be made in the

Naval estimates for 1944-45. Pending further consultation with the United Kingdom authorities the War Committee did not reach a final decision on the point whether the ships should be provided by the United Kingdom as a gift or on loan. The Government, however, would favour the acceptance of the ships as a gift.

3. It is desired that you should now formally approach the United Kingdom Government in order to place these arrangements on the basis of an intergovernmental agreement and that you should proceed from the assumption that the ships are to be transferred permanently as a gift.

334.

PCO

Extraits du procès-verbal du Comité de guerre du Cabinet

Extracts from Minutes of Cabinet War Committee

SECRET

Ottawa, December 16, 1943

NAVY; OBTAINING OF LANDING CRAFT FROM THE UNITED STATES

1. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES referred to the decisions of September 8th, 1943 with respect to providing personnel to man three flotillas of landing craft with the object of helping to meet serious manpower shortages in the Royal Navy. Canadian personnel to man two flotillas of large infantry landing craft (twenty-four L.C.I.(L.)) would be ready to participate in impending operations.

It was desirable that the craft manned by Canadian officers and ratings should become units of the Canadian Navy. At present, they were held by the Royal Navy on lease-lend from the United States and could not, therefore, be transferred to Canada. The U.S. Secretary for Navy had, however, offered to lend the necessary craft direct to Canada, on the understanding that those in commission at the end of the war would be returned. The transaction would be distinct from lend-lease procedure. It would involve no obligation to replace losses. This proposal would entail assumption by Canada of costs of maintenance and operation.

(Secretary's memorandum, Dec. 15, 1943[†]; also teletype No. EX-4853, External Affairs to Canadian Minister, Washington, Dec. 15, 1943[†] and teletype No. WA-6265, Canadian Minister, Washington to External Affairs, Dec. 16, 1943[†]).

2. THE WAR COMMITTEE, after discussion, authorized acceptance, on loan from the U.S. government, of twenty-four landing craft (L.C.I.(L.)), on the conditions described by the Minister.

NAVY; ACQUISITION OF AIRCRAFT CARRIERS

8. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES referred to the discussion of this question at the meeting of November 10th.

It was now suggested that two Kaiser-built escort carriers be obtained on loan from the U.S. government, the Canadian Navy to man, maintain and operate them as Canadian units, the U.K. Fleet Air Arm to provide aircraft and air personnel.

9. THE PRIME MINISTER said that, while he appreciated the desire of the Naval Staff to acquire carriers and round out the Navy, he remained of the opinion that the government would not, at this time, be justified in making this continuing commitment which related directly to the postwar period and future Naval policy.

10. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS observed that, as a matter of policy, the government had avoided accepting lease-lend aid from the United States. An agreement to borrow landing craft for certain specific operations in which U.S., British and Canadian forces would be engaged together was, perhaps, distinguishable from a long term loan of larger vessels which, in the public mind at least, might seem almost identical with a lease-lend relationship.

11. THE MINISTER OF NATIONAL DEFENCE FOR AIR agreed with Mr. Robertson. He had no objection to the manning and operation of carriers, but if they were to be acquired from the United States, they should be paid for.

At present, the R.C.A.F. had a surplus of aircrew which could be made available to the Navy for Naval training. Acquisition of carriers would inevitably entail, eventually, provision of flying personnel.

12. MR. MACDONALD said that the manpower involved to man the two carriers would not amount to more than 800 to 900 men. These could be supplied without over-all increase in the Navy's manpower programme, for it had been agreed with the Admiralty that the Naval shipbuilding programme in Canada should be slowed down; orders were being cancelled for all ships which would not be completed by October, 1944. This would lessen substantially the Navy's need for men.

13. THE WAR COMMITTEE, after further discussion, referred the proposal to the Ministers of National Defence for Naval Services and Finance, for further examination and report, with special reference to the method of acquisition from the United States.

335.

DEA/27-Ls

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

SECRET

Ottawa, December 18, 1943

Herewith is a note I have received from Naval Services,[†] summarizing the discussions which have been taking place regarding the possible manning by Canada of two escort aircraft carriers (C.V.E.'s). This proposal, which was considered at last week's War Committee and deferred for further examination, is quite separate from the Navy's earlier scheme for acquiring aircraft carriers as bases of operations for a Canadian fleet air arm. The present proposal is that the R.C.N. should supply personnel to man two escort aircraft carriers for convoy protection work.

The central fact in the situation appears to be that the Royal Navy is running

seriously short of men and unable to man needed ships, which are being provided by the United States. They have asked us if we can provide additional personnel. Naval Services properly prefers to have Canadian sailors manning H.M.C.S. ships rather than scattered through Royal Navy ships. In accordance with this policy, the Government has already approved the Canadian Navy taking over a certain number of cruisers and destroyers from the British Navy. This has been one method of helping to meet the United Kingdom shortage of sailors.

The case of the escort carriers differs, however, from the case of the cruisers and destroyers because the C.V.E.'s are vessels of American construction, lease-lent to the United Kingdom. If Canada undertook to operate them on loan from the United States, the transaction would seriously complicate the pattern of our financial relations with the United States, and would make it difficult for us to maintain that we were not receiving any Lease-Lend assistance. Apart from objections of a financial order to our operating the C.V.E.'s, there is the further consideration that their aircraft (which are their effective armament) would be furnished by the R.N. Fleet Air Arm, and would not be Canadian. I should think this would be an unsatisfactory working arrangement.

It seems to me that if the Government is, in principle, prepared to have Canadians man additional fighting ships, one method of carrying out such a policy, which would avoid the special difficulties in the C.V.E. suggestion, would be simply to transfer from the R.N. to the R.C.N. additional vessels of United Kingdom construction. At the same time, it might be possible to meet the specific escort aircraft carrier problem by agreeing to provide crews which would sail the C.V.E.'s from Vancouver to the United Kingdom, turning them over to the British for operation there. The crews which would ferry the C.V.E.'s over could be used to man any additional vessels which were being transferred from the R.N. to the R.C.N.

336.

DEA/27-Ks

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-4904

Ottawa, December 20, 1943

IMMEDIATE. SECRET. Following for Mahoney from Robertson, Begins: Reference your WA-6326¹. War Committee have authorized acceptance of loan from the United States Government of twenty-four landing craft ((L.C.I.(L)) for use in impending operations. It is understood that the craft will be manned by Canadian officers and ratings and commissioned as units of Canadian Navy. The transfer to Canada would be on the understanding that those in commission at the end of the war would be returned and that there would be no obligations to replace losses.

For reasons of general financial policy we attach great importance to avoidance of lend-lease procedure and with this point in mind have been considering whether it would be feasible to provide for the return of the vessels after the completion of the general operation for which they are being borrowed rather than at the close of the war. From Service point of view however latter arrangement is thought distinctly preferable. Ends.

337.

DEA/27-Js

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 3234

London, December 22, 1943

SECRET. Your telegram No. 2086, November 17th, and my telegram No. 3087, December 8th,[†] transfer of R.N. ships.

1. I have received the following communication from the Secretary of State for Dominion Affairs dated December 22nd, Begins: One of the questions discussed at the Quebec Conference was the possibility of expanding the Royal Canadian Navy by the addition of two modern cruisers and destroyers. I am happy to inform you that His Majesty's Government in the United Kingdom are now able to make available for this purpose the *Fiji* class cruisers *Minotaur* and *Superb* and the fleet destroyers *Valentine* and *Vixen*, and would be glad if His Majesty's Government in Canada would accept these vessels as a free gift. I understand that the cruisers are due for completion in September and October 1944, and the destroyers in January and February 1944, respectively. Should His Majesty's Government in Canada be willing to accept these ships as a gift, it is suggested that for security reasons any announcement which they may wish to make before the ships are in commission should not mention either their names or their completion dates. Ends.

2. Before acknowledging the receipt of this communication accepting the offer in the sense of paragraph three of your telegram under reference, I should be grateful if you would send by telegram any comments you may wish to make.

338.

DEA/27-Js

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 3254

London, December 24, 1943

SECRET. My telegram No. 3234, December 23rd. The First Lord of the Admiralty has sent me the following communication under date December 23rd, Begins: You will by now have had from the Dominions Secretary the Government's formal offer as a free gift, of two cruisers and two destroyers. The addition of these fine ships of the latest design and most modern armament and equipment and especially of the two cruisers *Minotaur* and *Superb*, is obviously a landmark in the history of the R.C.N. The R.N. have watched during this war the astonishing growth of their sister service with the greatest admiration. Now indeed we are both shouldering equal burdens in the battle of the Atlantic: and in addition to this we are indebted to you for the most effective assistance of your *Tribal* destroyers in the Home Fleet and for the very substantial aid in our

manpower difficulties which you have now begun to render. I am taking the opportunity of the present event to say how proud we are to receive such collaboration and to welcome the advent of the R.C.N. as a "big ship" navy able to take an ever greater part both now and after the war in maintaining the naval traditions of the British Commonwealth. Ends.

MASSEY

SECTION C
AVIATION/AIR FORCE

339.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 22, 1942

...

MOVEMENT OF ADDITIONAL R.C.A.F. SQUADRON TO MIDDLE EAST

15. THE MINISTER OF NATIONAL DEFENCE FOR AIR submitted a request from the Air Ministry for approval of the formation and movement to the Middle East of a Canadian bomber squadron. Approval had already been given for the movement of two squadrons to the Middle and Far East, respectively. This latest request had come forward through R.C.A.F. Overseas Headquarters. Approval was recommended. A departmental memorandum had been circulated.

(C.A.S. memorandum to the Minister, April 17, 1942—C.W.C. document 149).[†]

16. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS suggested a decision should be made as to the proper channel of communication for such requests. At present there was no settled procedure. They came forward sometimes through the Dominions Office, sometimes from the U.K. Air Ministry to R.C.A.F. Headquarters.

17. The War Committee, after some discussion, agreed that permission be given for the movement requested, but that the Air Officer in Chief, R.C.A.F. Overseas, be informed that requests of this kind should, in all cases, be made from government to government.

...

340.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 2, 1942

...

TRANSFER OF ADDITIONAL R.C.A.F. SQUADRONS TO MIDDLE EAST

25. THE MINISTER OF NATIONAL DEFENCE FOR AIR reported a request of the U.K. government that two R.C.A.F. Wellington squadrons in England be

moved to North Africa for service there under the British officer commanding.

(Telegram 247, Dominions Office to External Affairs, December 1, 1942).[†]

26. Mr. Power submitted a communication to External Affairs, prepared by the Air Staff, stating that Canadian authorities would agree with this movement if it became necessary. It pointed out, however, that this would delay plans agreed upon in May, 1942, for the establishment of a Canadian bomber group in the United Kingdom. Moreover, treatment accorded R.C.A.F. squadrons previously sent to the Middle East and Far East had not been at all satisfactory.

(Letter, Minister of National Defence for Air to the Under-Secretary of State for External Affairs, December 2, 1942).[†]

27. THE WAR COMMITTEE, after discussion, approved authorization for the movement in question and reply to the United Kingdom along the lines of Mr. Power's letter to External Affairs.

...

341.

DEA/19s

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2242

Ottawa, December 4, 1942

IMMEDIATE. MOST SECRET. Reference Dominions Office telegram No. 247 of December 1st[†] regarding possible despatch of two Canadian bombing squadrons to North Africa. We view with considerable concern the request now received to despatch 2 Canadian Wellington Squadrons from Bomber Command to the North African theatre since these Squadrons are required to form a Canadian Bomber Group in fulfillment of the plans agreed to during the Air Training Conference held at Ottawa in May this year. We fear that withdrawal of the 2 Squadrons will leave a small and relatively ineffectual Canadian Bomber Group.

We have, during the past year, arranged for the despatch of two Squadrons to the Middle East and Far East and though these squadrons were well commanded by specially selected officers and composed of well trained aircrews and ground crews, their displacement from a theatre of operations where their services were considered to be of some value to another theatre does not appear to have been to the general advantage of the common cause.

A Catalina Squadron which went to Ceylon early in the year, has been practically without aircraft for months and as far as is known at present, only has 2 serviceable aircraft which are located 3000 miles from their base. The Squadron

has undertaken very little operational flying and as a result, is unhappy and the morale of the aircrews is not good.

Similarly, a Canadian Fighter Squadron was sent to the Middle East, the first week in June, 1942, but did not receive its aircraft until the first week in September and was then supplied with aircraft rejects from the Fighting French which were so bad that they had to be replaced by other Hurricanes. This Squadron had been an efficient Spitfire Squadron in England but was assigned to Air Patrols over the Nile Delta well behind the front line. It has not been able to get into action to date although less experienced Squadrons similarly equipped have been given an opportunity to engage in active operations in the Western Desert.

We have, as you know, only last week concurred in the request to despatch No. 407 B.R. Squadron to the Middle East.

However, in accordance with the policy of the Canadian Government not to refuse any reasonable operational request you may inform United Kingdom authorities that we are prepared to authorize the move of the two Wellington Squadrons as requested in the hope that they may be called upon to render services in North Africa as useful as those which they are now performing.

342.

DEA/19s

Le secrétaire aux Dominions au haut commissaire en Grande-Bretagne
Dominions Secretary to High Commissioner in Great Britain

WG.401/1/128

London, January 7, 1943

SECRET

My dear High Commissioner,

In continuation of my letter of 30th December,[†] I have now heard from the Secretary of State for Air about the Canadian Fighter (No. 417) Squadron in the Middle East, about which you wrote in your letter of 8th December.[†]

2. The reason why this Squadron was without aircraft until the first week in September was that, after its departure from here, an urgent requirement for Spitfires arose in Malta and those intended for it had to be diverted there. We are naturally sorry that this should have affected this Canadian Squadron, but I may say that five R.A.F. Spitfire Squadrons which were sent out at the same time were also affected. Indeed, two of them are still without any aircraft and, when they get their aircraft, will no longer be fighter squadrons, while, of the remaining three, only one is mounted on Spitfires. The Hurricanes with which the Canadian Squadron was equipped were left behind by the Fighting French Squadron in the Middle East when it was transferred to this country. I understand that the use of aircraft thus made available, for the purpose of equipping a squadron which is without aircraft, is a general practice, particularly during a period of working-up on a new type. But, since then, as you say, this squadron has been equipped with newer Hurricanes.

3. As regards the duties on which the Squadron has been employed, we all

appreciate and admire the keenness of the R.C.A.F. to get and keep in the fight. I can assure you that, although the air defence of the Delta may be less exciting than offensive operations in the Western Desert, the Air Staff nevertheless regard it as a most essential operational duty, and would much regret it if the Squadron felt, while performing it, that they were not playing a useful role in the war.

4. I am, however, glad to say that the Secretary of State for Air now tells me that he has been in further communication with the Air Officer Commanding-in-Chief, Middle East, who says he can start at once to re-arm the Squadron fully with Spitfires and that he intends to transfer it to the Western Desert for operations in the near future.

5. I hope that this arrangement will be satisfactory to both the Canadian Government and the Squadron themselves.

Yours sincerely,

C. R. ATTLEE

PARTIE 6/PART 6
APPROVISIONNEMENTS DE GUERRE ET FINANCES
WAR SUPPLIES AND FINANCE

SECTION A

ARRANGEMENTS AU SEIN DU COMMONWEALTH: LE "CADEAU
D'UN BILLION DE DOLLARS" DE 1942

COMMONWEALTH ARRANGEMENTS: "THE BILLION-DOLLAR GIFT" OF 1942

343.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 15, 1941

U.K.-CANADA FINANCIAL RELATIONS—PROPOSALS FOR
REDUCTION OF ACCUMULATING STERLING BALANCES

9. THE MINISTER OF FINANCE submitted, and explained, a written proposal for the reduction of Canada's mounting accumulation of sterling.

The proposal contemplated the repatriation of British holdings of Canadian securities to an amount of 295 million dollars, the conversion of nearly the whole of Canada's present sterling holdings (728.5 million dollars) into a 700 million Canadian dollar loan to be secured by the hypothecation of remaining British held Canadian securities, and the offer, as a free gift to the United Kingdom, of all "munitions of war" which could be delivered from January the 1st 1942 to March the 31st, 1943, up to a maximum of 1,000 million dollars. Further, Canada would offer to take over, at cost, U.K. capital investment in

Canadian munitions plants (165 million dollars). Taken together, these amounts would correspond to the estimated U.K. total deficiency in Canadian dollars, to March the 31st, 1943.

Copies of the Finance Department's proposal had been circulated to members of the War Committee.

(Departmental memorandum, 3/12/41—C.W.C. document no. 41).[†]

10. THE DEPUTY MINISTER OF FINANCE, in explaining the proposal, emphasized the importance of such an arrangement in removing the grounds for American misapprehension of the nature of Canada's dealings with Great Britain. In the United States it was still being said that, while Americans were "giving" war materials under lease-lend, Canada was being paid for everything that she shipped. A generous settlement with the United Kingdom might also help Britain in negotiations for settlement with the United States under lease-lend. Further, if a Canadian settlement were made now it would prevent the criticism that we had been forced to follow the American lead.

11. THE MINISTER OF MUNITIONS AND SUPPLY agreed, emphatically, with Dr. Clark. A recent U.S. ruling under lease-lend, affecting articles of Canadian manufacture¹⁴⁹, would, unless it were modified, destroy, in large measure, the effect of the Hyde Park Agreement.

12. THE MINISTER OF NATIONAL DEFENCE FOR AIR said that he agreed, in principle, with the desirability of a large scale settlement of the sterling balance problem. In this connection, a written proposal that Canada assume full financial responsibility for the 25 additional R.C.A.F. squadrons overseas, estimated to March 31st, 1943 at 275 million dollars, and "set off" this sterling obligation against the U.K. dollar obligation for R.A.F. schools in this country, had been circulated to members of the War Committee.

(Departmental memorandum, November 24th, 1941—C.W.C. document no. 31).[†]

13. MR. POWER, in explaining this proposal, argued that there was a stronger case for assuming this additional responsibility than for taking over capital expenditures and making a free gift of munitions, for:

- (1) that Canada should pay for her own forces overseas was an established principle;
- (2) Canada might eventually wish to exercise operational control over some of these squadrons;
- (3) the present situation was capable of misrepresentation;
- (4) desirable alterations in R.A.F. schools in Canada would be facilitated;
- (5) the J.A.T.P.¹⁵⁰ agreement would continue to subsist for Canadian personnel attached to the R.A.F.

If this suggestion were accepted, it would put the 25 additional squadrons on the same basis as the original 3. Further, if the Finance Department's proposal were important from the point of view of U.S. opinion, the Air Department's

¹⁴⁹ Voir le document 1098.

¹⁴⁹ See Document 1098.

¹⁵⁰ Joint Air Training Plan.

proposal was important from the Canadian point of view.

14. MR. HOWE expressed the view that it would be desirable to have Canada take over the U.K. government's investment in munitions plants in Canada. In the post-war period, the situation would be much easier to handle, in this event, than if British ownership were to continue.

15. THE MINISTER OF FINANCE referred to the relation of the proposals under discussion to agricultural prices. The free gift was not related to food products going to Britain. When similar suggestions were earlier considered, it was proposed that advantage be taken to obtain, from the United Kingdom, higher prices for Canadian producers. No doubt it would be argued now that negotiation of the settlement proposed was an opportunity for doing this; perhaps for higher payments for wheat.

16. DR. CLARK felt that there was no reason why, in consideration of the gift proposed, higher prices for agricultural products could not be asked where such were desired. Such higher prices would, however, in turn, raise Canadian sterling balances.

17. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS suggested that the material represented by the proposed gift need not be actually earmarked as munitions, agricultural products, or other goods delivered.

18. THE MINISTER OF NATIONAL DEFENCE expressed the view that there might be a combination of the proposals submitted to permit of the assumption of the cost of the 25 squadrons and the taking over of the R.A.F. schools.

Consideration would also be required as to the means by which these proposals should be implemented, whether such action should await the calling of Parliament, or be announced beforehand.

19. The War Committee discussed, at some length, the proposals submitted by the Finance and Air Departments, it being agreed that some such general approach to the problem of sterling balances was desirable, and, that the Deputy Minister of Finance, in the light of the foregoing discussion, should prepare revised proposals for consideration at a meeting to be held the following day.

344.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 16, 1941

(At the War Committee's invitation, there then entered the meeting: The Deputy Minister of Finance (Dr. Clark), the Governor of the Bank of Canada (Mr. Towers).)

U.K.-CANADA FINANCIAL RELATIONS—PROPOSALS FOR
REDUCTION OF ACCUMULATING STERLING BALANCES

7. THE DEPUTY MINISTER OF FINANCE reviewed the course of discussion at the previous day's meeting.

A combination of the proposals of the Finance and Air Departments could be

worked out, by extending the period under consideration, from March 31st to August 31st, 1943. By the latter date, it was estimated that the U.K. deficiency in Canadian dollars would amount to some 2,870 million dollars. This figure would correspond roughly to the estimated sum of British holdings of the Canadian securities to be repatriated (295 million dollars), increased U.K. capital investment in Canadian munitions plants, (say 225 million dollars), the proposed gift of munitions of war (1,000 million dollars), an increased Canadian dollar loan, (say 1,000 million dollars) and the cost of maintaining overseas, to August the 31st, 1943, the 25 additional R.C.A.F. squadrons, (say 350 million dollars).

It would, however, be preferable to proceed with this arrangement in two stages — first, to announce the gift, the loan and the repatriation, second, at a later date, to announce the assumption of the cost of the squadrons and the taking over of the British investments in plants.

8. THE MINISTER OF MUNITIONS AND SUPPLY agreed that the taking over of U.K. investment in munitions plants might well be deferred to a later stage.

9. THE MINISTER OF NATIONAL DEFENCE FOR AIR agreed that this might also be done with regard to the maintenance of the squadrons.

10. THE MINISTER OF MINES AND RESOURCES observed that, because of the war in the Pacific, the U.K.-Canada financial problem might be intensified by heavily increased demands for Canadian foodstuffs for Britain, as a result of the necessary reduction in exports from Australia and New Zealand.

11. MR. CRERAR, speaking of the proposals in general, enquired whether they might not be regarded as unnecessarily generous. While it was true that the U.K. government's dollar assets were practically exhausted, there remained substantial British holdings elsewhere which should be considered.

12. DR. CLARK replied that it would be much better for Canada to hold a secured dollar loan, of comparatively reasonable proportions, than to continue to accumulate sterling balances, which would assume the proportions of a huge uncollectable war debt, with inevitable consequences of friction, unsatisfactory compromises, and involve the risk of losing U.K. markets. It was difficult to estimate any exact amount, but between 500 million and 1,000 million dollars would represent, perhaps, a maximum sum which would offer reasonable hope of satisfactory settlement.

13. THE GOVERNOR OF THE BANK OF CANADA pointed out that there would be no possibility of Canada obtaining the benefit of any of the non-dollar assets referred to by Mr. Crerar. The United States had canvassed this possibility very carefully and had decided against any such action in view of the post-war difficulties involved. Further, the countries in which these investments were located would certainly not permit Canada to take them over.

14. The War Committee, after further discussion, approved, in principle, arrangements with the United Kingdom for the reduction of Canada's accumulating sterling balances along the lines recommended by the Department of Finance, it being agreed that, if approved by Council and agreed to by the U.K. government, an early announcement be made by the Prime Minister, of the government's intention to invite Parliament to authorize the proposed gift of

munitions of war. At the same time it would be announced that, for existing accumulation of debt, the government intended to make a loan to the U.K. government against the pledge of British holdings of Canadian securities and to repatriate remaining Dominion and C.N.R. securities held in Britain.

It was also agreed that arrangements for the assumption by Canada of financial responsibility for the 25 R.C.A.F. squadrons and the taking over of the R.A.F. schools and for the taking over of U.K. capital investment in Canadian munitions plants, should be deferred to a later stage.

15. DR. CLARK submitted a draft statement which might be made by the Prime Minister, in this connection. It was proposed that such a statement be made both in Canada and the United Kingdom.

(See draft statement, December 16th, 1941.)[†]

(At this point, the Prime Minister entered the meeting.)

16. DR. CLARK explained the Parliamentary action which would be appropriate for giving effect to the proposals under discussion.

17. THE PRIME MINISTER suggested that it would be helpful if the announcement could be ready for inclusion in a general statement to be made before the end of the year.

18. The War Committee agreed that, in the light of the foregoing discussion, the Deputy Minister of Finance prepare a re-drafted statement, for consideration at the next meeting of the full Cabinet.¹⁵¹

...

345.

DEA/1893-40

*Le haut commissaire en Australie au secrétaire d'État
aux Affaires extérieures*

*High Commissioner in Australia to Secretary of State
for External Affairs*

TELEGRAM 202

Canberra, August 28, 1942

Australia is not conscious that billion dollar gift to United Kingdom and succeeding loans are for benefit of whole sterling area including Australia. If this were made plain there would probably be a happy reaction here, for Lease-Lend is becoming steadily more burdensome and productive of friction. Relations between Australian and American forces are deteriorating but not sufficiently to cause alarm. Attitude of Australian business and banking communities towards pronounced reversal of Lease-Lend is more serious. Canada could relieve strain by clarifying its own relations to Australia. Up to the present Australia has considered Canada standing aloof and being concerned only with United Kingdom.

¹⁵¹ Voir Canada, Chambre des Communes, *Débats*, 1942, volume 1, pp. 44-45. Voir aussi J. L. Granatstein, *Canada's War. The Politics of the Mackenzie King Government 1939-1945*. Toronto: Oxford University Press, 1975, pp.190-4.

¹⁵¹ See Canada, House of Commons, *Debates*, 1942, Volume 1, pp. 41-42. See also J. L. Granatstein, *Canada's War. The Politics of the Mackenzie King Government 1939-1945*. Toronto: Oxford University Press, 1975, pp. 190-4.

346.

DEA/1893-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie*
*Secretary of State for External Affairs
to High Commissioner in Australia*

TELEGRAM 163

Ottawa, September 11, 1942

Your telegram No. 202 of August 28th concerning billion dollar gift to United Kingdom. The action which you suggest is not considered advisable at the present time for reasons which will be explained in my following despatch.

347.

DEA/1893-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie*
*Secretary of State for External Affairs
to High Commissioner in Australia*

DESPATCH 73

Ottawa, September 11, 1942

SECRET

Sir,

I have the honour to refer to your telegram No. 202 of August 28th concerning Canada's billion dollar gift to the United Kingdom. It is unfortunate and, indeed, curious that Australians are not aware that this gift is for the purpose of meeting the deficit of the whole sterling area including Australia. Probably, however, the reason for which it does not appear as a gift to Australians is that they have to pay sterling to the United Kingdom for such share of Canada's gift as they enjoy.

I do not think that we should now attempt to "make plain" the application of the gift to Australia, unless we are prepared at the same time to insist that the donated Canadian dollars should be passed on to their ultimate users. Public statements on our part to this effect would tend to cause criticism of the United Kingdom Government in Australia. It is not desirable at the present time to suggest any change in the arrangements in view of the fact that the gift is not very far from being totally exhausted. A revision will be considered when we enter into a new programme for financing the deficit in Canada of the United Kingdom and the rest of the sterling area. The conditions of the new financial arrangements are now being given serious consideration.

I have etc.

H. H. WRONG
for the Secretary of State
for External Affairs

348.

DEA/4295-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie*

*Secretary of State for External Affairs
to High Commissioner in Australia*

TELEGRAM 175

Ottawa, October 2, 1942

Your telegram No. 219 of September 24.[†]

When L. R. Macgregor, Director General of Australian War Supplies Procurement, Washington, was in Ottawa at the beginning of this month he had a discussion with Canadian officials and after his return to Washington he sent by airmail to Mr. A. C. Moore, Australian Department of Trade and Customs, a very complete statement regarding the relative advantages to Australia of securing supplies from Canada and the United States. We have not been furnished with a copy of this statement but it is understood from what Macgregor told our officials that he has endeavoured to dispel opinion prevailing in Australia that Canada's billion dollar gift was exclusively for the United Kingdom. Since London acts as clearing center for all of the sterling area billion dollar gift was intended to apply to purchases of essential supplies by sterling area as a whole and not merely by United Kingdom. Consequently Canada has been giving assistance to sterling area countries allied in the war effort on a basis even more generous than lend-lease arrangements extended by the United States.

It is true that in order to avail themselves of Canadian dollars provided for under the billion dollar gift Australian authorities have to clear through London and this means using up sterling resources which we understand Australia is anxious to safeguard, but in view of Canada's assistance to sterling area to effect purchases of essential supplies in this country we do not consider this factor should be used as a reason for diverting from Canada the supply of those classes of goods which we are readily able to provide and of which Canada was the chief source of supply of Australian requirements before the war.

349.

DEA/4295-40

*Le haut commissaire par intérim en Australie¹⁵² au secrétaire d'État
aux Affaires extérieures*

*Acting High Commissioner in Australia¹⁵² to Secretary of State
for External Affairs*

TELEGRAM 231

Canberra, October 9, 1942

Your telegram No. 175 of October 2nd. I have been unable to see the Minister for External Affairs who has pressing Parliamentary duties this week, but I have [discussed] the matter with the head of his Department with whom I left an aide-mémoire and with the Secretary to the Treasury. There is one aspect on which further information is required to prevent any misunderstanding. Ac-

¹⁵² E. B. Rogers.

According to the last paragraph of your telegram Australia must continue the use of sterling funds in order to obtain Canadian dollars provided under the gift. This conflicts with earlier statement that the gift was to apply to the sterling area as a whole. It also conflicts, I gather, with Macgregor's understanding that financing was to be arranged by a debit against the dollars gift and *not* by charging against sterling funds of Australia.

It should be appreciated that if only effect of the gift is to make Canadian dollars readily available against sterling it will still be to Australia's advantage to obtain goods under Lend-Lease as sterling resources are limited.

Trade Commissioner, Sydney, is having discussions with the Customs Department regarding writing and printing papers.

Postscript. Australian officials have not raised the point, but I should like to know whether United Kingdom Government has been requested by the Canadian Government to share gift and if so on what basis. Trade Commissioner cabling his Department on certain other aspects.

350.

W.L.M.K./Vol. 332

*Le haut commissaire par intérim en Australie au secrétaire d'État
aux Affaires extérieures*

*Acting High Commissioner in Australia to Secretary of State
for External Affairs*

TELEGRAM 233

Canberra, October 13, 1942

IMMEDIATE. My telegram No. 231 of October 9th. I saw today the Minister of External Affairs in absence of Prime Minister regarding change in Canadian representation here. He took the opportunity to raise question of billion dollar gift and launched into a diatribe of Canada on grounds:

- (a) General Odlum came asking what Canada could do to help Australia and then Canada did nothing;¹⁵³
- (b) Canada promised him (Evatt) to send munitions, but did not send them because Australia could not pay.¹⁵⁴ China paid cash and got goods;
- (c) Canada makes gesture of offering financial assistance which turns out to be offer to sell dollars for sterling Australia has not got;
- (d) Chaining of German prisoners;¹⁵⁵
- (e) Alleged statement to press by General Odlum¹⁵⁶ suggesting danger here had lessened.

He intends to send a sharply worded reply to my aide-mémoire. It would be useful if I could avert this with an immediate clarification.

¹⁵³ Voir les documents 865 à 868.

¹⁵⁴ Voir les documents 874, 875, 877 et 878.

¹⁵⁵ Voir les documents 434 et 435.

¹⁵⁶ La déclaration faite à Ottawa le 8 octobre fut rapportée dans le *Globe and Mail* de Toronto le lendemain. Voir aussi le document 352.

¹⁵³ See Documents 865 to 868.

¹⁵⁴ See Documents 874, 875, 877 and 878.

¹⁵⁵ See Documents 434 and 435.

¹⁵⁶ The statement, made in Ottawa on October 8, was reported in the *Toronto Globe and Mail* the following day. See also Document 352.

351.

DEA/4533-40

*Le haut commissaire par intérim en Australie au secrétaire d'État
aux Affaires extérieures*

*Acting High Commissioner in Australia to Secretary of State
for External Affairs*

TELEGRAM 235

Canberra, October 14, 1942

My telegram No. 233 of October 13th. Trade Commissioner, Sydney, has received telegram from his Department^f stating "since London acts as clearing centre for all sterling area it was considered logical to confine gift to United Kingdom" and confirming that Australia will have to sell sterling to United Kingdom in exchange for dollars.

I fear that Commonwealth Government will not appreciate logic of this and will regard our message as an empty gesture which from our point of view it would have been advisable not to make at all. Moreover they will feel Macgregor was misled. We have tried to make it appear that gift applied to all sterling countries whereas in fact United Kingdom has been given dollars along with permission to sell them to other sterling countries.

This morning I found Evatt in an amiable mood. He is concerned at unsatisfactory trend that seems to be developing in relations between Canada and Australia and disappointed at apparent failure of Canada to take a practical interest in this area. He feels that he has been let down by our failure to provide certain munitions which he thought had been promised him by Howe. He mentioned that Prime Minister had held out hope of sending a complete anti-aircraft unit as a token force, but that nothing had come of it, and referred to very welcome gesture of United Kingdom sending one or two Royal Air Force squadrons.

If present interpretation of dollars gift stands, I fear it will have a very adverse effect on our relations with Australia.

Am awaiting instructions.

352.

DEA/4533-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire par intérim en Australie*

*Secretary of State for External Affairs
to Acting High Commissioner in Australia*

TELEGRAM 193

Ottawa, October 24, 1942

SECRET. 1. Your telegrams No. 233 and 235. The part of Evatt's criticism requiring extended reply is that relating to billion dollar gift. For your guidance in our view any Australian criticism on this score should be directed to the United Kingdom rather than to Canada. We do not wish, however, to start a controversy between Australia and the United Kingdom and any use you make of this should be verbal and cautious.

2. The gift was to the United Kingdom in amount sufficient to meet the Canadian dollar deficit of the whole sterling area and the United Kingdom Government was informed that such would be the case, and a statement to this effect was made by the Minister of Finance in the House of Commons.¹⁵⁷ We made no stipulation governing the conditions of settlement between the United Kingdom and other Dominion Governments short of Canadian dollars nor do we feel able at present to ask the United Kingdom Government to alter their arrangements with Australia. This is a matter for settlement between the United Kingdom and the other Dominion Governments. There is no foundation for your suggestion that Macgregor may have been misled since the position was fully explained to him by the Deputy Minister of Finance. The gift is nearing exhaustion and the financial arrangements to succeed it are now being studied.

3. For your own information we consider it inadvisable for you to inform the Australian Government that their complaint will be considered when the new financial arrangements are concluded as our consideration of the position has not yet gone far enough for us to undertake to give weight to their complaint.

4. With regard to Evatt's allegation that Canada did not fulfil a promise to him to provide munitions for Australia, I sent a personal message to him in Washington on April 28th¹⁵⁸ explaining that we would like to make a definite contribution to Australian defence over and above the flow of Canadian men and munitions into the United Nations pool but that shortage of equipment made this impossible. There is no foundation whatever for the allegation that Australia did not get these supplies because she could not pay for them or for any suggestion that China received supplies because she paid cash.

5. With regard to the question of Canadian troops going to Australia, we feel that all the United Nations should employ their forces to the best general advantage. As you know, General Odlum personally hoped it might be possible to have a Canadian force go to Australia. Odlum states that he had been careful not to give any undertaking. When Evatt was in Ottawa he seemed to agree that decisions of this type must be made by Combined Staffs.¹⁵⁹ Token forces are of political rather than of military value. The needs of our own forces are too pressing to permit detachment of a unit for service in Australia.

6. With regard to point (e) in your telegram No. 233, we do not know how Odlum's press conference was reported in Australia. He expressed confidence in defence of Australia against Japanese invasion unless Japanese moved heavy reinforcements into South West Pacific. He described present state of forces there as in balance permitting no decisive operation on either side.

7. I should deplore development of any misunderstandings between Australia and Canada. Please assure Evatt that the Canadian Government is deeply concerned with the problems confronting Australia and give him my personal good wishes and regards.

¹⁵⁷ Voir Canada, Chambre des Communes, *Débats*, 1942, volume 2, pp. 1468-76.

¹⁵⁸ Voir le document 877.

¹⁵⁹ Voir le document 872.

¹⁵⁷ See Canada, House of Commons, *Debates*, 1942, Volume 2, pp. 1416-23.

¹⁵⁸ See Document 877.

¹⁵⁹ See Document 872.

353.

DEA/4533-40

*Le haut commissaire par intérim en Australie au secrétaire d'État
aux Affaires extérieures*

*Acting High Commissioner in Australia to Secretary of State
for External Affairs*

TELEGRAM 246

Canberra, October 26, 1942

SECRET. Your telegram No. 193 of October 24th.

1. Subject to your concurrence, I propose to draw attention of Australian authorities to Finance Minister's speech of March 18th, and suggest matter of Australian participation in gift is one that might properly be taken up with United Kingdom Government. I shall add that our suggestion that Australia might have to draw on her sterling funds should have been prefaced with phrase "Failing an agreement between Australia and United Kingdom to provide otherwise". I shall then communicate substance of paragraph two of your telegram except last two sentences. I shall not put anything in writing. Do you approve?

2. I shall communicate verbally substance of paragraphs 4, 5, and 7 to Evatt.

3. General Odlum's press conference report¹ was correct but misread by Evatt. I showed him copy of press report on October 14th.

354.

DEA/4533-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire par intérim en Australie*

*Secretary of State for External Affairs
to Acting High Commissioner in Australia*

TELEGRAM 197

Ottawa, October 29, 1942

SECRET. Your telegram No. 246 of October 26th concerning conversation with Evatt.

I concur with the proposed interview and agree that nothing should be put in writing. Would emphasize that we put United Kingdom in position where she could provide Canadian dollars to balance of sterling area but we did not attempt to suggest terms on which she should do this because we were not sufficiently aware of all the relations between United Kingdom and other governments. As stated in my telegram No. 193, repeat 193, of October 24th, only cautious references can be made to any Australian claims on the United Kingdom.

The principal purpose of your discussions with Evatt should be to clear up the misunderstandings which have crept into our explanations of the character of financial aid Canada has been giving the United Kingdom and sterling area. In all the circumstances you should not press the argument developed in our telegram No. 175 of October 2 that Australia should make an effort to maintain

purchases from Canada of goods otherwise available under Lease-Lend Agreements.

355.

W.L.M.K./Vol. 332

*Le haut commissaire par intérim en Australie au secrétaire d'État
aux Affaires extérieures*

*Acting High Commissioner in Australia to Secretary of State
for External Affairs*

TELEGRAM 259

Canberra, November 5, 1942

SECRET. Your telegram No. 197 of October 29th. I saw Evatt yesterday and cleared up misunderstanding regarding financial aid. He proposes taking matter up with London.

He still feels we let him down by promising certain munitions and then withdrawing promise, but he readily accepts my assurances that finances had nothing to do with our decision.

I cannot describe his attitude towards Canada as cordial but then I am doubtful whether it is in his nature to be friendly. I feel atmosphere has cleared considerably.

SECTION B
AIDE MUTUELLE
MUTUAL AID

356.

DF/Vol. 3437

*Mémorandum du ministère des Finances
Memorandum by Department of Finance*

Ottawa, December 15, 1942

FINANCIAL ARRANGEMENTS WITH THE UNITED
KINGDOM (AND OTHER COUNTRIES)

I. THE PRESENT SITUATION

1. At present our financial relations with the United Kingdom are governed by the War Appropriation (United Kingdom Financing) Act, 1942. Apart from that provision of the Act which provided for converting the equivalent of \$700 million sterling balances accumulated by us into a non-interest bearing Canadian dollar obligation of the United Kingdom, this Act authorized two ways of meeting the Canadian dollar deficit of the sterling area:

(a) An unconditional gift to the United Kingdom of 1 billion dollars to enable the purchase of foodstuffs, raw materials and munitions of war in Canada; and

(b) Repatriation of certain Dominion direct and guaranteed securities held by British investors and estimated to amount to about \$295 million.

2. This Act was assented to on March 27, 1942, and one of its provisions had the effect of making the working of the gift retroactive to early in March. At the time of the passing of the Act we had accumulated sterling balances to £244,-641,266 (\$1,086,207,221.04). Of this total, \$76 million was the amount found to be chargeable to the gift in respect of the fiscal year ending March 31, 1942.

The total cost of the securities repatriated under section 5 of the Act has amounted to date to approximately \$292 million.

3. As at December 15, 1942, there had been paid out on account of the billion dollar gift \$968 million. We had hoped, and explained to Parliament, that this gift would last until early in the new year. It is now likely that it will be fully exhausted shortly before the end of this calendar year.

4. In administering the gift, one of our requirements is that the British Government supply to us monthly reports designed to show the purposes for which the funds received have been explained [*sic*]. However, the United Kingdom has, in addition to our advances out of the gift, other Canadian dollar receipts from its exports to Canada, its interest and dividend receipts from Canada, Canadian military expenditures in Britain, etc., and it is impossible to segregate the use of specific dollars for specific purposes. The best we can do, therefore, is to get a report showing all of the British expenditures in Canada for various purposes and make sure that our advances out of the gift do not exceed the cost of foodstuffs, raw materials, and the munitions of war which are eligible for purchase out of the gift under the terms of section 5 of the Act.

The following table prepared from the British reports shows the expenditures made by the United Kingdom in Canada for various purposes from April 1 to October 31, 1942. (October is the latest month for which a report has been received.)

(a) Foodstuffs	\$188,400,000
(b) Raw Materials	\$91,900,000
(c) Munitions of War and other expenditure by Defence Departments —	
(i) Expenditure through the United Kingdom Payments Office and the Canadian Dept. of Munitions and Supply.....	\$800,200,000
(ii) Direct expenditures of Defence Depts.	\$21,500,000
(d) Other commodities and supplies imported for the conduct of the war and the maintenance of the civil population of the U.K.	
(i) Chemicals and drugs.....	\$4,800,000
(ii) Machinery and handtools	\$1,500,000

(iii) Machine tools.....	\$800,000
(iv) Paper and cardboard.....	\$6,400,000
(v) Other.....	\$12,100,000
	\$25,700,000
(e) Other expenditure in Canada:	
(i) Transport and Communications	\$30,600,000
(ii) Non-commercial, including non-defence Government expenditure.....	\$4,500,000
(iii) Financial, including insurance, dividends and legacies.....	\$18,500,000
(iv) Other, including payments o/a the rest of the sterling area	\$104,500,000
	\$158,000,000
	<hr/>
	\$1,085,700,000

Up to October 31, 1942, the amount advanced out of the gift was \$752,500,000. It will be noted from the table that foodstuffs, raw materials, and munitions purchased through the Department of Munitions and Supply account for an expenditure of over \$880 million during the period and that in addition the United Kingdom purchased here other war materials which would be eligible for financing through our gift. It is quite clear, therefore, that our gift was used only for the specific purposes expressed in the Act.

II. THE PRESENT PROBLEM.

1. As the gift will be exhausted within two weeks, it is now necessary to work out a program which will enable the United Kingdom to meet the dollar deficit of the sterling area during the interim period prior to the passing of new legislation by Parliament, and also to formulate a long-run program to be covered by such legislation.

2. Our present estimate of the dollar deficit of the sterling area with Canada shows that this deficit is likely to reach \$365 million during the first quarter of 1942, and \$1,170 million for the fiscal year 1943-44. These estimates are subject to further revision. In particular they take into account an estimated expenditure in sterling by our Armed Forces overseas of \$620 million during the coming fiscal year, of which the estimate for the Army alone is \$564 million. These estimates of overseas Army expenditure are based on certain assumptions as to active warfare in Europe next year and may readily prove to be too high. In that case, the sterling area deficit for the next fiscal year might run up to \$1,400 or \$1,500 million.

On the minimum basis, however, the total estimated deficit from January 1, 1943, to March 31, 1944, is now estimated at \$1,535,000,000, and to this should be added another sum of perhaps \$225 million representing the accumulated liability of the United Kingdom in respect of the British Commonwealth Air Training Plan for which we have not yet received settlement.

3. What has been said above is based on the assumption that the United Kingdom will continue to be responsible for the deficit of the rest of the sterling area as well as of the United Kingdom itself. This assumption, which has been the basis of arrangements made so far, is no longer tenable. Australia has for some months been complaining bitterly that while we make an outright gift of dollars to Britain, she must pay sterling to Britain for her share of those dollars. New Zealand, more courteously, has called attention to the same situation and has pointed out that it inevitably results in pressure to divert purchases from Canada to the United States where the goods can be secured freely under the Lend-Lease Act. It is clear that if the present situation is allowed to continue, it is likely to jeopardize Canada's post-war trade with the other Dominions and other parts of the sterling area (other than the United Kingdom itself).

At the time the Act was passed, we raised the problem with the British authorities and pointed out to them that while we were not and could not be sufficiently acquainted with all the inter-relationships between the United Kingdom and other parts of the sterling area to stipulate the terms upon which the United Kingdom should make available Canadian dollars to other parts of the sterling area, nevertheless we realized that the basis upon which we were proposing to act was subject to certain criticisms and dangers and warned them that under certain circumstances we might find it necessary to make representations to them in regard to their arrangements with other parts of the sterling area. While the difficulties we foresaw arose some months ago in the case of Australia, we were aware of the great difficulties and possible embarrassments with which the United Kingdom would be confronted if we suggested a change and therefore we felt it wiser to let the present arrangements stand until the billion dollar gift was exhausted.

In formulating a new program to take care of the United Kingdom's dollar requirements during the next twelve or fifteen months, we are therefore faced with the necessity of making arrangements to enable the other Dominions to continue purchases in Canada, although they may also have a shortage of Canadian dollars.

4. There is another element in connection with the present arrangement which is open to objection. It relates to the shipment of Canadian materials and equipment to Russia. At present we are shipping certain wheat and flour to Russia on the basis of a long-term credit. We have also made a number of small sales of miscellaneous goods (webbing equipment, boots and shoes, etc.) direct to Russia against payment in United States dollars. However, the major part of the Canadian production which is going to Russia consists of tanks, nickel, aluminum, etc., which are purchased in Canada by the United Kingdom with funds advanced out of our billion dollar gift and then transferred to Russia. In the case of nickel and aluminum, Russia pays Britain 40% in gold (the rest in long-term obligations payable in sterling) and we have arranged with Britain to turn over the gold so received to Canada. In the case of war equipment, like tanks, it is believed that Britain gives them free to Russia under the Beaverbrook-Stalin agreement. In actual fact it is Canada which is making the free gift, but as the tanks go from Russia to Britain [*sic*] it seems obvious that Canada is not likely to receive even the gratitude and goodwill of Russia. Furthermore, it

seems doubtful whether this type of transaction is strictly legal under the terms of our billion dollar gift legislation — certainly it is not what was intended by Parliament.

China also has purchased a good deal of war equipment and supplies from Canada but in this case the orders are placed by the United States through War Supplies Limited and we receive United States dollars in payment. This arrangement might seem to be ideal from our point of view because not only do we get the U.S. dollars but we also seem to have been fortunate enough to be rewarded with a good deal of China's gratitude and goodwill, arising apparently because it has been so difficult for China to get equipment anywhere else on any basis at all.

Certainly the situation vis-à-vis Russia must be corrected and it seems probable that we should have arrangements of a type which would be appropriate to cover goods furnished to any of the United Nations.

5. Finally, there is the problem of our financial relations with the United States. As a result of the Hyde Park agreement¹⁶⁰ we appear to have obtained a solution of our wartime problem of a deficit in our balance of payments with the U.S. with its consequent continuing loss of gold or U.S. dollars. During the present calendar year, for instance, we expect to show a gain of about \$88 million (U.S.) as compared with a loss last year of \$142 million (U.S.). True, the further curtailment of the gold mining and newsprint industries which is now inevitable, will reduce substantially our receipts of U.S. dollars during the remaining years of the war, and a very substantial part, too large a part, of our receipts of U.S. dollars during the past year or two has been based on sales of U.S. securities by Canadians and purchases of Canadian securities by U.S. investors, processes which cannot be expected and probably should not be allowed to continue, certainly not on their recent scale. U.S. orders for war supplies in Canada must therefore be continued and perhaps increased, if we are not to slip back again into a position of chronic deficit in our relations with U.S. and continuing loss of our U.S. reserves.

However, there has been increasing evidence during the last few months that the U.S. Treasury is concerned lest we should accumulate too large a supply of U.S. dollars and is, consequently, making suggestions to the U.S. Army and Navy officials to limit their purchases of war supplies in Canada. Recently it was agreed that all orders in excess of \$1 million should be transmitted to the Treasury through the Secretary of the U.S. Section of the Joint War Production Committee, and at a meeting of the latter Committee, proposals were made which would involve the acceleration or cancellation of orders in Canada by U.S. procurement agencies, depending upon whether the Canadian dollar position appeared to be excessively drawn down or built up. It was pointed out at this meeting that the matter was one of some urgency and the Chairman of the U.S. Section of the Committee was instructed "to work out the necessary arrangements with the Secretary of the Treasury and the Chairman of the Canadian Section whereby the integration of the war production of both countries

¹⁶⁰ Voir le volume 8, document 191.

¹⁶⁰ See Volume 8, Document 191.

may be coordinated with the financial and exchange considerations underlying the Hyde Park Declaration."

It is all very well to point out that the U.S. Treasury is unduly worried and shows a failure to understand the extent to which our present fairly healthy exchange reserves are in jeopardy as a result of new factors already at work, and the extent to which they are the result of a relatively undesirable volume of capital import (i.e. foreign borrowing). The worry on the part of the Secretary of the U.S. Treasury is a fact that exists and must be taken into account. It suggests the need of a further revision of our financial arrangements with the U.S. Fortunately, the type of solution towards which the U.S. authorities are apparently groping is one which is similar to that which we have had in mind for some time.

6. To sum up, the immediate problem is to formulate a program which will enable the United Kingdom to meet its continuing purchases in Canada. This problem, however, raises inevitably the much broader problem of financing the supply of Canadian products to all the United Nations and of financing our own purchases of war supplies in the U.S. It would now appear necessary for Canada to think through the problem of its wartime financial relationships with all the other United Nations and to work out a comprehensive and integrated program that will enable Canada to make her maximum contribution to the winning of the war and at the same time secure for her the maximum post-war benefits in the form of international goodwill and international bargaining strength.

III. RECOMMENDATIONS.

A. The immediate U.K. problem.

1. It is suggested that the U.K. should agree to turn over to Canada gold or U.S. dollars (say, \$150 million) in order to tide over the immediate problem of meeting her cash deficit until new legislation can be passed by (or at least introduced in) the Canadian Parliament.

Our financial assistance to the United Kingdom has constituted a very important part of our war effort. Last year the program was brought before Parliament and passed as legislation. While it would be possible to pass an Order in Council to make a certain volume of Canadian dollars available to the U.K. (say, by purchasing the British interests in Canadian war plants), it is considered that for the two reasons already mentioned this would be unwise, particularly as there has been some criticism in Parliament and in the country of the whole program of financial aid to the U.K. There is another reason which strongly reinforces these two. The U.S. dollar balances of the U.K. have been increasing as a result of the increasing number of U.S. military personnel in Britain, and the outlook for further improvement a little later is very good. The United Kingdom is therefore in a position to use some cash to meet her deficit in Canada and, if it is ever to be used, it will be likely to stir up less unfavorable criticism against Canada from U.S. quarters if it is used during this interim period of the next weeks or so when we can give as a justification that our legislation has lapsed and Parliament will not be in session until the end of January. There is, of course, obvious advantage to Canada in obtaining some additional gold or U.S. dollars as a means of increasing our exchange reserves

both for wartime contingencies and for post-war operations. It must be realized, however, that it is subject to two objections: (1) possible criticism from U.S. quarters and possible tougher treatment by U.S. in connection with any concessions asked for by us; and (2) possible resumption of the cash on the barrel head argument, as we could no longer make unqualified claims as to our generosity in meeting the entire British deficit.

This suggestion has been discussed with Sir Frederick Phillips of the British Treasury, and the British are willing to transfer about \$150 million in gold or U.S. dollars, provided it is definitely understood that the interim period will not last too long and that some time in February Canada will take steps to provide dollars even though our legislation may not as yet have passed through Parliament. It was pointed to Sir Frederick that there would probably be several ways by which this could be done, for instance, by resuming the process of accumulating sterling balances or by buying the British plants after the program had been announced to Parliament. (It is believed that the purchase of the plants should be deferred until the Government is ready to announce its whole program, as this is likely to be the most popular part of the program and would be likely to carry other parts of it which may not command as widespread public support).

B. The long-run U.K. problem.

1. A solution for the continuing problem of meeting the U.K.'s huge deficit in her balance of payments with Canada must be found in a *combination* of several methods of providing the U.K. with Canadian dollars. Two or three of these methods will not be subject to criticism; the others are likely to be more controversial or of more doubtful expediency. The merits of the various methods will be considered in turn.

2. The *purchase of the British interest in Canadian war plants* is one of the methods of supplying Canadian dollars to Britain which is likely to command general support in Canada and to be wholly acceptable to the British Government. It will appeal to Canadians as a practical and sensible step to obtain complete Canadian ownership of all these plants, some at least of which should be of considerable value to Canada in the post-war period. It should result in substantial administrative advantages, particularly in respect of those plants which have been jointly financed by the British and Canadian Governments. It should also simplify the post-war problem of what disposition is to be made of plants built and owned by Governments — joint ownership would undoubtedly lead to delays in reaching decisions as to disposal and to possible friction between the two Governments. Taking over these plants, however, would not appear to have great advantages from a publicity point of view; neither the British nor Canadian people would regard it as a particularly generous act on the part of Canada. However, the need for such publicity is not as great as it was a year ago, and it could probably be met by some of the other parts of the program which will have to be agreed upon.

This proposal, if adopted, will, however, only solve the British problem for a matter of a couple of months. As at September 30, 1942, the British interest in Canadian war plants was only about \$287 million. Probably the value of that interest should be taken as at April 1st, rather than September 30th, because any

additions since April 1st were financed out of our gift. Another problem that will have to be considered is whether the plants should be taken over at cost or at some level of depreciated value. It seems to be the case that the prices paid for the products of the plants have not included any amortization element (except where the sales were made to War Supplies Ltd. and possibly to certain Allied Governments other than the U.K.) and, therefore, strict business considerations would lead one to buy on a depreciated basis. However, any allowance for depreciation will probably only mean that more Canadian dollars will have to be supplied to U.K. by some other method. In any case, considerable negotiation as to accounting detail will doubtless be necessary between the two Governments before a final settlement can be obtained.

Another point is whether we will wish to take over the British interest in the Aluminum Company's plants in Canada. From one point of view the argument for doing so is strong but it should be noted that it will involve the Government becoming an important creditor of the Aluminum Company.

3. The second method of supplying Canadian dollars to Britain, which is likely to command general support is *for Canada to assume full responsibility for equipping and maintaining a specified number of R.C.A.F. squadrons overseas*. It is understood that the plan is to establish 35 R.C.A.F. squadrons of which are to be fighter squadrons, bomber squadrons and army cooperation squadrons.[sic] The British Treasury has recently given us an estimate that to equip and maintain 25 squadrons would cost about \$230 million a year of which \$97 million would be for capital or initial equipment and \$133 million would be for maintenance. On this same basis and assuming a similar distribution of the various types of squadrons, it would take \$322 million to maintain and equip 35 squadrons for a full year.

This method of reducing the British deficit of Canadian dollars has a sound foundation in common sense. It would mean that we are in effect expanding our armed forces in accordance with our financial abilities to match the trained manpower we have been able to provide. It would mean that we are equipping and paying for our Air Force overseas just as we now are doing with our Army and our Navy. It would probably give us greater control over the handling and treatment of our Air Force men overseas and serve to expedite the process of "Canadianization" which has been announced as our policy. Initially it would not be likely to have much publicity effect — it might indeed come somewhat as a shock to the Canadian people and to other parts of the world that Canada has not in fact been paying for the equipment of its own Air Force squadrons in active service overseas. Ultimately, however, the publicity value might be substantial.

It would meet with the hearty approval of the British people overseas and it is difficult to see how it could be criticized in Canada, except by those who may think that Canada is assuming war financial burdens beyond her capacity or at least beyond her fair share.

There will be a problem as to the date from which we should take over financial responsibility. We might initiate the program now or at the beginning of the next fiscal year or might go back to the beginning of the current fiscal year.

By moving the date backward, we could provide additional dollars, but this would probably be open to objection not only on the score that we did not have control of such expenditures at that time but also because there would be no value to Canada in such a retroactive provision. On the whole, I would prefer to start as at April 1, 1943, unless the additional funds that would be provided by going back to April 1, 1942, would be necessary to avoid adopting some less desirable alternative.

4. A third and closely allied method of providing dollars to Britain involves the adoption of a suggestion made by the Department of National Defence for Air, namely, *the acceptance by Canada of financial responsibility for the entire amount of pay and allowances, accommodation and maintenance of Canadian pilots, aircrew and groundcrew who are serving overseas, whether or not they are attached to R.C.A.F. squadrons.* At present all we do is to supplement R.A.F. pay and allowances in such cases in order to bring them up to Canadian standards.

The Air Service strongly argues for the adoption of this proposal on the ground that it is necessary to simplify administration and to maintain the morale of the men, some of whom are said to be unfairly treated in the matter of promotions and the follow-up of pay and allowances after promotion and transfer.

It might be argued that if Canada were willing to pay and maintain her airmen even though they were serving in the R.A.F., the British would be less likely to expedite the formation of R.C.A.F. squadrons. The Air Service, however, appears to think that the argument would work the other way.

The only other objection which appears obvious relates to the magnitude, and the ever-increasing magnitude, of the burden which Canada is assuming. For the new fiscal year the total additional cost is estimated by the Air Service at about \$58 million (\$ million for and \$ million for [sic] If the war is prolonged, it may readily run to much higher proportions in view of the ever-enlarging output of the enlarged Air Training Plan.

5. Canada may also increase to a moderate extent the supply of dollars available to Britain *by increasing certain purchases in the U.K. or by assuming financial responsibility for certain activities performed for Britain in this country.*

The proposed purchase of 14 destroyers in Britain has everything to commend it — under present conditions it means that Canada in effect gets the destroyers free. There may perhaps be other opportunities for similar purchases on a modest scale, e.g. the possible purchase of an airdrome site or sites looking to the ultimate establishment of a Canadian transatlantic air service, the possible purchase of buildings to accommodate the staff of the High Commissioner and other Government officials in London, etc.

There is also something to be said for Canada assuming financial responsibility for the cost of certain functions or services performed in Canada on Britain's behalf. Perhaps the best instance is the construction and maintenance of camps for prisoners of war and internees. Today the cost is shared but probably in the light of the amounts involved a disproportionate amount of time and accounting work is involved in trying to allocate meticulously the precise shares of total cost to be borne by each Government on the basis of some more or less arbitrary

criterion. (Representations have recently been made to the Department of Finance as to whether it is fair to allot to Britain the cost of some of the new large camps which Canada has decided to build in Alberta to take the place of a large number of scattered, smaller camps in respect of which Britain had already incurred a considerable capital cost).

Such activities are not a part of Canada's own war effort and there was probably adequate reason for the initial decisions as to the sharing of expenditures. However, today it may be questioned whether it is worthwhile to continue the pretence in view of the large free gift which has already been made to Britain and the further amounts it may be necessary similarly to contribute.

(The suggestion has sometimes been made that in order to reduce Britain's dollar deficit, Canada might assume responsibility for the entire cost of the Air Training Plan. This suggestion, however, involves an entirely different category of expenditure and is not tenable. Britain's contribution to the Air Training Plan takes the form primarily of equipment and supplies obtained from the U.S. under Lend-Lease and could not be taken over by Canada without throwing an intolerable burden either on our exchange reserves (if we continued to buy the equipment and supplies in the U.S.) or upon our own manpower and other economic resources (if we attempted to produce them, or most of them, in Canada). The present arrangement throws most of the burden of the British share upon the U.S. economy, avoids an additional drain on our exchange reserves and, in so far as Lend-Lease articles can be obtained to satisfy the British obligation, involves no burden on the British economy.)

6. We might meet a part or all of the British dollar deficit by *resuming our former practice of accumulating sterling balances.*

There are fundamental objections to the accumulation, in this way, of a large debt which were fully discussed by the Minister of Finance in his speech on the billion dollar gift to Britain when the legislation was introduced in Parliament last spring.¹⁶¹ The argument against is even stronger today than it was then. It is not in Canada's long-run interest to build a huge international debt of this sort. It would create keen disappointment and disillusionment in Britain (already worrying greatly over the huge sterling balances being accumulated in London by India, Egypt and certain South American countries). It would revive the old argument that Canada was demanding "cash on the barrel head" from Britain, strengthen the hands of the opponents of Lend-Lease in the U.S., and subject us to the criticism that we were charging our Allies in full for what should be regarded as part of our contribution to the joint war effort.

As a temporary measure to get over the interim period, we might accumulate sterling balances to be cancelled when the necessary legislation is passed but it would not seem wise to use this device as an essential part of our permanent financial arrangements.

7. Another method of assisting in the solution of Britain's dollar deficit would be *to repatriate the remainder of Canadian securities held by British investors and to take over Britain's direct investments in Canada.*

¹⁶¹ Voir Canada, Chambre des Communes, *Débats*, 1942, volume 2, pp. 1468-76.

¹⁶¹ See Canada, House of Commons, *Debates*, 1942, Volume 2, pp. 1416-23.

British investors still hold a substantial volume of Canadian securities issued by provinces, municipalities and private corporations, and of direct investments in Canada. The best recent estimate we have been able to make is shown in the following table:

All Canadian marketable securities or securities publicly held	\$1,070,000,000
Direct investments, commercial, industrial companies, etc.	\$128,000,000
Net insurance company holdings of Canadian assets in Canadian accounts (additional to above)	\$26,000,000
Mortgage holdings in mortgage companies and insurance companies outside of Canadian insurers, roughly	\$100,000,000
Miscellaneous, N.R.O. Companies, etc. and real estate	\$75,000,000
	\$1,399,000,000

This estimate excludes, of course, the British Government investment in D.M.S.¹⁶² plants and the loan of \$56,000,000 to the Aluminum Company of Canada.

A breakdown by types of issue, of the securities reported in the above table, is roughly as follows:

	<i>Sterling Securities</i>	<i>Dollar Securities</i>
C.P.R.	\$299 million	\$ 36 million
Other railways	8 million	1 million
Industrial, etc.*	89 million	465 million
Provincial	35 million	15 million
Municipal	97 million	11 million
	\$528 million	\$528 million

*Includes Imperial Tobacco, \$93 million; Canadian Industries Ltd., \$62 million and International Nickel, \$62 million.

A good many people would argue that we should take back all or most of these securities and investments in exchange for munitions, foodstuffs and raw materials supplied to Britain, to purchase which she would not otherwise have a sufficient supply of Canadian dollars. They contend that it is only straight common sense for us to pay off our debts to Britain, now that we are in a position to do so. They say that U.K. would do this if she were in the same position. Some of them allege that it is important to eliminate the power and influence of British business interests in Canadian business circles. Some of them would go on to argue that present conditions give a fine opportunity for the Government to get control of the C.P.R. looking to its ultimate amalgamation with the C.N.R., and also to make a step toward the socialistic state by acquiring a substantial Gov-

¹⁶² Department of Munitions and Supply.

ernmental interest in such large and profitable, semi-monopolistic concerns as C.I.L., International Nickel and Imperial Tobacco.

Against this course of action it is argued that the provision of war supplies, foodstuffs, etc., to the U.K. is part of our fair and reasonable contribution to the joint Allied war effort and that for us to charge our Allies for them — and particularly to charge them what the traffic will bear — is to exploit our position unreasonably, and to bear less than our fair share of the real cost of the war. It is maintained that Mr. Roosevelt has taken down “the dollar sign” and that Canada should not put it up again, especially in dealing with the Mother Country. It is maintained that if we build up a reputation for hard bargaining during the war, it may cause other countries to bargain sharply with us, both during and after the war. An important objective for the post-war period, an objective in which Canada should be greatly interested, is to get nations to take a long view rather than a short-sighted one in their international financial relations. For Canada to strip the British of all their Canadian assets in the present emergency would not, it is claimed, seem likely to encourage that development.

There is also the argument regarding trade policy and Britain's post-war capacity to buy Canadian products. Britain's capacity to purchase imports will be reduced if we take away from her the income accruing as interest and dividends on Canadian securities held by British investors. Perhaps if all we expected to gain was the actual exports involved in paying interest and dividend charges, the argument would not be so important except in so far as the cessation or reduction of the flow of certain exports to Britain (e.g. wheat, lumber, bacon, cheese, etc.) would cause drastic readjustments in our economy. But the record shows that trade follows investment — that the British are more likely to buy from us if they have substantial investments here and more likely also to be generous in working out trade negotiations.

On the whole, the weight of the argument seems to be against a policy of further repatriation of Canadian securities. Any substantial move in this direction would undoubtedly create ill-will in Britain and criticism in the U.S. and probably be against Canada's long-run interests.

Repatriation of special types of securities would give rise to special problems. It would be difficult and probably unwise to attempt to sell any large blocks in the Canadian market and consequently the Dominion Government would have to hold them either directly or indirectly through a corporation. It would be unwise for the Dominion to become in this way a substantial creditor of a great many municipalities as well as of most or all of the provinces. Repatriation of C.P.R. stock would not only strike the British market as taking unfair advantage of depressed market prices but would also raise in Canada the whole question of Government ownership and amalgamation of the two railways. In Canada the criticism on grounds of both policy and price would come from both flanks.

8. We could meet the residual dollar deficit of the United Kingdom by a *further gift of a billion or more dollars along the lines of the present legislation.*

This would have the obvious advantage of merely continuing an arrangement already familiar and accepted, and also the advantage of simplicity and direct-

ness. It is also dramatic and brings goodwill and prestige for Canada not only in Britain but also in many other countries.

However, it would appear that a gift of this type would be politically less popular today than it was a year ago, particularly as Britain is no longer the centre of the military stage. On the basis of public reaction in Canada, it would seem easier to get approval of a gift to all the United Nations than a gift to Britain alone. As already pointed out also, Australia and certain other Dominions would no longer be satisfied with a gift to Britain to meet the deficit of the whole sterling area. On the other hand, it would hardly seem feasible to provide for separate gifts to each of the United Nations in order to provide each of them with just enough dollars to enable them to make their necessary purchases in Canada. As in the case of the gift to Britain, this would require a complete accounting of the balance of payments of each country with Canada, and an elaborate set-up for accounting and administrative purposes.

On the whole, it seems wiser not to follow precisely the formula which was used a year ago but rather to adopt a variation which will be considered in the succeeding section. This variation retains the essence of the old formula but converts the gift of dollars into a free contribution of certain types of war supplies representing the surplus war production of Canada which it is suggested should be pooled and allocated in accordance with strategic need.

C. The general United Nations' problem.

1. As already indicated, we must meet this year not merely the specific problem of Britain's dollar deficit but also the much wider problem of giving assistance to a whole series of nations (Australia, New Zealand, Russia, etc.) in such a way that Canada's long-run trading interests will be best protected and that Canada will gain the maximum credit for the enormous contribution she is making to the cause of all the United Nations.

2. The suggestion which is here submitted for consideration may be briefly described as follows:

(a) The Government should ask Parliament for a single war appropriation which should be calculated to cover not only the cost of our own direct military program but also the cost of the surplus war production which we would expect to contribute to any or all of the United Nations.

(b) Our production program should be based on our own estimate of the maximum we can produce, making due allowance for our own military program. (This is not intended to interfere in any way with the present practice of determining the nature of the program on the basis of orders placed with D.M.S. by the U.K., U.S., Australia, Russia, etc., but it is assumed that the basic structure of our production facilities is now pretty well "set" and that our plants will go on for the most part making the things they are now working on. If specific renewal orders are not received in specific cases, D.M.S. might nevertheless continue output if it were found that the particular product was actually needed or likely to be needed by one of the United Nations.)

(c) The first priority in regard to our output would belong to our own Armed Forces, unless it were otherwise determined by a Canadian Committee

representing D.M.S. and the Defence Departments. Current output of *finished* munitions and war equipment which was thus determined to be surplus to our own requirements should then be pooled to be allocated to any of the United Nations in accordance with the dictates of strategic needs. Canada would contribute this surplus freely except as hereafter provided.

(d) The only practicable machinery for this pooling and allocation of the Canadian surplus would be the Munitions Assignments Board, Washington. This Board, however, now consists solely of representatives of Britain and the U.S. and it would be unthinkable that Canada should allow its surplus war output to be pooled and given away, free to other countries on the basis of decisions made by a Board on which the Canadian Government had no representation. It would be necessary therefore to reopen this question with U.K. and U.S. and to insist on full Canadian representation. Much water has passed over the dam since the original discussions and the objections then raised to our request would appear to have lost much of any validity they may have had. It would seem difficult to see how either U.K. or U.S. could now refuse Canadian representation on the basis of such a program as is outlined above.

(The only alternative to the above machinery would be for Canada to set up a Munitions Assignments Board of its own. Such a Board, however, could not possibly have the basic data regarding current strategic needs which the Washington Board now possesses. If it tried to operate on its own, it would immediately give rise to frictions and resentment in Washington; imagine, for instance, the effect if the Washington Board had agreed to limit, say, the number of tanks sent to Australia because the need was greater on the Russian or African front and Canada then upset this considered decision by sending another 100 tanks to Australia. In this connection, it must be remembered that we are at the mercy of Washington, because if we were acting contrary to their views, they could stop or reduce their shipments of steel or other materials or components urgently needed for Canada's war production.)

(e) Our U.S. dollar position should be safeguarded by an arrangement with the U.S. Treasury under which they would recognize a stated amount (say, \$350 million) of U.S. exchange as the *minimum* we should have, having in mind post-war requirements, and Canada would recognise a somewhat higher amount (say, \$400 million) as the maximum which we would endeavour to accumulate. This would mean that the U.S. procurement authorities would continue to place orders in Canada through War Supplies Limited and we would make deliveries in the usual way. The U.S. would agree to buy and pay for for any such supplies ordered and delivered to the point necessary to maintain our minimum reserve. If, however, our reserves tended to exceed the agreed maximum figure, we would give the relevant supplies free, even to the U.S. This should definitely encourage U.S. authorities to place contracts in Canada.

There is evidence that Mr. Morgenthau is beginning to think along lines similar to the above, and there is every reason to believe that such an agreement could be consummated (although not necessarily at the figures mentioned above).

3. It will be noted that the arrangement suggested above has many definite advantages:

(a) It is based on the belief that Canada wishes to conduct an all-out war effort and to have that effort count most heavily and most scientifically in the winning of the war.

(b) It recognizes that all others of the United Nations are fighting Canada's battle as well as their own and "takes down the dollar sign" in our relations with them in so far as the munitions and equipment of war are concerned. In this respect, it places Canada on a plane of generosity, statesmanship and leadership indubitably as high as that which the U.S. has reached as a result of Lend-Lease legislation. It should strengthen the hands of the supporters of this policy in the U.S. and perhaps also make some contribution to promoting the type of leadership and thinking that will be required in the post-war period.

(c) It makes no distinctions and plays no favorites amongst our various Allies. It should earn the goodwill of all and should give Canada the maximum benefit in post-war trading relationships which is to be gained from such goodwill.

(d) It is flexible and maintains all the essentials of the methods and techniques which have been developed in the directing of Canada's war production.

(e) It protects the priority of Canada's own Armed Forces in respect of Canada's own war output.

(f) It includes a provision for safeguarding Canada's exchange position vis-à-vis the United States — a provision which works automatically and will not require the passing of any new legislation by the U.S. Congress.

(g) While it may at first sight appear ambitious in the eyes of the Canadian public, it is no more ambitious than the facts justify or than the program we have already been following in fact, if not in form. The fact that it will mean aid to Russia, China, Australia and New Zealand, etc. as to Britain, should call to its support many sections of the Canadian people who may not have been over-enthusiastic about the gift to Britain.

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PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 16, 1942

PAYMENT OF R.C.A.F. PERSONNEL OVERSEAS

23. THE MINISTER OF NATIONAL DEFENCE FOR AIR presented a recommendation that responsibility for payment of all R.C.A.F. personnel overseas, whether in R.C.A.F. squadrons or in the R.A.F. be undertaken by the Canadian government.

It was difficult to negotiate with the United Kingdom regarding Canadians in the R.A.F. as long as the pay remained the responsibility of the U.K. government. Moreover, under the present arrangements, Canada was not paying her fair share in the full training programme since 74% of the output of the Service

Flying Training Schools had to complete their advanced training overseas at the expense of the United Kingdom. An explanatory memorandum had been circulated.

(National Defence for Air memorandum, December 15, 1942 — C.W.C. document 364).†

24. THE MINISTER OF FINANCE pointed out that this problem was related directly to the question of general financial arrangements with the United Kingdom for the coming year. These arrangements involved a variety of complicated and delicate considerations of policy, and would constitute a major element in the war programme to be submitted to Parliament. Proposals would be submitted for consideration in the near future. Among the elements to be examined were — cash and gold payments, the acquisition of British investment in Canadian war plants, and the assumption of liability for Canadian squadrons.

25. THE WAR COMMITTEE, after discussion, agreed that the proposal submitted by Mr. Power stand over and that it be taken into consideration by the Minister of Finance in preparing and submitting proposals for general financial arrangements with the United Kingdom.

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PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 23, 1942

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FINANCIAL ARRANGEMENTS WITH THE UNITED KINGDOM

12. THE MINISTER OF FINANCE reported that the balance of the billion dollar gift to the United Kingdom was about to be exhausted. Some action, at once, was necessary to provide for immediate British requirements of Canadian funds.

It had been ascertained that, as an interim measure, the United Kingdom would be willing to pay up to 150 million dollars in cash, provided that we were willing to meet their needs beyond that amount pending the settlement of overall arrangements for the coming year. With regard to the general settlement, it was suggested that, when its terms had been agreed upon an announcement of government policy be contained in the Speech from the Throne.

The United Kingdom were anxious to ascertain the government's intentions regarding the purchase of U.K. war plants in Canada, the estimated value of which was \$250,000,000. Their early acquisition would provide a method of meeting British dollar requirements in the immediate future.

13. THE MINISTER OF NATIONAL DEFENCE FOR AIR said that Canada should not give the purchase of U.K. plants priority over the proposal for the payment by Canada of all R.C.A.F. personnel overseas. This would involve only some 58 million dollars over the next year. This amount could, however, easily be increased by commencing payment at an earlier date and adding the earlier scheme for maintenance of Canadian squadrons.

14. THE DEPUTY MINISTER OF FINANCE said that purchase of the plants had

been suggested since it offered the quickest and easiest method of supplying the United Kingdom with a satisfactory sum of Canadian dollars, to cover the period before parliament reassembled.

15. MR. ILSLEY estimated that, after allowing for the sterling needs of Canadian forces, payment by the United Kingdom of 150 million dollars cash, the purchase of U.K. plants, and the proposals of Mr. Power regarding R.C.A.F. squadrons and personnel, the United Kingdom would still be confronted with a shortage of between 600 and 700 million dollars.

To cover this deficiency, production might, in some way, be allocated to the United Nations on a gratuitous basis. If this were done, supplies would, in the main, go to Great Britain, but some would probably move to Australia, New Zealand, the U.S.S.R. and other Allies.

It might be desirable to undertake further repatriation of Canadian corporate securities held in the United Kingdom which totalled almost a billion and a half. Such a course would be open to several objections. On the other hand we did not even demand an option on these securities, and to take no action in this respect would subject the government to severe criticism.

16. THE MINISTER OF NATIONAL DEFENCE suggested that if Canada could produce surplus munitions to the extent indicated, as a gift for the United Nations, it might be desirable to reconsider the production programme and the wisdom of scaling it down with a view to releasing more men for the Armed Services.

17. THE WAR COMMITTEE, after further discussion, agreed:

(a) that the question of general financial arrangements with the United Kingdom for the coming year be referred to a sub-committee, composed of the Ministers of Finance, National Defence, Munitions and Supply and Justice, for report and recommendation; and,

(b) that upon payment by the United Kingdom of 150 million dollars cash to meet immediate needs, an assurance be given that Canada, by accumulation of sterling or by other means, would meet requirements of Canadian dollars for any subsequent intervening period pending settlement of the terms of general financial arrangements with the U.K. government for the coming year and consequent announcement of government policy.

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Rapport d'un sous-comité du Cabinet
Report by Cabinet Subcommittee

Ottawa, January 13, 1943

FINANCIAL ARRANGEMENTS WITH THE UNITED KINGDOM
AND OTHER UNITED NATIONS

The Cabinet Sub-Committee appointed to consider the formulation of a program to enable the United Kingdom and other United Nations to make necessary purchases in Canada, held three meetings, gave consideration to various alternative proposals, and now wishes to report as follows:

1. The main problem is, of course, to meet the Canadian dollar deficit of the U.K. itself. Pending the introduction of the new program in Parliament, the U.K. has agreed to pay us \$150 million in gold or U.S. dollar balances. This should cover her needs only until the end of this month or possibly the first week in February. We must therefore find ways and means of making dollars available to U.K. to finance her deficit during February and March of this fiscal year and also her deficit during the new fiscal year beginning April 1st.

2. The Sub-Committee believes that it is not in Canada's best interest to make its contributions to other Nations in exactly the same form as was used last year. Under last year's Act, our gift was a gift to the U.K. but it was for the purpose of meeting the Canadian dollar deficit of *the whole sterling area*. This meant that we made dollars available to the U.K. which were later sold in part for sterling to Australia, New Zealand and other British Dominions. Furthermore, Canadian tanks were sent to the U.K. which were later given to Russia by the U.K. Under such an arrangement Canada receives no credit or goodwill from the ultimate recipients of our war materials and our postwar trading interests may be adversely affected by the tendency for such countries to switch their purchases from Canada to the United States because of the attractions of Lend-Lease. The Sub-Committee therefore recommends that any gift of surplus war production made by Canada should be made as a gift to all United Nations and not merely to the U.K.

3. For the fiscal year 1943-44 the sterling area's deficit with Canada is now estimated at \$1170 million. The deficit for the first quarter of 1943 was originally estimated at \$365 million. However, in view of the cash now being transferred by the U.K., we may assume that the deficit to be met during the remainder of this fiscal year will run from \$200 million to \$225 million. The estimate given for the new fiscal year is after taking into account the Army's own estimate of its sterling expenditures in the U.K., which estimate seems to be very high. If it proves to be too high, the deficit of course will be correspondingly larger. There is the further point that the deficit shown is the deficit only of the sterling area and takes no account of the fact that under the new program we may wish to make certain contributions of war materials directly to certain other United Nations, such as Russia and China. It seems, therefore, to be safer to assume that the problem which may have to be met in the fiscal year 1943-44 may be of the order of, say, \$1300 million.

4. To reduce materially the deficit of the U.K., which after all constitutes the major part of the problem, the Sub-Committee recommends that the following steps should be taken:

(a) Canada should undertake to purchase Britain's interest in Canadian war plants, on the basis of the original cost of those plants not of their depreciated value. The Department of Munitions and Supply estimates that as at September 30, 1942, this British investment was about \$200 million. This estimate excludes British loans to the Aluminum Company amounting to approximately \$55 million which probably should be excluded as not representing an equity interest in the Aluminum Company's property. Perhaps, also, the British investment should be taken as at April 1, 1942, because any additions since April 1st were probably financed out of the billion dollar gift.

(b) Canada should assume as from April 1, 1943, responsibility for equipping and maintaining the 35 R.C.A.F. Squadrons now forming or to be formed in the U.K. (in addition to the 3 Squadrons for which we have already assumed responsibility). The annual cost is estimated at \$71 million for capital and \$216 million for maintenance, or a total of \$287 million. In addition, the R.C.A.F. now point out that there are certain miscellaneous establishments (chiefly heavy bomber conversion units and personnel reception centres) established or to be established in U.K., which would have to be taken into account. These involve a capital cost of \$22 million and an annual maintenance cost of \$38 million, or a total cost of \$60 million. This would mean a grand total annual cost for these R.C.A.F. Squadrons and miscellaneous establishments of \$347 million.

(c) Canada should accept responsibility, as from April 1, 1943, for the pay and allowances, clothing and other personal necessities of all Canadian pilots and other air crew now serving in the R.A.F. According to R.C.A.F. estimates and after eliminating duplications because of the taking over of the 35 R.C.A.F. Squadrons, this would make additional Canadian dollars available to the U.K. amounting to about \$35 million in the fiscal year 1943-44. The Air Force had recommended that this responsibility should be accepted as from January 1, 1943. It is understood, however, that they could not make the necessary arrangements for making payments until about April; consequently there seems to be no point in making the change-over until April 1, 1943. The Air Force had also recommended that in addition to taking over responsibility for pay, allowances, clothing and other personal necessities, we should also assume financial responsibility for capitation charges for barrack accommodation and services, fuel and light, medical services and rations, etc. (estimated to cost about \$15 million annually). It does not seem necessary to go this far to attain the real objective which the Air Force is seeking, and to eliminate this factor would also seem to involve a good deal of saving in detailed accounting work as well as in bargaining over details. However, if it is desired to accept the R.C.A.F. recommendations in toto, they would involve an annual cost of about \$45 million (\$58 million minus \$13 million duplications) and a cost for this first quarter of 1943 of about \$11 million.

(d) Canada might well adopt a somewhat more generous attitude in agreeing upon an allocation, as between U.K. and Canada, of the cost of certain minor activities carried on in Canada for British or British and Canadian account. For instance, she might accept the capital cost of camps built in Canada for internees and prisoners of war. This would appear to save a good deal of detailed accounting and of bargaining over details, which now seem in some cases disproportionate to the magnitudes involved.

5. The proposals recommended above would mean that additional Canadian dollars in the amount of, say, \$585 million would be made available up to March 31, 1944. Of this amount approximately \$200 million could be made available during the fiscal year 1942-43, if the plants were purchased immediately. This could be increased by another \$11 to \$15 million if we date back the adoption of recommendation 4(c) to January 1, 1943, and adopt as well recommendation 4(d). To meet the remainder of the problem, the Sub-Committee recommends that Canada should pass an Act, somewhat similar to the United

States Lend-Lease Act, under which Parliament would authorize an appropriation up to, say, \$700 million to cover the cost of surplus war materials and other supplies to be given free or leased or lent to any others of the United Nations in accordance with certain stipulated conditions. A Board consisting of the Minister of Munitions and Supply, the Minister of National Defence, the Minister of Justice and the Minister of Finance would be set up to administer the Act. The Act would provide that agreements might be entered into with any governments receiving aid but the consideration asked for from such governments would be of a very general character, primarily the effective use of the contributed war supplies in the joint prosecution of the war, although in specific classes of supplies for specific governments Canada might ask for "such payment or repayment in kind or property, or reciprocal action and provision of supplies, or any other direct or indirect benefit which the Governor in Council deems appropriate" provided that "in no case should the consideration required be such as to burden postwar commerce or necessitate trade restrictions or otherwise jeopardize a just and enduring peace."

A layman's draft of a suggested Bill¹ is attached in order to illustrate the general character of the legislation which is proposed.

6. It will be noted that if we purchase the British interest in Canadian war plants immediately, except as from January 1, 1943, financial responsibility for Canadian pilots and other aircrew even though they are serving overseas in the R.A.F., and perhaps adopt a slightly more generous attitude in allocating the respective shares of cost in certain British activities in Canada, we ought to be able to make available approximately enough Canadian dollars to meet U.K.'s deficit during the remainder of the present fiscal year. It is therefore suggested that immediate steps be taken to negotiate with the British in regard to the purchase price of the British plants. These negotiations may take some weeks or months and it would be desirable if possible to make advance payments pending final settlement in order to avoid any unnecessary accumulation of sterling balances after U.K. has used up the U.S. dollar balances she is now transferring and prior to the final enactment of all necessary legislation.

Immediately after Parliament assembles, we should announce our program and the legislation should be introduced as quickly as possible. Specific legislation is necessary only in respect of the Lend-Lease part of the program; the other parts of it can be covered by including appropriate amounts in the Supplementary War Appropriation for 1942-43 and the War Appropriation for 1943-44. If sufficient funds were available in the present War Appropriation, the plants could be probably purchased once the general program was announced in Parliament. However, sufficient funds are not now available for this purpose and substantial additional sums will be required to meet our ordinary war expenditures in February and March. The Supplementary War Appropriation for 1942-43 must therefore be brought down at once and perhaps if the War Appropriation for 1943-44 and the Lend-Lease legislation could be brought down at the same time, it might be possible to have the main war debate take place on the 1943-44 War Appropriation and have the House expedite discussion of the Supplementary War Appropriation for this year.

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PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, January 13, 1943

FINANCIAL ARRANGEMENTS WITH THE UNITED KINGDOM

12. THE MINISTER OF FINANCE submitted and read a draft report from the Cabinet sub-committee on financial arrangements with the United Kingdom and other United Nations.

The sub-committee were of the opinion that the Canadian contribution should not take the form of a gift to the United Kingdom, as it had last year, but rather to all the United Nations. The sub-committee's proposals were based upon this alternative.

As to the extent of the problem, for the fiscal year 1943-44, the deficit of the sterling area with Canada was now estimated at \$1,170 million. For the remainder of the present fiscal year the deficit would run from \$200 million to \$225 million, after allowing for the \$150 million now being transferred.

Canada might wish also to make certain contributions of war materials directly to United Nations outside the sterling area. It appeared, therefore, that the problem to be met in the coming fiscal year might be of the order of \$1,300 million.

To meet the deficit of the United Kingdom, which constituted the major part of the problem, the sub-committee recommended:

(a) that Canada undertake to purchase Britain's interest in Canadian war plants at the original cost, estimated at about \$200 million; negotiations for this purpose to be undertaken immediately in order to provide enough Canadian dollars to meet the U.K. deficit during the remainder of the present fiscal year.

(b) that Canada, as from April 1st, 1943, assume responsibility for equipping and maintaining the thirty-five R.C.A.F. squadrons now forming or to be formed in the United Kingdom, at a total cost of \$287 million, and possibly certain miscellaneous establishments, involving an additional amount of \$60 million;

(c) that Canada, as from April 1st, 1943, accept responsibility for pay and allowances, clothing and other personal necessities, of all Canadian aircrew now serving in the R.A.F., at an estimated cost of \$35 million, and possibly capitation charges of about \$15 million, in addition;

(d) that Canada undertake the cost of certain minor activities at present carried on in Canada for British or British and Canadian account, such as the capital cost of camps built in Canada for internees and prisoners of war.

Taken together these items would provide some \$585 million up to March 31st, 1944.

To meet the remainder of the U.K. deficit, and to make Canadian supplies available to other of the United Nations, the sub-committee recommended that Canada pass an Act somewhat similar to the U.S. Lend-Lease Act, under which

Parliament would authorize an appropriation of approximately \$700 million to be administered by a board, consisting of the Ministers of National Defence, Munitions and Supply, Justice, and Finance.

If the sub-committee's recommendations were accepted, it was suggested that the programme be announced immediately after Parliament assembled, and legislation be introduced as quickly as possible. Specific legislation would be required only for the lend-lease part of the programme; the other parts could be covered by including appropriate amounts in the Supplementary War Appropriation for 1942-43, and the War Appropriation for 1943-44.

(Report by Cabinet sub-committee, Jan. 13, 1943.)

13. MR. ILSLEY also submitted and read a draft bill for the establishment of lend-lease machinery recommended, entitled The War Appropriation (United Nations War Supplies) Act, 1943.

(Draft bill, Jan. 12, 1943.)[†]

14. THE WAR COMMITTEE, after discussion, approved in principle the recommendations of the sub-committee and agreed to proceeding along the lines indicated in the sub-committee's report.

15. THE WAR COMMITTEE, after consideration of the text of the draft bill submitted, agreed that it be referred to the Deputy Minister of Finance, the Under-Secretary of State for External Affairs, the Secretary, and appropriate officers of the Department of Justice, for redrafting in the light of the discussion.¹⁶³

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DEA/4929-G-40

*Le sous-secrétaire d'État aux Affaires extérieures au
ministre-conseiller, la légation aux États-Unis*

*Under-Secretary of State for External Affairs to
Minister-Counsellor, Legation in United States*

PERSONAL

Ottawa, June 16, 1943

Dear Mike [Pearson],

In your letter of June 5th[†] you referred to various conversations relating to the need of the French Naval forces for additional naval vessels and you mentioned the possibility of something being done by us under the Mutual Aid Act. I think that there is a lot to be said on political grounds for the provision by us under this Act of some military and naval supplies to the French. The Minister of Justice has recently expressed the hope that we would be able to be of assistance in this way to the new French Council for Liberation.

¹⁶³ Le programme fut annoncé lors du Discours du Trône le 28 janvier. Voir Canada, Sénat, *Débats*, session 1943-44, p.1. L'assentiment royal fut accordé à la Loi sur l'aide mutuelle le 20 mai. Voir *Statuts du Canada*, 7 George VI, chapitre 17.

¹⁶³ The programme was announced in the Speech from the Throne on January 28. See Canada, Senate, *Debates*, 1943-44 Session, p.1. The Mutual Aid Act was assented to on May 20. See *Statutes of Canada*, 7 George VI, Chapter 17.

I believe that the best course of procedure would be for the French to approach us in Ottawa, presumably through Bonneau who represents, I suppose for the present, the Council for Liberation, with the request for Mutual Aid and a list of the supplies that they desire to secure. The sooner such an approach is made the better. There have been separate suggestions that we should furnish St. Pierre with certain goods but I think that we should not try to deal separately with the supplies requested for various parts of the French Empire.

Yours sincerely,

N. A. ROBERTSON

362.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 2, 1943

...

MUTUAL AID; FRENCH COMMITTEE OF NATIONAL LIBERATION

38. THE PRIME MINISTER suggested that it would be desirable to provide assistance under the Mutual Aid Act to the French Committee of National Liberation. It would be valuable if a decision to this effect could be made public in the near future.

39. THE WAR COMMITTEE, after discussion, agreed in principle to the extension of Mutual Aid to the French Committee of National Liberation.¹⁶⁴

...

363.

DEA/4929-G-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 109

Ottawa, July 2, 1943

IMPORTANT. SECRET. I should be grateful if the following message could be transmitted to the United Kingdom Resident Minister in Algiers, Begins: The Canadian Government have given consideration to the assistance that they could provide in the training and equipment of the French forces under the direction of the French Committee of National Liberation in Algiers. We have received intimations from several quarters that Canadian aid would be welcomed both in training aircrew in Canada and in providing war supplies for shipment to French forces in North Africa or for use of the French Navy. We feel that such requests should be communicated to us by the French Committee of National Liberation and we should be glad to give prompt and sympathetic consideration to any requests so communicated.

¹⁶⁴ Voir aussi le document 1414.

¹⁶⁴ See also Document 1414.

There is a possibility that we could provide facilities for training a number of aircrew and we should be glad to grant the Committee the privilege of requesting war supplies under the Mutual Aid Act.

In view of the impending visit to this continent of General Giraud¹⁶⁵ we think it advisable to approach the Committee as soon as possible so that our readiness to assist may be made known to them before General Giraud visits Ottawa. Otherwise there might be a tendency to interpret our action as resulting from Giraud's intervention. We are anxious to do nothing which would have the appearance of taking sides in the issues and personalities within the Committee in Algiers, both on grounds of general policy and for domestic reasons. At the same time we do not wish to take any action which could be construed as formal recognition of the Committee in advance of definition of United Kingdom and United States attitude toward it.

It would be appreciated, therefore, if a message could be transmitted to the Committee of National Liberation as soon as possible along the following lines:

"The Canadian Government desires to inform the French Committee of National Liberation that it is prepared to consider promptly and sympathetically any requests which the Committee may care to present for assistance in the equipment and training of the French forces under the control of the Committee. Subject to the supreme requirements of strategic need the Canadian Government, if the committee so wishes, is prepared to discuss at once (a) arrangements for the training in Canada of a number of aircrew for the French forces, and (b) the provision to the Committee of war supplies for the use of French military and naval forces, these supplies to be furnished in accordance with the procedure set forth in the Mutual Aid Act of Canada. If the Committee desires to pursue these suggestions the Canadian Government would welcome an early intimation of its wishes." Ends.

364.

DEA/4929-G-40

*Le sous-secrétaire d'État aux Affaires extérieures
au ministre des Munitions et des Approvisionnements*

*Under-Secretary of State for External Affairs
to Minister of Munitions and Supply*

SECRET

Ottawa, July 2, 1943

Dear Mr. Howe,

I understand that the question of providing some supplies under the Mutual Aid Act to the French Committee of National Liberation in Algiers has already come to the notice of the Mutual Aid Board. A telegram has been sent today on the Prime Minister's instructions requesting the United Kingdom Resident Minister in Algiers to inform the Committee that the Canadian Government will give prompt and sympathetic consideration to any requests that the Com-

¹⁶⁵ Voir les documents 1401 et 1402.

¹⁶⁵ See Documents 1401 and 1402.

mittee may wish to advance for the provision of war supplies and also for the training of French aircrew in Canada. The latter point was raised with Mr. Dupuy when he was in North Africa at the beginning of last month and Mr. Power thinks that we can do something to meet their wishes. It is important that any dealings that we may have should be with the Committee of Liberation itself at this stage rather than with any of the French representatives abroad who were previously committed to the support of one or other of Giraud and de Gaulle.¹⁶⁶ As Giraud may be visiting Canada shortly it is also important that we should put these matters in train before his arrival.

Yours sincerely,

N. A. ROBERTSON

365.

DEA/4929-F-40

Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
Memorandum by Assistant Under-Secretary of State for External Affairs

[Ottawa,] July 5, 1943

MEMORANDUM ON SUPPLIES FOR CHINA

The provision of supplies to China under the Mutual Aid Act is now under active consideration. Both the method of reaching agreement with China on the supplies to be sent and the volume and character of the supplies themselves involve important questions of foreign policy, strategy and finance. It is suggested that these questions should be faced directly on their merits before further progress is made with the negotiations.

The Chinese have presented a request for a lengthy list of supplies consisting in the main of items of army ground equipment for which production facilities exist in Canada. The supplies can be shipped to India in Canadian bottoms. From India to China the only available transportation is by air mainly by transport planes of the U.S. Transport Command. Another service is maintained by United China Air Lines which is equipped with U.S. lend-lease material and in which Pan-American Airways have a large interest. In practice priorities between India and China are understood to be controlled by General Stillwell.¹⁶⁷ The tonnage that can be carried is small amounting in a recent month to around 3,000 tons of which some 1200 tons was aviation gasoline for the use of the U.S. air force in China.

The United States Government thus controls the final stage of shipment to

¹⁶⁶ Le Décret en Conseil P.C. 5863 du 22 juillet 1943 signala que le Comité français de la libération nationale était "une autorité associée avec le Canada" dans l'exécution de la guerre afin qu'il ait le droit de recevoir de l'aide mutuelle.

¹⁶⁷ Général commandant, forces des États-Unis en Chine, Birmanie et en Inde.

¹⁶⁶ Order in Council P.C. 5863 of July 22, 1943 designated the French Committee of National Liberation as "an authority associated with Canada" in the prosecution of the war so that it would be eligible to receive mutual aid.

¹⁶⁷ Commanding General, United States Forces in China, Burma and India.

China. It can also itself produce and transport by sea to India all the supplies that can be taken into China in present conditions. It is understood that they are anxious in Washington that these controls should not be challenged and that other countries wishing to send supplies to China should do so in accordance with plans concerted with the United States.

The major questions of foreign policy involved in the promise of Canadian supplies to China are first, our desire to aid China directly in the interest of promoting Chinese goodwill towards Canada and, secondly, our desire to avoid friction with the United States on this issue. If we were to undertake to China to make available in India a fairly large volume of Canadian war supplies, it is probable that friction would result; on the other hand this is what the Chinese Government would apparently like us to do. The United States would not welcome a substantial stockpile in India of supplies from Canada which would lead the Chinese Government to bring pressure to bear for air priorities for these supplies into Kungming where they could dispose of them as they saw fit. Considerable importance seems to be attached in Washington to this point. If we please China we run the risk of displeasing the United States.

From the strategic point of view the dominant consideration must be the effective use of the supplies against Japan. The creation of stockpiles in India which cannot be moved would be a straight strategic loss; the munitions would be immobilized and the shipping needed to transport them to India would be used to no avail. General Stillwell is now able with some degree of success to keep a string on the incoming supplies and to direct them in accordance with his appreciation of strategic needs. In view of the present condition of the Chinese armies and even the danger of diversion of incoming supplies for use against the Chinese Communist forces in the North (a diversion which would most certainly be contrary to our strategic interests) it seems desirable that we should do nothing to diminish the controls now in General Stillwell's hands.

From the financial point of view it would be foolish to devote Canadian production resources and funds provided for Mutual Aid to manufacture and move to India munitions which might get no further.

It is certainly desirable that China should receive assistance from Canada under the Mutual Aid Act. In the light of current conditions in China and of the narrow limitations of air transport over the final stage, it is also most desirable that Canadian aid to China should be provided in agreement with the United States. Even if as a matter of policy we wish to become a rival benefactor we have not the means to deliver the goods. The conclusion is that we should enter into no long-term commitment with China and that we should seek to secure the prior agreement of the United States before entering into any commitment. Otherwise we incur the danger of not only wasting our own resources but of providing a cause of disagreement with the United States without in fact contributing to Chinese resistance to Japan.

It is understood that the United Kingdom Government is not at present sending any supplies into China. They should, however, be kept informed of our intentions.

H. W[RONG]

366.

DEA/4929-K-40

*Le ministre-conseiller, la légation aux États-Unis, au
sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States, to
Under-Secretary of State for External Affairs*

Washington, July 19, 1943

Dear Mr. Robertson,

As I mentioned to you over the telephone the other day, Mr. Lauchlin Currie informed me last week that during his recent visit to Ottawa he had taken up with Mr. Howe (and I believe he said with officials of External Affairs also) the question of setting up a joint United States-Canadian committee in Washington to ensure that the operations of U.S. Lend-Lease and Canadian Mutual Aid are coordinated, and to prevent claimant countries playing us off against each other. Mr. Currie added that Mr. Howe had supported the idea and that since his, Currie's, return to Washington, he had taken the matter up with high officials here as well as with the White House, and had been told to go ahead. He, therefore, asked me whether the Canadian authorities were willing to proceed with this joint committee and, if so, could the matter be finalized shortly so that a joint press statement might be issued. He thought that the U.S. side of the committee would represent Lend-Lease and the War Department, while our side might possibly consist of the Washington Committee of our Mutual Aid Board.

I told Mr. Currie I would take the matter up with those concerned in Ottawa and let him know the result as soon as possible. As it happened, Karl Fraser arrived in Washington the next day, Friday, July 16th, and the Washington Committee¹⁶⁸ (Pope being absent) met that morning. At first, Fraser was inclined to oppose the idea of a joint committee. He admitted that Mr. Howe had told Currie in Ottawa that it was a good idea but later, after a conversation with Fraser, Mr. Howe had changed his mind. However, this changed attitude had not been conveyed to Currie as Mr. Howe had gone on his vacation. Carswell, Taylor and I all felt that the idea of a joint committee was a good one and should be supported. Fraser then swung round to our view. Later that day, Taylor and Fraser saw Stettinius and General Burns and found that the Americans were quite enthusiastic about the joint committee idea. They had, indeed, picked their four representatives – W.L. Batt, General Burns, General Boykin Stewart, and Mr. Van Buskirk (Stettinius' assistant). Later in the afternoon the four of us had another meeting and there was some discussion as to the composition of the Canadian side of the joint committee, if and when it is set up. We agreed that this question should be left to Ottawa. It was also clearly understood that the Mutual Aid Board itself (and possibly even the War Cabinet [*sic*]) would have to approve of any such joint committee. Therefore we could not proceed further

¹⁶⁸ Comité consultatif de Washington de la
Commission d'aide mutuelle.

¹⁶⁸ Washington Advisory Committee of the
Mutual Aid Board.

in the matter until such approval was given. On these points Fraser will be reporting in detail when he returns.

The next morning, Saturday, we met Lauchlin Currie and explained to him that no further steps could be taken regarding the establishment of the joint committee until the matter was cleared with the Mutual Aid Board in Ottawa. We added, however, that the Washington Committee was itself in favour of such a committee and would recommend accordingly.

Currie meanwhile had sent me a copy of a draft press statement which he thought might be issued when the committee was established. It was as follows:

"In order to assure integration of the Canadian Mutual Aid and the American Lend-Lease programs to the end that each country will supply to its common Allies weapons and materials it is better able to supply, there is as of today being instituted a Joint War Aid Committee, United States and Canada. This committee will review periodically the military requirements of various countries and will make recommendations to the appropriate officials in the United States and Canada relative to meeting those requirements."

We felt that this draft unduly magnified the powers and authority of the committee and we suggested an alternative as follows:

"There has as of today been instituted a Joint War Aid Committee, United States and Canada, to consider problems of mutual interest arising out of the Canadian Mutual Aid and the American Lend-Lease programmes. Members of this committee are as follows: . . ."

I feel sure that you will approve of our amendments to the Currie draft. One of the things we have to be careful in considering this joint committee is that it is not interpreted in Canada as bringing, in any way, Canadian Mutual Aid under the jurisdiction and control of any Joint or, even worse, any United States authority. Our draft press statement and the limited powers conferred on the proposed joint body in that draft should remove this danger. While recognizing that great care must be taken in setting up a joint committee of the kind indicated above, I feel myself that it could serve a most useful purpose in clearing away confusions, and even possibly conflicts, that might arise from the mutual aid programmes of the two countries. It is quite clear that Canada should maintain jurisdiction over its own programme; it is also quite clear that in carrying out that programme we will have to cooperate closely with Washington. A joint committee of the kind indicated would, I think, facilitate such cooperation.

Yours sincerely,

L. B. PEARSON

367.

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*Le chargé d'affaires aux États-Unis au
secrétaire d'État aux Affaires extérieures
Chargé d'Affaires in United States to
Secretary of State for External Affairs*

TELETYPE WA-3861

Washington, August 2, 1943

Your EX-2986, July 30th, Joint War Aid Committee. Currie phoned that

they agree to the issue of a communiqué as follows, Begins:

"There has been instituted as from . . . a Joint War Aid Committee, United States-Canada, to study problems which arise out of the operations of the United States Lend-Lease and the Canadian Mutual Aid Programmes, and, where necessary, to make recommendations concerning them to the proper authorities. The personnel of this Joint Committee is as follows:

The United States members: Major General James H. Burns, Executive, Munitions Assignments Board, Chairman; Brigadier General Boykin Wright, Director, International Aid Division, U.S. Army Service Forces; William L. Batt, Vice-Chairman, War Production Board; Arthur B. Van Buskirk, Deputy Administrator, Office of Lend-Lease Administration.

The Canadian members: E.P. Taylor, Canadian Deputy Member, Combined Production and Resources Board (Chairman); Major General M.A. Pope, M.C., Chairman, Canadian Joint Staff; J.B. Carswell, Director General, Washington Office, Department of Munitions and Supply; L.B. Pearson, Minister-Counselor, Canadian Legation." Ends.

Currie wishes to clear this communiqué with the White House before it is issued, and, in the circumstances, this may take a few days. He will let me know when he succeeds, so that it may be issued jointly in Ottawa and Washington at a time to be agreed on.

2. He also agrees that Stettinius and Fraser should be members *ex-officio*, but thinks that they should not be mentioned as such in the official communiqué as it would make the Joint Committee seem somewhat large, and, on the American side, Stettinius would have to be put above Burns. Ends.

368.

DEA/4929-K-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au Premier ministre*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] August 3, 1943

It has been found desirable to establish in Washington a Joint Committee to consider the correlation of our Mutual Aid Programme with United States Lend-Lease activities. There is an obvious need for avoiding competition between the two programmes and for reaching agreement at an early stage on the type and volume of assistance to be furnished to recipient countries. We have already in Washington a Canadian Mutual Aid Committee consisting of General Pope and Messrs. Pearson, Carswell and Taylor. The United States authorities are ready to match this with a Committee of four senior officials, the combined committees forming the Joint Committee. Messrs. Stettinius and Karl Fraser would also be *ex officio* members.

The Mutual Aid Board has approved the creation of this Committee. It need not be set up formally by Order-in-Council as it has no executive functions and

all that is necessary to launch it is the publication of an agreed press statement. The attached message of August 2nd from the Legation in Washington gives the text of such a statement which is from our point of view quite satisfactory. I think, therefore, that the statement should be issued as soon as it has secured the President's approval.¹⁶⁹

369.

DEA/4929-F-40

Le secrétaire d'État aux Affaires extérieures au ministre en Chine
Secretary of State for External Affairs to Minister in China

DESPATCH 57

Ottawa, August 27, 1943

SECRET

Sir,

With reference to my telegram No. 71 of August 27th¹ concerning the provision of war supplies to China under the Mutual Aid Act, it was found necessary because of the obvious transportation problems involved to engage in preliminary discussions in Washington before a definite reply could be returned to the Chinese request for war supplies. The final stages of these discussions were carried on by a newly established Joint War Aid Committee-United States and Canada consisting of a group of senior United States and Canadian officials in Washington who are concerned with the provision of munitions to Allied countries. They concluded an agreement this month containing among other features an understanding that the stockpile in India of Canadian supplies for China would not be allowed to exceed at any time 12,500 tons of material.

Until a land route is opened to China from India such Canadian supplies as may reach China will have to be carried, of course, by air over the last stage of the journey. Our latest secret information on the capacity of the air route is that the lift of goods into China under the control of the United States Army Air Transport Command has averaged nearly 2,000 tons per month during the first six months of the year. The aim to which they are working is 10,000 tons per month and it is hoped that this will be achieved by the end of September. Of the increase, however, some 75% will be required for supplies for the United States air force in China. These figures do not include goods transported by the China National Airways Corporation, but it is understood that the tonnage is small and that recently only three serviceable machines were in operation. There would seem to be no prospect of moving Canadian supplies into China either by the Sinkiang route or by pack routes via Tibet.

It is thus evident that until a land route is cleared the movement of Canadian supplies into China will depend almost wholly on the United States Army Air

¹⁶⁹ L'annonce fut communiquée au nom du Président et du Premier ministre le 22 août lors de la Conférence de Québec. J. D. Hickerson fut ajouté à la représentation des États-Unis.

¹⁶⁹ The announcement was issued in the name of the President and the Prime Minister on August 22 during the Quebec Conference. J. D. Hickerson was added to the United States delegation.

Transport Command which determines priorities in shipment. There is at present a United States stockpile of munitions for China in India. It is understood to amount to over 100,000 tons. In these circumstances selection has been made from the list of Chinese requirements of items produced in Canada which are capable of transport by air. I enclose a copy of a letter addressed to Dr. T.V. Soong by the Prime Minister on August 20th[†] containing a list of the items which Canada is now ready to offer. I also enclose a copy of Dr. Soong's reply of August 22nd.[†] These letters were exchanged while Dr. Soong was in Quebec which he visited at the request of Mr. Churchill and President Roosevelt in order to discuss with them the Far Eastern situation during the Quebec Conference. Quantities are not mentioned in the Prime Minister's letter since quantities and specifications are now the subject of discussion with the Chinese Supplies Officers in Ottawa. For your own information, however, I attach a detailed list[†] showing the quantities of each item. You will note from this that only a small offer has been made of 40 mm. anti-aircraft guns and 25 pounders because of the difficulties of air transport in the case of these items. For the same reason no offer has been made of 3.7 anti-aircraft guns — an omission referred to in Dr. Soong's letter to the Prime Minister.

I am advised that the total value of the supplies included in the Canadian offer is something over \$50,000,000. It is intended that these supplies should be conveyed to India in Canadian ships where delivery will be effected to the official designated by the Chinese Government. I should add for your personal information that it is unlikely that the first of the three ships which will be required to carry the entire list of supplies will be able to leave Canada until early in 1944.

While the details of the supplies promised to China and of their method of conveyance must remain secret for the present, it would be desirable that you should, as opportunity occurs, make known to officials of the Chinese Government the general situation revealed in this despatch. There is in fact no shortage of the types of supplies most urgently required by the Chinese up to the limits of the transport possibilities into China, and our understanding is that the United States Government would be prepared to maintain an adequate stockpile in India of supplies of their own production, except perhaps in the case of a few minor items. The Mutual Aid Board has felt, however, that long term considerations of Canadian relations with China make it desirable for Canadian supplies to be despatched in substantial volume, even though there may be a good deal of doubt whether these supplies will reach the Chinese armies within the next year or so. It is important, therefore, that the action of Canada should as far as possible be recognized and understood in China and I should be glad if you would do your best to see that this object is achieved.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

370.

DEA/4929-F-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au ministre-conseiller, la légation aux États-Unis*

*Assistant Under-Secretary of State for External Affairs
to Minister-Counsellor, Legation in United States*

MOST SECRET

Ottawa, October 14, 1943

Dear Mr. Pearson,

Mr. Harry Carmichael¹⁷⁰ and Mr. Karl Fraser discussed this morning with Mr. Robertson and myself a new aspect of the problem of Canadian supplies for China which surpasses in importance the questions discussed in your letter of October 11th.¹⁷¹ I shall write to you again shortly about some of the matters dealt with in that letter. The information given us by Mr. Carmichael, however, raises broader questions which must I think be examined as soon as possible.

In brief he told us that he had learnt in Washington that the United States Government proposed to supply China with complete equipment for not less than thirty divisions and for perhaps as many as sixty divisions. He ascribed this decision to two main causes.

In the first place he said that there had been gross overproduction in the United States of standard equipment for infantry divisions and to meet charges of wasteful and unnecessary expenditure or resources the United States Army authorities were most anxious to pass on this equipment as lend-lease aid to China. He said that equipment had been ordered for the U.S. Army to provide for some 11,000,000 men whereas in fact the total would not be likely to reach 8,000,000. He cited as an example the pressure from U.S. sources to despatch large numbers of .37 mm. anti-tank guns to China when reports had been received from General Eisenhower's Command stating that these guns were virtually useless. Mr. Fraser said that he understood that there had recently been a substantial increase in the actual shipments of munitions to India in spite of the word that we have received of too large stockpiles and overcrowded docks and warehouses. Mr. Carmichael told us that General Somervell¹⁷² was now in Chungking in connection with the arrangements for the provision of this enormous volume of equipment to the Chinese.

¹⁷⁰ Coordonnateur de la production et président, la Commission de la production, le ministère des Munitions et des Approvisionnements.

¹⁷¹ Non reproduite. Cette lettre traitait des problèmes de communication entre la Commission d'aide mutuelle et son Comité consultatif de Washington, surtout en ce qui a trait à la réduction de l'envoi d'équipement lourd demandé par la Chine.

¹⁷² Général commandant, U.S. Army Service Forces.

¹⁷⁰ Co-ordinator of Production and Chairman, Production Board, Department of Munitions and Supply.

¹⁷¹ Not printed. This letter dealt with communication problems between the Mutual Aid Board and its Washington Advisory Committee, particularly as they related to reduction of shipment of heavy equipment requested by China.

¹⁷² Commanding General, U.S. Army Service Forces.

In the second place, Mr. Carmichael enumerated a number of incidents which went to show that the U.S. authorities were anxious to monopolize the provision of munitions to China and to exclude other supplying countries. He told us that General Clay had said in his presence that the U.S. would be glad to buy from us for cash our entire offer of supplies to China so that they might lend-lease them to China themselves. He also referred to General Stilwell's jealous and exclusive attitude in this respect and to the unpopularity which Stilwell had incurred with the Chinese — which may be in part an explanation of Mountbatten's nomination as Commander-in-Chief. He said that he did not think that this attitude prevailed in the highest quarters in Washington and particularly with the President and Mr. Hopkins but that it was strongly held in the Army where it would, of course, be reinforced by their desire to rid themselves of surplus supplies.

This information has obviously an important bearing on what our own attitude should be. General Kiang¹⁷³ has been pressing very vigorously in Ottawa this week for agreement on the provision of the 25 pounders. He says that the 80mm and 6 pounder guns are required really only in conjunction with the 25 pounder batteries to act as anti-aircraft and anti-tank defences for these batteries and he is not keen to have them by themselves. Incidentally, Mr. Carmichael states that a 80mm gun weighs more than a 25 pounder and he cannot understand why the U.S. should be prepared to agree to our supplying 80mm while refusing to agree to 25 pounders when the alleged limiting factor is air transport. The Chinese have been told that we must fall in with the views of the High Command in making supplies available. Clearly, however, we are under no obligation to fall in with U.S. wishes if they are based on the grounds set forth above and not on strategic considerations.

It, therefore, looks as though the next step to be taken is to press for a showdown with the United States on their own plans for despatching supplies to China. We have put our cards on the table pretty completely but they have not reciprocated. We feel that the Joint War Aid Committee ought to press at an early meeting for a full disclosure of the American intentions. It might also be desirable for General Pope to explore the matter from the point of view of strategic allocation in the Combined Chiefs of Staff organization.

We are asking General Odlum to report on the position as he sees it from Chungking and I shall pass on his report to you. We promised Mr. Carmichael and Mr. Fraser that we would at once bring to your attention the matters dealt with in this letter.

Yours sincerely,

H. H. WRONG

¹⁷³ Responsable du ravitaillement, China Defence Supplies.

¹⁷³ Chairman of Ordnance, China Defence Supplies.

371.

DEA/4929-F-40

*Le secrétaire d'État aux Affaires extérieures au ministre en Chine**Secretary of State for External Affairs to Minister in China*

TELEGRAM 94

Ottawa, October 15, 1943

MOST SECRET. My despatch No. 57 August 27th. Canadian war supplies for China. Chinese representatives are pressing us very strongly for provision of 25 pounder guns up to 24 batteries and indicate that bofors and anti-tank guns, which we have offered, are needed only for operation with these batteries. United States authorities, however, raise strong objection to provision of any 25 pounders by us on grounds that they cannot be moved to China by air. At their insistence we agreed in August to limit stockpile in India of Canadian supplies for China to 12,500 tons and not to send forward at present any field guns. Soong and his advisers are very disappointed over this.

2. We have now received secret information to effect that U.S. Army are anxious to give Chinese complete equipment for at least thirty divisions, partly because there has been gross overproduction in United States of these munitions. It is also alleged that U.S. Army desire to monopolize provision of munitions to China to exclusion of ourselves and British. There is some evidence that they would like to buy themselves from us all supplies we offer to China and send them forward under lease-lend. Stilwell is said strongly to advocate United States monopoly and I understand that Somervell is now in Chungking mainly to arrange provision of U.S. supplies.

3. We desire to distribute our Mutual Aid supplies on strategic grounds but cannot regard these alleged United States motives as strategic in nature. We can easily make available the 25 pounders desired by the Chinese.

4. These problems are pressing. We should appreciate your confidential opinion on actual situation in China and on U.S. Army policies as they appear to you there. We realize, of course, that field guns cannot be moved to China until land transport is available.

372.

W.L.M.K./Vol. 349

*Le ministre en Chine au secrétaire d'État aux Affaires extérieures**Minister in China to Secretary of State for External Affairs*

TELEGRAM 110

Chungking, October 21, 1943

MOST SECRET. Your telegram No. 94 of October 15th received October 18th. Canadian war material for China.

Please read my despatch No. 8 of June 1st[†] and my despatch No. 128 of October 5th.[†] I believe picture and its interpretation given by you is correct. We are being crowded aside and I am convinced deliberately so. Even Canadian Red Cross in China has been told that it has no right to bring in supplies from Canada when the United States is ready to provide everything that can be

carried by available transport. Latter is not treated as an Allied service, but strictly as an American one. Chinese Government has been told so often that its only hope of getting military supplies and equipment lies in the United States that it completely believes it. It has even been convinced by someone that Britain does not want to see any Chinese army fully armed. This slips out so often in so many quarters that there must be more than mere Chinese surmise behind it. I do not agree that anti-tank and Bofors guns cannot be used without field guns, but I do agree that they are all most efficient when properly used together. If so instructed, I could go direct to Chiang Kai-shek, who is the only man who matters; and tell him that Canada is ready to supply certain named equipment, including 25 pounder guns, if he can provide transport from India. Even if nothing practical resulted, it would place Canada's position properly on record and would shift incidence of responsibility. I so recommend with full concurrence of staff.

373.

DEA/4929-F-40

Le secrétaire d'État aux Affaires extérieures au ministre en Chine
Secretary of State for External Affairs to Minister in China

TELEGRAM 101

Ottawa, October 27, 1943

MOST SECRET. Your telegram No. 110 of October 21st. Munitions for China. Please do not discuss at present with Chiang Kai-shek or other Chinese authorities situation described in my telegram 94 since we do not wish to contribute to Chinese pressure on United States at least until we have fuller information about United States intentions. Can you secure discreetly any information on results of recent Chungking discussions during visit of Mountbatten and Somervell so far as provision of munitions was concerned?¹⁷⁴

374.

DEA/4929-N-40

Le sous-ministre des Finances au conseiller financier,
le haut commissariat de Grande-Bretagne
Deputy Minister of Finance to Financial Adviser,
High Commission of Great Britain

SECRET

Ottawa, November 18, 1943

Dear Major Munro,

I am sending you herewith a memorandum embodying the suggestions of the Mutual Aid Board for the offering of Mutual Aid assistance to the West Indies. I would be obliged if you could send this to London and obtain any comments or suggestions which they cared to make on it. You will note in the last paragraph reference is made to the memoranda which were transmitted by yourself and

¹⁷⁴ Aucune réponse ne fut trouvée.¹⁷⁴ No reply was located.

Mr. Williams¹⁷⁵ on this matter. I think the enclosed memorandum is self-explanatory.

I am sending this to you for transmission to the United Kingdom, but if you would prefer that we do so, we can have it sent immediately via External Affairs and Canada House in London. I assume, however, that since you have discussed these matters with us on a number of occasions, it would be better to have it go through your channels.

Yours very truly,

W. C. CLARK

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de la Commission d'aide mutuelle

Memorandum by Mutual Aid Board

Ottawa, November 18, 1943

MEMORANDUM CONCERNING MUTUAL AID TO WEST INDIAN COLONIES

1. In providing assistance to the United Kingdom under the Mutual Aid Act, the Canadian Mutual Aid Board, in general, is prepared to regard the Colonial Empire as, in effect, part of the United Kingdom, recognizing the Colonies' requirements for Canadian supplies as part of United Kingdom requirements, and the Colonies' receipts and disbursements of Canadian dollars as being added to those of the United Kingdom in determining the funds available to the United Kingdom for purchasing requirements in Canada. Canadian officials have indicated from the beginning of discussions on these matters, however, that the Board might wish to make an exception in respect of the West Indian Colonies, because of Canada's substantial trade with these Colonies and the possible desire of the Canadian Government to make clear to those in the West Indies that Canadian Mutual Aid is assisting them, as well as the United Kingdom and other parts of the sterling area, to obtain their essential wartime requirements from Canada.

2. The Board wish to see some of the West Indies' essential requirements in Canada provided directly to these Colonies under the authority of the Mutual Aid Act. Trade figures indicate that the value of exports this year from Canada to the West Indies as a whole will exceed by many million dollars the value of imports to Canada from the West Indies. The exports in question are very largely essential supplies for the maintenance of the civilian population of the Colonies, and the provision of some portion of them as Mutual Aid would be consistent with the objectives and the terms of the Mutual Aid Act. The Board are aware that the effect of providing these supplies directly to the colonial authorities as Mutual Aid, instead of providing them, or something else, directly to the United Kingdom, will have the effect of reducing the budgetary assistance afforded by Mutual Aid to the United Kingdom, and of giving a

¹⁷⁵ Secrétaire adjoint, haut commissariat de Grande-Bretagne.

¹⁷⁵ Assistant Secretary, High Commission of Great Britain.

corresponding assistance directly to the budgets of the Colonies in question. The Board believe, however, that this relatively small share of the budgetary assistance afforded to the United Kingdom can reasonably be diverted to the Colonies concerned and that the United Kingdom will be in a position to take it into account and to ensure that it does not produce undesirable results, for example, in contributing to inflationary tendencies.

3. The Board therefore propose to offer to the West Indian Colonies (including Jamaica, Trinidad and Tobago, Windward Islands, Leeward Islands, Barbados, Bahamas, Bermuda, British Guiana and British Honduras) the opportunity of securing from Canada under Mutual Aid an amount of flour up to a specified maximum value in each case. Two alternative methods of determining the maximum amount in each case have been considered and the Board would appreciate receiving the comments upon them of the United Kingdom authorities. The first basis would be to offer to each Colony a value equal to one dollar per capita of its estimated population. This has the advantage of simplicity and obvious fairness. The second, and alternative, basis would be to offer the same total amount (about \$2 3/4 million) divided among the various Colonies in proportion to the value of their imports from Canada in the past twelve months. This has the advantage of relating the amount of assistance to total requirements from Canada. The Board realizes that neither of these two bases is perfect for the purpose. It feels, however, that the formula of allocation of the total must be quite simple. The Board feels it must treat the various Colonies on a basis so clearly equal that there would be no possibility of Canada being accused of discrimination.

4. If the United Kingdom Government wishes to require certain of the Colonial administrations to deal in a particular way with the proceeds of sale of the goods obtained under Mutual Aid, that is, of course, a matter for it and the Colonies concerned. Canada is interested primarily only in providing some assistance under Mutual Aid directly to these Colonies, rather than through the United Kingdom.

5. If for one reason or another certain of the Colonies would prefer to get fish or some other supplies rather than flour under the Mutual Aid, the officers of the Board would be prepared to consider such alternatives. Flour has been suggested as it is an essential and substantial item of trade with all, or nearly all, of the Colonies in question.

6. The Board would welcome any comments by the United Kingdom authorities on the proposals set forth above. Consideration has been given to the views and information already submitted by the United Kingdom authorities on this matter, particularly those in a memorandum transmitted by Major Munro on July 3rd^f and in a subsequent memorandum transmitted by Mr. Williams on September 2nd^f. In regard to the suggestions in the latter memorandum, the Board believes that the Canadian Parliament would prefer the Board itself to take responsibility for determining the appropriate amount of assistance which should be given to the various West Indies Colonies, and the Board believes that it cannot distinguish between the Colonies on the basis of their internal budgetary situations. The Board also believes that Canada should not interfere in the

affairs of the Colonies to the extent of attaching conditions respecting the use to be made of the fiscal benefits resulting from the Mutual Aid transfer. This matter is regarded as more properly a responsibility of the United Kingdom authorities.

375.

DEA/4929-N-40

*Le sous-ministre des Finances au sous-secrétaire d'État adjoint
aux Affaires extérieures*
*Deputy Minister of Finance to Assistant Under-Secretary of State
for External Affairs*

Ottawa, December 2, 1943

Dear Mr. Wrong,

I am sending herewith copy of a letter which I have received from Mr. R. Gordon Munro, Office of the High Commissioner for the United Kingdom, in Ottawa, replying to my letter of November 18th concerning the provision of Mutual Aid assistance by Canada to the West Indies. My letter outlined the alternatives considered by the Mutual Aid Board and asked for the comments of the Government of the United Kingdom. For your information, I am attaching a copy of that letter. You will note that the U.K. Government believes that the provision by Canada of flour up to a total value of about \$2 3/4 million under Mutual Aid to the British West Indies is perfectly workable and that they favour its adoption. Of the two methods of apportioning the total amount between the Colonies, the United Kingdom authorities would prefer apportionment on the basis of population.

I think this was the preference of the Mutual Aid Board itself and I am not sure that it is necessary to go back again to the Board, but the minutes of the last meeting should determine this. I think if we are to go ahead on this basis, it is very largely a matter for the Director of Administration of the Mutual Aid Board and the Department of Trade and Commerce to work out together.

Yours very truly,

W. C. CLARK

[PIÈCE JOINTE/ENCLOSURE]

*Le conseiller financier, le haut commissariat de Grande-Bretagne,
au sous-ministre des Finances*

*Financial Adviser, High Commission of Great Britain,
to Deputy Minister of Finance*

915/218

Ottawa, December 1, 1943

Dear Dr. Clark,

1. May I refer to your letter of the 18th November concerning the provision of Mutual Aid assistance by Canada to the West Indies. The text of the memo-

randum enclosed in your letter was immediately telegraphed to London and the High Commissioner has now received a reply from the United Kingdom Treasury in which they say that they fully appreciate your desire to provide some part of Mutual Aid direct to the West Indies in a form which can be publicly apparent. The suggestion that this should be effected by the provision of flour up to a total value of about 2 3/4 million dollars appears to them to be perfectly workable and they favour its adoption. Of the two methods of apportioning the total amount between the Colonies suggested in paragraph 3 of your memorandum, the United Kingdom authorities would prefer the first i.e. apportionment on the basis of population. On this basis the prospective quotas at rate of one dollar per head would work out, according to the latest available population figures, as follows (figures in thousands of dollars):

Bahamas	60
Barbados	156
Jamaica	1247
Leewards	121
Trinidad	506
Windwards	209
Bermuda	32
British Honduras	61
British Guiana	311
Total	<hr/> 2703

2. If in any particular case total flour imports into a Colony should turn out to be less than the amount of the allocation on the above basis it is suggested that rather than complicate the arrangements by attempting to provide other commodities under Mutual Aid, the Mutual Aid allocation should be limited to the value of actual flour imports up to the agreed value for the Colony concerned. It is felt however that this is hardly likely to arise in practice.

3. The United Kingdom authorities assume that it will be a condition that all flour, including flour not provided under Mutual Aid, will have to be obtained from Canada through official channels but we should be glad if you would confirm this assumption so that the Colonial Office may advise the Colonies accordingly. The proposal will thus not affect the method of procurement of Canadian flour by the West Indies in those cases where the flour is already bulk purchased by the respective governments.

4. So far as the proceeds from the sale of flour are concerned, the United Kingdom authorities propose that, subject to Canadian agreement, they should be used in the first place to contribute towards expenditure; if any, on cost of living stabilisation policies, and that any balance should be transferred to a suspense account for post-war use. This would minimise the danger of the proceeds being used to relieve the burden of higher taxation.

5. The United Kingdom Government assume that no objection will be raised to the physical transfer of flour supplied under Mutual Aid between the West Indian Colonies where the need arises, e.g. through the appearance of sudden local shortages. Such cases are likely to be rare and to be capable of adjustment

through subsequent flour shipments but it is thought desirable that you should be aware of the possibility.

6. In the light of your memorandum the United Kingdom authorities have concluded that so far as concerns sales to Colonies other than the West Indies and also sales to the West Indies themselves of products other than wheat and flour, the Canadian Government are willing to regard the financial arrangements arising out of the provision of Mutual Aid goods as a matter for domestic settlement between the United Kingdom and the Colonies in question. In these circumstances it would appear that apart from the provision of wheat and flour under direct Mutual Aid the position of the West Indies does not differ from that of the other Crown Colonies. The Government of the United Kingdom accordingly now suggest that if you agree, the proposal made in paragraph 3 of the memorandum entitled "Further Observations, Etc.", enclosed in my letter to you of the 19th November[†] to the effect that the words "and to the Government of British Colonies other than West Indies" should be inserted in the second sentence of Article 11 of the draft Mutual Aid Agreement,¹⁷⁶ might now be withdrawn.

Yours sincerely,

R. GORDON MUNRO

376.

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*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

Ottawa, December 3, 1943

Macgregor¹⁷⁷ of Australia told me yesterday that Glasgow had just received instructions from Evatt to see the Prime Minister personally about the language included in Article X of the proposed Master Mutual Aid Agreement¹⁷⁸ and especially to do his best to secure agreement on the removal of any reference to tariff reduction. The article in question reads as follows:

"The Governments of Canada and . . . reaffirm their desire to promote mutually advantageous economic relations between their countries and throughout the world. They declare that their guiding purposes include the adoption of measures designed to promote employment, the production and consumption

¹⁷⁶ Voir la pièce jointe 3, document 384.

¹⁷⁷ Directeur-général, Commission des approvisionnements de guerre d'Australie à Washington et à Ottawa.

¹⁷⁸ Voir la pièce jointe 3, document 384.

¹⁷⁶ See Enclosure 3, Document 384.

¹⁷⁷ Director-General, Australian War Supplies Commission in Washington and Ottawa.

¹⁷⁸ See Enclosure 3, Document 384.

of goods and the expansion of international commerce by the reduction of tariffs and other trade barriers, with the object of contributing to the attainment of all the economic objectives set forth in the Declaration of August 14th, 1941, known as the Atlantic Charter¹⁷⁹.”

Glasgow came to see me later in the afternoon. He did not mention that his instructions were to take the matter up with the Prime Minister but it is possible that he will try to see the Prime Minister very shortly. I gave him the text of the latest draft of the article as above. They had previously had an earlier draft but the revisions made apparently did not meet the points made by Evatt.

I explained to Glasgow that the Master Agreement had been approved by the Mutual Aid Board and would come before Council in the very near future. On approval by Council it was proposed to submit it formally to several governments including the United Kingdom, Australia, U.S.S.R. and China. I pointed out that this article was based on Article 7 of the Lend-Lease Agreement between the United Kingdom and the United States to which Australia had adhered. As Australia was already bound by the somewhat more extensive provisions of Article 7, I could see no reason why his government should object to signing an agreement containing our proposed Article X.

To this Glasgow could only answer that when they adhered to the Lend-Lease Agreement the Japanese were a much greater threat to Australia than they are now; his Government did not wish to enter a fresh commitment in favour of tariff reduction at this time.

I told Glasgow that I thought there was very small chance of any modification being made in the sense desired, pointing out that this article had to be included in identical language in all our mutual aid agreements. I asked him whether in fact the reduction of tariffs which restricted markets abroad for staple Australian products — (such as the United States wool tariff) was not a “guiding purpose” of his government. He admitted this but said that he understood that the chief cause of Evatt’s objection was fear of criticism in the Australian House from the very strong protectionist elements inside the Australian Labour Party. He is cabling the final draft to Evatt and he anticipates renewed pressure from him.

When one considers the very general language of this article and the fact that it is included in an agreement covering the free gift to Australia of supplies which may reach a total of one hundred million dollars in the current year, the persistence of Evatt in objecting to this very mild declaration in favour of general tariff reduction is hard to justify. I attach a copy of this note since you may wish to send it to the Prime Minister in case Glasgow seeks to see him.

H. W[RONG]

¹⁷⁹ Voir le volume 7, document 327.

¹⁷⁹ See Volume 7, Document 327.

377.

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*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire d'Australie*

*Under-Secretary of State for External Affairs
to High Commissioner of Australia*

CONFIDENTIAL

Ottawa, December 4, 1943

Dear Sir William [Glasgow],

With reference to our conversation of this morning and subject to the views which the Prime Minister may express to you when you see him, I think the following points are the principal ones to be made in reply to the representations of your Government on Article X of the proposed Mutual Aid Agreement:

1. It is regarded as essential by the Ministers concerned to have a general declaration of liberal economic purposes included in the Agreement with Australia and in the Agreements to be made with other recipients of Mutual Aid. It is certain that there will be strong criticism of the Mutual Aid procedure at the next session of Parliament. It is expected that the provisions of Article X will be of considerable value in rebuttal.

2. There is nothing in Article X to which the Canadian and Australian Governments are not already bound, together with all the other Governments in receipt of Mutual Aid from Canada. It does not go as far in some respects as Article VII of the Lend-Lease Agreement between the United States and the United Kingdom. Canada has by exchange of notes associated herself with the declaration of policies in Article VII, and Australia is understood to have accepted the whole Lend-Lease Agreement. Our Article X is therefore a rather mild reaffirmation of policies already formally in effect.

3. The change in the course of the war since the acceptance of Article VII only makes it more important from the Canadian point of view that the proposed Article X should be included in the Agreement, since interest and concern over post-war economic policies are now much more acute.

4. This article must be included in identical form in all Mutual Aid Agreements and it is impossible to omit the reference to reduction of tariffs from the Agreement with Australia. It cannot be dropped from all the Agreements without weakening greatly the utility of the article as part of the reply to the domestic critics of the Mutual Aid procedure.

5. The article is a declaration of purpose and not a specific commitment. It binds the Australian Government no more and no less than it binds the Canadian Government to pursue liberal international economic policies for their mutual benefit.

Yours sincerely,

N. A. ROBERTSON

378.

DEA/4929-N-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-ministre des Finances*

*Assistant Under-Secretary of State for External Affairs
to Deputy Minister of Finance*

Ottawa, December 4, 1943

Dear Dr. Clark,

I received your letter of November 2nd enclosing correspondence with Mr. Gordon Munro about the provision of Mutual Aid assistance to the British West Indies. The system of apportioning this gift of supplies on the basis of population is simple and easy to explain and I am glad that it is the method preferred by the United Kingdom authorities.

The only comment that I have to offer is that it seems almost certain that there will be a scarcity of Canadian flour during the next year or two because of the very heavy export demands for Russia and for relief purposes. I assume that it is not intended that the extension of Mutual Aid to the West Indies in the form of flour will increase the shipment of flour from Canada to the West Indies and that it is generally understood that the flour provided under this scheme is subject to overall allocation.

Yours sincerely,

H. H. WRONG

379.

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*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au ministre-conseiller, la légation aux États-Unis*

*Assistant Under-Secretary of State for External Affairs
to Minister-Counsellor, Legation in United States*

SECRET

Ottawa, December 10, 1943

Dear Mr. Pearson,

Mr. Roy Peers saw Mr. Robertson and myself two or three days ago about the shipment of Canadian munitions to China. He has sent me his memorandum of the conversation and I am enclosing a copy of this. It is accurate except at one point. In the first sentence of paragraph 4, I told Mr. Peers that I understood that all shipments from North America to India and China were being delayed and not merely those from Canada alone. The position is likely to be discussed shortly by the Mutual Aid Board or by its Advisory Committee of officials which is at last likely to come into effective existence. Has the matter been discussed recently in Washington? We have not yet received an answer to my most secret letter to you of October 14th.

Yours sincerely,

H. H. WRONG

[PIÈCE JOINTE/ENCLOSURE]

*Mémorandum de l'officier de liaison, l'Agence du ravitaillement
du gouvernement de la Chine**Memorandum by Liaison Officer, Chinese Government War Supplies Agency*

CONFIDENTIAL

Ottawa, December 7, 1943

MINUTES OF MEETING HELD MONDAY AFTERNOON, DECEMBER 6TH, 1943

Attended by:

Mr. Norman A. Robertson, Under-Secretary of State for External Affairs

Mr. H.H. Wrong, Assistant Under-Secretary of State for External Affairs

Mr. R.G. Peers, Chinese Government War Supplies Agency

I called this meeting to suggest to Mr. Robertson and Mr. Wrong that I considered Canada was in a vulnerable position in respect to supplies to China in that it is nine months since the first promises were made verbally to Dr. T.V. Soong, Minister for Foreign Affairs for China, when he visited Ottawa, and since that time further verbal promises and acknowledgments by letter have been made to the effect that Canada would supply through their Mutual Aid Board ordnance material to China. In spite of these promises, to date no shipments have been made and up to the present time there is no definite date established as to when the first shipment can be made.

Mr. Wrong confirmed the statement that no shipments have been made, but understood that a list was being prepared but the fact is, the General Staff of the Department of National Defence have not yet approved the transfer of ordnance material from their stock that was assigned to the Mutual Aid Board for China at the meeting of the Canadian Munitions Assignments Board on October 15, 1943.

Even though Canada has not shipped any material to China, United States has still shipped Canadian material to China through War Supplies Limited. This, in my opinion, is a further reflection upon Canada's position. Mr. Wrong was under the impression that this was an old order for Bren guns now being shipped but, in fact, this is a new order for 20,000 calibre 7.92 Bren guns that was only officially executed by United States in October, 1943, and this order is being given precedence over the 20,000 calibre 7.92 Bren guns promised by Canada through Mutual Aid.

Mr. Wrong stated that word had just been received from Washington within the past few days requesting Canada not to make any shipments to China because of the congested condition of the port facilities at Calcutta, India. This is the same attitude taken by United States last spring when they stated the stockpile of ordnance material in India was around 100,000 tons of material and a congested condition existed in the port of Calcutta. However, since that time, United States' shipments have increased the stockpile in India to 200,000 tons of ordnance material and, in fact, have about completed sufficient equipment for thirty divisions of Chinese troops. In one recent month United States' shipments reached as high as 36,000 tons.

Mr. Wrong stated that in a recent communication from General Odlum from Chungking[†] he mentioned that in a meeting with Dr. T.V. Soong he said that he

understood why the material is not being shipped from Canada. This is difficult to imagine in view of the Chinese Mission's attitude which is one of extreme disappointment over the lack of any shipment being made. It is my opinion that Dr. Soong's remarks referred to the controversy over the non-shipment of heavy equipment such as 25-pounders, as he would not be aware there has been any question in respect to the hold-up of total shipments.

I respectfully submit this memorandum of the views expressed at my meeting with Messrs. Robertson and Wrong and trust that action may be taken on Canada's part to at least ship within this fiscal year the 12,500 tons of ordnance material that was agreed to by the United States Committee in Washington.

R. G. PEERS

380.

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Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-6257

Washington, December 15, 1943

Following for Wrong, from Pearson, Begins: Your letter of December 10th, Canadian munitions to China.

It will be helpful for us to have the comments of Fraser and any others on Peers' memorandum attached to the above letter. He makes certain categorical statements which may not be accurate and others which while possibly accurate might be misleading without further explanation. Before approaching the Americans on this subject therefore we would like to be sure that we have all the facts. Ends.

381.

DEA/4929-D-40

Le haut commissaire en Australie au secrétaire d'État
aux Affaires extérieures

High Commissioner in Australia to Secretary of State
for External Affairs

TELEGRAM 316

Canberra, December 18, 1943

Your telegrams No. 233 and No. 234 of December 11th,[†] Mutual Aid Agreement. I saw Evatt December 16th. I was informed that no decision had been reached and none would be reached until Tuesday next which is date of Cabinet meeting.

He stated that he felt that by our insistence on inclusion of proposed Article X we were attempting to drive a hard bargain with another British Dominion; that Canada had done little enough to help Australia which was bearing the brunt of the Pacific war and that it was difficult to appreciate that when we did come to their aid we should attach this condition to giving thereof.

I pointed out that there was nothing in the Article which could be construed as a bargain or exacting concessions and that it was merely a statement of a hope or a desire. I told him that it was the policy of my Government to try to bring about in post-war period a greater freedom of trade. He then commented that perhaps it was necessary for a liberal Government in Canada to follow the course you suggest.

I got no indication just what his final attitude will be, but I came away with the belief that he would be obdurate but would not object to inclusion of a clause in preamble along lines of proposed Article X.

I have written letter to him today, the text of which is set forth in my telegram following[†]. When I delivered this letter to Hodgson, Under-Secretary, as Evatt is in Sydney, he said my letter exactly expressed his views but Evatt was at variance with him. He said Evatt was suffering from a contrary fit but that he would, he said, come around all right.

Please see my despatch No. 368 of October 7th[†] especially paragraph 10 quoting Dr. Evatt's views on Article VII.

382.

DEA/4929-F-40

*Mémorandum du directeur de l'administration, la Commission d'aide mutuelle*¹⁸⁰

*Memorandum by Director of Administration, Mutual Aid Board*¹⁸⁰

[Ottawa,] December 20, 1943

MEMORANDUM REGARDING MINUTES OF MEETING HELD MONDAY, DECEMBER 6TH

1. Relative to the Minutes of the Meeting held Monday afternoon, December 6, 1943,¹⁸¹ between Mr. N.A. Robertson, Mr. H.H. Wrong, and Mr. R.G. Peers, Chinese Government War Supplies Agency, and the request from the Washington Advisory Committee of the Canadian Mutual Aid Board for our viewpoints, I cannot understand the purpose of Mr. Peers' visit to Messrs. Robertson and Wrong, other than that he may have been concerned about the possibility of Canada being influenced not to ship the contemplated supplies to China, as the result of having received a copy of the Minutes of the Munitions Assignments Board, Washington,[†] wherein some reference was made to the congestion of traffic in Indian ports.

2. Mr. Peers was fully informed not only as to the assignments made at the Munitions Assignments Committee, Ottawa, to the Chinese, but was also aware of the day-to-day position of our efforts to secure as much of the Chinese material from surplus stocks from the Department of National Defence and of our intention to ship a full shipload of war supplies to China at the earliest possible date and that the objective date was the middle of January, 1944.

3. We were aware of the fact that the U.S. Army, International Division, Service of Supply, were moving war supplies to India for China and adding to the stockpile which they had created, which we were advised was in the vicinity of 100,000 tons.

¹⁸⁰ K. Fraser.

¹⁸¹ Document 379.

4. The Joint War Aid Committee Canada-United States under their terms of reference made a recommendation to the Canadian Government and the U.S. Government that Canada should not create a stockpile in India for China in excess of 12,500 tons. In view of this recommendation the Administration has placed requisitions for supplies which, together with assessing the possibility of supply from surplus Canadian Army stocks, will make a total quantity of war supplies for China up to 12,500 tons recommended by Joint War Aid Committee Canada-United States.

5. Production was authorized for Bofors and 6-pdrs. together with the ancillary equipment necessary to put these gun equipments in the field as battalions. That is, the quantity required above that which it was possible to secure from the surplus stocks of the Department of National Defence.

6. We have actively been concentrating on war supplies to the extent of approximately 4,500 tons, the tonnage required to send out one complete shipload by January 15th. The war supplies to make up such tonnage bearing a relation to the requirements necessary to secure it in units of complete battalions, ready for action on its arrival in India. This original shipment has been worked out to include 108 6-pdr. gun equipments, together with all the ancillary equipment to complete nine Chinese Battalions of 6-pdr. artillery and also to include 48 40 mm. gun equipments especially designed for the Chinese Army, together with ancillary equipment to make up four complete Chinese Battalions of Bofors. The above items complemented by small arms and the necessary ammunition now include 2,000 rounds of ammunition per gun for the 6-pdrs. and 2,000 rounds per gun for the 40 mm. equipments.

7. While we have heard the cross currents and remarks regarding the port conditions in India, we have gone steadily ahead with our plans to ship war supplies up to the recommended stockpile of 12,500 tons, but, as pointed out, have concentrated on getting a complete shipload away by January 15th and we will then concentrate on a second shipload. The dead-weight tonnage to be included in a coal-burning 10,000 tonner is estimated to be 4,450 tons, the shipping tonnage is estimated to be approximately 9,200 tons. If it were possible to secure an oil burner (10,000 tonner), it would be possible to increase dead-weight tonnage up to, say, 1,000 tons and a corresponding amount of shipping tonnage.

8. We have followed the policy of keeping the Chinese Government War Supplies Agency advised of progress and any hold-up has been due to the Department of National Defence ascertaining the quantity of war material which they could make available out of their surplus stocks. We received this information last week and requisitions have been placed either on the Department of National Defence for those supplies which they can make available, or with the Department of Munitions and Supply, for the balance of the items required. All the materials have been covered, including requisitions for the mileage of wire cable needed to place this equipment in a position to be used by the Chinese Government upon delivery. This material has been consigned to Longue Pointe Ordnance Depot, at which Depot the Chinese Government War Supplies Agency has appointed an Ordnance Officer, Colonel Ho, who is work-

ing in conjunction with Colonel Patrick, Commandant of the Depot, to pack and re-pack the supplies according to Chinese specifications. Manufacturers and the Department of National Defence have been given markings and consignment instructions. The ammunition will be moving directly from storage depots to ship's side rather than being consigned to the Longue Pointe Ordnance Depot. Trucks and such equipment will be consigned direct to seaboard with the necessary markings and shipping instructions, and will be timed to meet the war supplies to be moved from Longue Pointe Ordnance Depot and also to meet other material being consigned direct to seaport.

9. Arrangements are being worked out with the Canadian Shipping Board to have a ship available at seaboard at a time to meet the war material being shipped from manufacturers, Longue Pointe Ordnance Depot and ammunition depots. No effort will be spared by the Administration staff to have this material actually shipped ex Canadian seaport, as near to January 15th as it is possible to arrange in view of all circumstances.

10. RE: 7.92 MM. BREN GUNS.

There are two orders of 20,000 each filed with John Inglis Company to produce 7.92 mm. Bren Guns for China; 20,000 of these have been ordered by the U.S. War Department through War Supplies Limited, and which are an obligation of the U.S. Government to China and the Guns are being consigned to General Stilwell in India. The other order of 20,000 7.92 mm. Bren Guns has been placed by the Department of Munitions and Supply for the account of the Canadian Mutual Aid Board for supply to the Chinese Government for account of the Canadian Government. The assignment of the total production of the 7.92 mm. Bren Guns, that is, of total orders of 40,000, have to date been made to War Supplies Limited for the U.S. War Department. This assignment was agreed to by the Canadian Mutual Aid Board after discussion with General Kiang, Chief of the Chinese Government War Supplies Agency, Ottawa and acting on the request of General Kiang we allowed the assignments to be made for the above Guns. At the December 14th Meeting of the Munitions Assignments Committee, Ottawa, we agreed that the full January production would also be assigned in this manner. In so doing, we have not established a precedent that the War Supplies Limited order will be assigned in total to the U.S. Army before satisfying the requirements of the Canadian Mutual Aid Board for this weapon; this has only been an open agreement and this policy might change as early as January for February production of the above.

11. When Dr. Clark, Deputy Minister of Finance, was in Washington recently the question was raised as to whether or not the Canadian Mutual Aid Board would take over the 20,000 Bren Guns on order through War Supplies Limited for the U.S. Army for supply to the Chinese. At the Board Meeting on Monday, December 13th, the Board decided that if the Chinese Government requested that we make available to the Chinese Army and consigned to General Stilwell, the balance of the 20,000 7.92 Bren Guns on order through War Supplies Limited, that the Canadian Mutual Aid Board would take over this contract and consign them to General Stilwell but that this request would have to come to us direct from the Chinese Government War Supplies Agency.

383.

DEA/4929-D-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures¹⁸²
au Premier ministre*

*Memorandum from Assistant Under-Secretary of State for External Affairs¹⁸²
to Prime Minister*

[Ottawa,] December 23, 1943

Sir William Glasgow left with me this morning a telegram to him from Dr. Evatt, of which I attach a copy.[†] This reports a definite refusal by the Australian Cabinet to agree to the inclusion in the Mutual Aid Agreement with Canada of a clause mentioning the reduction of tariffs as a desirable mutual objective. The only alternative suggested is that the preamble to the Agreement should be expanded to include a statement that Australia and Canada have accepted in principle the objectives of the Atlantic Charter and of Article VII of the United States Lend-Lease Agreement. As the acceptance of these objectives is already a matter of formal public record, the addition of such a statement to the preamble would not contribute at all to the purpose we had in mind in proposing Article X of the Mutual Aid Agreement.

Australia is already receiving supplies from Canada under Mutual Aid and it is expected that the total value of supplies furnished out of the billion dollar vote will run close on \$100,000,000. The unreasonable Australian attitude gives us a very difficult problem. If we refuse to furnish supplies to a sister country of the Commonwealth which is in need of them, we would depart from the general principle of distributing our war supplies in accordance with strategic need. If we let the supplies go forward but require payment in blocked Australian pounds, we would accumulate a war debt inside the Commonwealth. If we give in and remove Article X from the Agreement with Australia, we shall have to cut it out of the agreements with all other countries receiving Mutual Aid and we would thus surrender the political advantages of using the Mutual Aid procedure to secure a series of bilateral declarations favouring the sort of international economic policy that we desire.

I think the question should be discussed by the War Committee. I am sending copies of the enclosure to Mr. Howe and Mr. Ilsley.¹⁸³

¹⁸² H. Wrong.

¹⁸³ La note suivante était écrite sur ce mémorandum: ¹⁸³ The following note was written on the memorandum:

I agree, but what do *you* suggest.
W. L. M[ACKENZIE] K[ING]

384.

DEA/4929-D-40

*Mémemorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 29, 1943

I attach two draft telegrams to our High Commissioner in Canberra on the controversy with Australia over the Mutual Aid Agreement. The question will come before the Mutual Aid Board at a meeting at 2 p.m. tomorrow, and it would be helpful if you could let me know before then whether you agree with this approach. The telegrams have been drafted in consultation with the Department of Finance.

I also attach a copy of the Agreement. It is important that this should be signed by some of the recipients of Mutual Aid, especially the United Kingdom, before Parliament meets. The Agreement has been approved by the Mutual Aid Board and will come before Council tomorrow unless you desire its postponement. We would like to give it formally to the United Kingdom at once and to the Soviet Government next week, when the Deputy Commissar for Foreign Trade, Mr. Sergeev, will be passing through Ottawa en route from Washington to Moscow.

The draft telegrams to Mr. Davis tell the story pretty fully. It seems likely that Dr. Evatt is the centre of Australian resistance and there is some reason to hope that he will give way if we take a strong line. The issue is big enough to warrant an approach to Mr. Curtin in your name.

N. A. R[OBERTSON]

[PIÈCE JOINTE 1 / ENCLOSURE 1]

*Projet de télégramme du secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie*

*Draft Telegram from Secretary of State for External Affairs
to High Commissioner in Australia*

TELEGRAM

Ottawa, December 29, 1943

SECRET. Your telegrams Nos. 316 and 317[†] of December 18th. Mutual Aid Agreement.

1. You have doubtless received text of Australian refusal to accept Article X of proposed Agreement which was communicated by Glasgow on December 23rd. Will you please deliver personally to Mr. Curtin as soon as possible the message from the Prime Minister given in my immediately following telegram?

2. For your general guidance in your discussion with Mr. Curtin our feeling is that the Australian Government has adopted an indefensible position which they will in any case probably be unable to maintain in other connections. If they intend to pursue a course of extreme economic nationalism their commer-

cial relations with Canada will in any event be impaired. We might as well face the issue now when very substantial benefits to Australia amounting perhaps to \$75,000,000 or \$100,000,000 under the Mutual Aid programme are involved.

3. We have framed our financial policy on the premise that the accumulation of war debts was undesirable and we have, therefore, furnished a great quantity of war supplies to other United Nations at the expense of the Canadian Treasury. We are not seeking to drive any bargain with Australia; we are only supporting policies under which fair trading is possible and bargaining between governments reduced to a minimum. We consider that pursuit of a reasonably liberal international commercial policy after the war is a logical consequence of the wartime methods of furnishing supplies adopted by the United States, Canada and the United Kingdom, which have been deliberately designed to encourage liberal trade policies after the war.

4. The reference to publicity in the message to Mr. Curtin is not intended as a threat. The Mutual Aid procedure will be discussed at length during the next session and the Government will have to explain why no agreement has been concluded with Australia. Such an explanation may well provoke unwelcome discussion of Australian policy here and in other countries, but we do not see how it can be avoided. Public knowledge of the Australian action would be sure to arouse doubts in other countries about the intentions of the Government of Australia, and might well impede progress in developing not only beneficial international commercial relations but also joint action in other matters.

5. For your private information there is some indication that Australia has been seeking unduly large quantities of certain supplies from Canada under Mutual Aid and we understand that the United States authorities have felt it necessary frequently to reduce Australian lease-lend requisitions by very substantial amounts.¹⁸⁴

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Projet de télégramme du secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie*¹⁸⁵

*Draft Telegram from Secretary of State for External Affairs
to High Commissioner in Australia*¹⁸⁵

TELEGRAM

Ottawa, December 28, 1943

SECRET.

My immediately preceding telegram. Following is message from Prime Minister for Mr. Curtin, Begins: Your High Commissioner in Ottawa has informed me that the Australian Cabinet is unable to accept the proposed Article X of the Mutual Aid Agreement between our two countries. I greatly regret this decision'

¹⁸⁴ La note suivante était écrite sur ce document:

¹⁸⁴ The following note was written on this document:

Approved W. L. M[ACKENZIE] K[ING]

¹⁸⁵ Des amendements écrits à la main dans ce projet de télégramme sont indiqués dans les notes suivantes.

¹⁸⁵ Hand-written amendments in this draft telegram are indicated in the following footnotes.

and hope that you will find it possible to reconsider the position. We have considered the suggestion that there might be substituted for this Article a reference in the preamble to the fact that Australia and Canada have accepted in principle the general objectives set forth in the Atlantic Charter and in Article Seven of the Master Lend-Lease Agreement, but we¹⁸⁶ cannot agree to this alternative, as the question appears to us of greater importance than would be implied by a mere general reference of this character.

It seems to us logical and, indeed, essential, that the Mutual Aid Agreements should contain a re-affirmation of the main points of the general international economic policy which we are all pledged to pursue after the war by our acceptance of the Atlantic Charter and by the formal undertakings into which we have entered with the Government of the United States. Our Mutual Aid policy and Act were deliberately formulated to fit into post-war economic international relations of this character and to make them more workable by eliminating the accumulation of large war debts among the United Nations. The Canadian Parliament and the Canadian people have accepted the heavy financial burdens of Mutual Aid with this hope in view.

It is for this reason that we believe it essential that all our Mutual Aid Agreements should contain an assurance that the nations receiving this assistance also look forward to international economic relations of this character. We had naturally believed that Australia and the other countries receiving Mutual Aid subscribed to the principles in question, because they had so declared in their agreements with the United States. If, under these circumstances, the Government of Australia cannot¹⁸⁷ reconsider their decision not to reaffirm their support of these principles, I fear that we shall be compelled¹⁸⁸ to consider that the Government of Australia is out of sympathy with the general philosophy behind the Mutual Aid policy and should obtain¹⁸⁹ its requirements from Canada¹⁹⁰ on some other basis.

We have, of course, no desire or intention that the flow of essential war supplies to Australia from Canada should be interrupted. If, however, your Government is not ready to sign the Agreement, we consider that we must make new arrangements for the financing of these supplies. In those circumstances we should be prepared to provide essential supplies under a credit to be repaid within an appropriate period after the war.

¹⁸⁶ Un point fut placé après "Agreement", "but" fut rayé et les mots "feel however that we" furent ajoutés après "we".

¹⁸⁷ Le mot "cannot" fut remplacé par "should not find it possible to".

¹⁸⁸ Les mots "I fear that" furent rayés et les mots "shall" et "compelled" furent remplacés par "would" et "obliged" respectivement.

¹⁸⁹ Les mots "should obtain" furent remplacés par "therefore that".

¹⁹⁰ Les mots "would have to be obtained" furent ajoutés après "Canada".

¹⁸⁶ A period was placed after "Agreement", "but" was crossed out and the words "feel however that we" were added after "we".

¹⁸⁷ The word "cannot" was replaced by "should not find it possible to".

¹⁸⁸ The words "I fear that" were crossed out and the words "shall" and "compelled" were replaced by "would" and "obliged" respectively.

¹⁸⁹ The words "should obtain" were replaced by "therefore that".

¹⁹⁰ The words "would have to be obtained" were added after "Canada".

Any such arrangement would, as you will realize, entail a public explanation of the reasons which have prevented us from fulfilling our intention of providing essential supplies to Australia out of the Mutual Aid vote without cost to the Australian Government. Ends.

[PIÈCE JOINTE 3/ENCLOSURE 3]

Accord sur l'aide mutuelle

Mutual Aid Agreement

AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND . . .
ON THE PRINCIPLES APPLYING TO THE PROVISION BY CANADA OF
CANADIAN WAR SUPPLIES TO . . . UNDER THE WAR
APPROPRIATION (UNITED NATIONS MUTUAL AID) ACT OF CANADA 1943.

Whereas Canada and . . . are associated in the present war, and

Whereas it is desirable that war supplies should be distributed among the United Nations in accordance with strategic needs of the war and in such manner as to contribute most effectively to the winning of the war and the establishment of peace, and

Whereas it is expedient that the conditions upon which such war supplies are made available by one United Nation to another should not be such as to burden post-war commerce, or lead to the imposition of trade restrictions or otherwise prejudice a just and enduring peace, and

Whereas the Governments of Canada and . . . are mutually desirous of concluding an agreement in regard to the conditions upon which Canadian war supplies will be made available to . . .

The Undersigned, being duly authorized by their respective Governments for the purpose, have agreed as follows:—

ARTICLE I

The Government of Canada will make available under the War Appropriation (United Nations Mutual Aid) Act of Canada, 1943, to the Government of . . . such war supplies as the Government of Canada shall authorize from time to time to be provided.

ARTICLE II

The Government of . . . will continue to contribute to the defence of Canada and the strengthening thereof and will provide such articles, services, facilities or information as it may be in a position to supply and as may from time to time be determined by common agreement in the light of the development of the war.

ARTICLE III

The Government of . . . will, in support of any applications to the Government of Canada for the provision of war supplies under this agreement, furnish the Government of Canada with such relevant information as the Government

of Canada may require for the purpose of deciding upon the applications and for executing the purposes of this agreement.

ARTICLE IV

The Government of . . . agrees to use any war supplies delivered to it under this agreement in the joint and effective prosecution of the war.

ARTICLE V

The Government of . . . will not without the consent of the Government of Canada sell to any other Government or to persons in other countries war supplies delivered to it under this agreement.

ARTICLE VI

The Government of Canada will not require the Government of . . . to re-deliver to the Government of Canada any war supplies delivered under this agreement except as specifically provided in Articles VII and VIII and subject to any special agreement which may be concluded in the circumstances contemplated in Article IX.

ARTICLE VII

Title to any cargo ships delivered under this agreement will remain with the Government of Canada and the ships shall be chartered to the Government of . . . on terms providing for their re-delivery.

ARTICLE VIII

Upon the cessation of hostilities in any major theatre of war, any war supplies which have been transferred to the Government of . . . under this agreement and are still in Canada or in ocean transit shall revert to Canadian ownership, except those supplies destined for a theatre of war in which hostilities have not ceased or supplies made available for relief purposes or such other supplies as the Government of Canada may specify.

ARTICLE IX

The Government of Canada reserves the right to request:

- (a) the delivery, after the cessation of hostilities in any theatre of war, for relief and rehabilitation purposes, to another United Nation or to an international organization, of automotive equipment supplied under this agreement;
- (b) the transfer to Canadian forces serving outside Canada after the cessation of hostilities of vehicles, aircraft, ordnance or military equipment supplied under this agreement to the Government of . . . if such war supplies are required for the use of such Canadian forces and are not required by the Government of . . . for military operations; and
- (c) the return to Canada after the war, if required in Canada for Canadian purposes, of aircraft and automotive equipment supplied under this agreement which may still be serviceable, provided that when the identity of such Canadian equipment has been lost as a result of pooling arrangements or for other reasons, the Government of . . . may substitute equipment of a similar type.

The Government of . . . agrees to use its best endeavours to meet any such requests on such reasonable terms and conditions as shall be settled in consultation with the Government of Canada.

ARTICLE X

The Governments of Canada and . . . re-affirm their desire to promote mutually advantageous economic relations between their countries and throughout the world. They declare that their guiding purposes include the adoption of measures designed to promote employment, the production and consumption of goods, and the expansion of international commerce by the reduction of tariffs and other trade barriers, with the object of contributing to the attainment of all the economic objectives set forth in the Declaration of August 14th, 1941 known as the Atlantic Charter.

ARTICLE XI

This agreement will take effect as from this day's date. It shall apply to war supplies furnished to the Government of . . . by the Government of Canada under the authority of the War Appropriation (United Nations Mutual Aid) Act of Canada, 1943, including supplies furnished under the said Act before the conclusion of this agreement. It shall continue in force until a date to be agreed upon by the two Governments.

The usual signature provisions follow . . .

385.

DEA/4929-D-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 31, 1943

Council yesterday deferred until its next meeting, probably on Tuesday, action on the order approving the Master Mutual Aid Agreement. I understand from Wrong who was called to the meeting by Mr. Crerar that the chief reason for deferment arose from the difficulty of approving the Agreement in advance of a decision on the continuance of the Mutual Aid procedure by a vote to supplement the million dollar appropriation of the last session. The present vote will probably be expended shortly after the close of the fiscal year in little more than three months. If it is decided not to continue Mutual Aid, there is something to be said for reexamining the draft agreement and perhaps eliminating from it everything which does not relate specifically to the conditions of transfer of the war supplies paid for from the current vote.

In view of this action by Council I have delayed despatching the telegrams to Australia since the arguments advanced to the Australian Government for their acceptance of the proposed Article X would look rather queer if we dropped the Mutual Aid and devised in its place some system of furnishing supplies on credit.

The most important points involved in these issues seem to me to be as follows:

1. We shall have to continue to provide supplies to other countries on other

than a cash basis both as part of our general war effort and because it is impossible to discontinue production in Canada of supplies for export in quantities largely in excess of our Allies' capacity to pay without causing grave dislocation at home. As we are already receiving in payment the Canadian dollar receipts of our Allies, the alternative to Mutual Aid for this large excess would be to build up war debts.

2. The discontinuance of Mutual Aid would not affect materially our own budgetary position as we should have to finance the same amount of domestic production.

3. The only alternative to transferring supplies under Mutual Aid would be to furnish them on credit. In the case of the United Kingdom and other parts of the sterling area this would probably mean reverting to the accumulation of sterling balances. In the case of Russia, China and other foreign countries we should probably have to make a Canadian dollar loan. The real value of the obligations which we might receive from recipient countries would be dubious. The repayment of any such debts after the war would have an adverse effect on the restoration of our export trade.

4. Although no commitment whatever has been made to any other country to extend Mutual Aid beyond the current appropriation, it is undoubtedly true that a reversion in 1944 to a payment basis would be generally regarded abroad as a departure from the policy of cooperative effort enunciated in the preamble to the Mutual Aid Act as follows:

"Whereas it is necessary that the production of Canadian war industry be made available not only for use by Canadian forces but also to other United Nations in accordance with strategic needs in such manner as to contribute most effectively to the winning of the war."

5. Such change of policy would be certain to receive a great deal of unwelcome attention in the United States and might well have a serious effect on the extension of lease-lend assistance.

In general so far as questions of external policy are concerned I think that we can get only one answer: our reputation and influence abroad would be seriously diminished by our discontinuing Mutual Aid. Admitting this one must weigh against it the strength of the domestic criticism, especially in Quebec where vocal elements are strongly opposed to further gifts to the United Kingdom in particular.

It is pretty certain that if Mutual Aid is continued an appropriation considerably smaller than a billion dollars will be needed; perhaps half this amount might suffice to cover both Mutual Aid and the Canadian contribution to UNRRA. The need for Canadian munitions will probably fall off in the next year and our sterling expenditures with action impending in Western Europe are likely to increase.

I think that it would be very desirable for Council to reach a decision on the next year's programme as soon as possible as a good many other things depend on this.

SECTION C

APPROVISIONNEMENTS POUR L'UNION SOVIÉTIQUE
SUPPLIES FOR THE SOVIET UNION

386.

DEA/158-40

*Le haut commissaire adjoint de Grande-Bretagne au
sous-secrétaire d'État aux Affaires extérieures
Deputy High Commissioner of Great Britain to
Under-Secretary of State for External Affairs*

516/203

Ottawa, May 19, 1942

MOST IMMEDIATE.MOST SECRET.

Dear Mr. Robertson,

With reference to my letter of the 5th May[†] about the supply of Canadian wheat to Russia, I have now received a Most Immediate telegram from the Dominions Office to the following effect.

The United Kingdom authorities have been in touch with the United States Government as to the preparation of a new protocol covering supplies of all kinds to Russia for the year beginning 1st July, 1942, when the present arrangements¹⁹¹ expire. The United States Government have now asked for the immediate comments of the United Kingdom Government on a draft joint message from the President and the Prime Minister to Premier Stalin which has been approved by the President.

The draft message specifies the total amount of (1) tonnage to be made available during the year from the 1st July next and (2) the stores of the type desired by the Russians which could be made available at centres of production in the United States and the United Kingdom. The total of (1) is necessarily much smaller than the total of (2), and the proposal is that the Russians should select from (2) — and from any other supplies already ordered or to be ordered — priority items up to the total of (1). The word “stores” is intended to cover supplies of all kinds.

As regards the financial aspect, the draft message states that “The United States will be pleased to extend financial arrangements to cover its part of the proposed new protocol and all adjustments thereof”, and that the United Kingdom financial arrangements will continue as at present.

The general idea in the above arrangements, which is to canalise the Russian demands on the United Nations and to relate them to the shipping available,

¹⁹¹ Voir États-Unis, *Department of State Bulletin*, Vol. 5, 27 septembre 1941, pp.240-1.

¹⁹¹ See United States, *Department of State Bulletin*, Vol. 5, September 27, 1941, pp. 240-1.

seems acceptable. As regards the financial side, the United Kingdom authorities are suggesting the insertion of a sentence requiring the Russians to make separate financial arrangements with sources of supply outside the United States and the sterling area.

An important consideration from the Canadian standpoint arises, however, on this issue, since it is foreseen that the effect of the United States financial proposals may be to make United States wheat from the eastern seaboard available on Lease-Lend terms to Russia. These terms would be more advantageous to Russia than anything yet suggested for Canadian wheat, and might by themselves have the effect of closing the outlet for the latter.

In view of the extreme urgency of the matter it is suggested that, if the Canadian Government wish to preserve this Russian outlet, they should take the matter up immediately with the United States authorities in Washington. The United Kingdom Government are themselves sending their comments to the British Supply Council for communication to the United States Government.

Yours sincerely,

PATRICK DUFF

387.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 28, 1942

CANADIAN WHEAT FOR RUSSIA

22. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that the position in respect of Canadian wheat shipments to the U.S.S.R. had been complicated by the recent U.S.-U.K. Protocol for supplies to Russia, to take effect from July 1st next. The list of items to be supplied under the Protocol included 2,400,000 tons of U.S. wheat, to be made available under Lease-Lend.

Meantime, Canadian wheat was being shipped to the U.S.S.R., and, in that connection, credit arrangements were still in process of negotiation in London. Presumably the Russians would not wish to buy Canadian wheat after July 1st, when American wheat would become available under Lease-Lend.

23. The War Committee, after some discussion, agreed that, in the circumstances, there was no reason for the Wheat Board to continue credit negotiations with the U.S.S.R., in London. Canadian wheat shipped prior to July 1st would probably have to be regarded as a gift, either to the United Kingdom, or to Russia.

The settlement of this question was left to the Departments of External Affairs, Finance and Trade and Commerce.

388.

DEA/158-40

*Le haut commissaire adjoint de Grande-Bretagne au
sous-secrétaire d'État aux Affaires extérieures
Deputy High Commissioner of Great Britain to
Under-Secretary of State for External Affairs*

516/203

Ottawa, June 4, 1942

IMMEDIATE SECRET.

Dear Mr. Robertson,

In a conversation with Mr. Pinsent and Mr. Shuckburgh last week on the subject of wheat for Russia you indicated that the Canadian Government would raise no objection if, as they anticipated, the new protocol referred to in my letter of 19th May were to result in all Russian wheat requirements after July 1st next, being met from the United States. You also said that, in view of this development, the Canadian authorities were holding back in their negotiations with the Soviet for a three-year credit and would probably abandon these altogether unless the Russians expressed a wish to receive Canadian wheat after July 1st in addition to what they will get from the United States under the protocol.

On the assumption that Russia's supplies after July 1st will come from the United States and will be dealt with under the protocol, the question remains of settling the terms of payment for the shipments which have recently been and are still being made from Canada to the Soviet [Union] at the United Kingdom's expense. This was referred to in my letters of the 26th April[†] and 5th May last.[†] I have now been asked to inform you that the United Kingdom authorities are most anxious to terminate present arrangements with effect from the 1st July, and would accordingly be grateful for the earliest possible indication of the line which the Canadian authorities would wish them to take with the Russians as regards payment.

The United Kingdom authorities feel that the present may be the last effective opportunity open to the Canadian Government of choosing between the two alternatives, (a) that the United Kingdom Government accept payment in sterling through No. 1 Account of the State Bank of the U.S.S.R. at the Bank of England, or (b) that Canada insist on all past shipments and also any further shipments prior to July 1st being covered by a retroactive credit arrangement to be negotiated between Russia and Canada. Under course (a) no question of payment in dollars would arise, while under course (b) no immediate payment would be forthcoming but the arrangement would presumably call for payment one hundred per cent. in dollars at a later date.

Other things being equal, the United Kingdom authorities would of course prefer course (b), but it must be mentioned that they have now received a further telegram from His Majesty's Ambassador at Kuibyshev stating that the Soviet authorities have now confirmed what was suggested in my letter of 26th April, namely, that the official Soviet position is that payment should be made

through the No.1 Account. The United Kingdom Government fear that it is unlikely that they will be able to move the Soviet Government from this position, and the question arises whether it would be worthwhile to make any fresh attempt to do so.

If the present arrangements are to be brought to an end by the 1st July, it will be necessary to give both the Russian and United States authorities some three weeks' notice, in order to allow the Russians an opportunity of switching to the United States without interruption of shipments. This means that notice must be given by the 10th June. His Majesty's Ambassador at Kuibyshev has asked for early instructions and it would be very helpful if the authorities in London could be given an indication of the Canadian Government's views in time to enable instructions to be sent to him before the end of this week.

Yours sincerely,

PATRICK DUFF

389.

DEA/158-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1581

London, June 9, 1942

Reference Biddulph's telegram to McIvor regarding wheat for Russia.†

1. The Russian Government have presented draft agreement on the 10,000,000 dollar credit and verbally advised that they agree with the two British prices, namely 85¢ for July futures, 90¢ for October futures. This therefore broadly accepts all our proposals.
2. A secondary agreement on procedure, prices, etc. is being worked out with Biddulph, the Imported Cereals Division and the U.S.S.R.
3. The two agreements will both be signed in London by the Trade Delegation of the U.S.S.R.
4. No instructions have yet reached us from the United Kingdom Government to advise Russia of the impending protocol so we cannot yet issue any delaying letter to Russian Ambassador and must continue negotiations.
5. The following is the draft agreement outlined by the Russians, Begins:
 - A. The Canadian Government agree to give to the Government of the U.S.S.R., represented by its Trade Delegation in London, a credit of ten million Canadian dollars as a first consignment on account of the cost of the agreed purchases of Canadian wheat and/or flour by the U.S.S.R. in quantities up to two million tons, and charges for transportation of the said wheat and/or flour to the U.S.S.R. When these ten million Canadian dollars are exhausted, the additional ten million should be granted etc.
 - B. On instructions of the Canadian Government a special account should be

opened with the Bank of Canada in favour of Trade Delegation of the U.S.S.R. in London and this account to be used by the Trade Delegation for payment for the Canadian wheat and/or flour purchased according to this agreement.

C. The amount used out of the credit is to be reckoned quarterly. The payment is to be effected at the end of three years by 4 equal semi-annual instalments extending over the following 2 years. Interest to be reckoned in every case from the date of each advance made and to be payable semi-annually.

D. Payment to be made in Canadian dollars or gold at the option of the Trade Delegation. The price of gold should be calculated at its official price in Canada. Alternatively the Trade Delegation will have the right to reckon gold at the official price in the United States of America. In this case the average rates of the Canadian dollar in New York on the day of payment (telegraphic transfers to Montreal) should be taken.

E. The agreement signed in English and Russian texts, both of which are legally equal. Ends.

6. In addition to the draft agreement, the Russian Government verbally request that this credit be made retrospective to embrace all the flour and wheat shipped to date through the Ministry of Food, which has been the subject of many cables between the Dominions Office and their High Commissioner in Ottawa and may amount to about four million dollars.

7. I would draw your attention to two points in paragraph (a) of Russian draft agreement.

(a) That the agreement be a first instalment of an eventual two million tons.

(b) That charges for the transportation include shipping charges.

8. Our original advice simply agreed to

(a) A ten million dollar credit with no mention of there being any instalment but that when exhausted the position could be re-examined and all discussions on this point were definite;

(b) On their shipping transportation cost I have already advised them that we are declining this clause as our responsibility under the credit ceases at F.O.B.¹⁹² seaboard.

9. Note also their paragraph (b). I suggest it is necessary to mention the residence or head office of Bank of Canada.

10. Note also their paragraph (c). They omit the interest percentage.

11. To ease the Russian suggestion of continued credit could you advise me what exact limit of credit you are prepared to extend to Russia beyond the ten million dollars.

12. I should be glad to have your corrections of the draft of this Russian agreement.

13. The Russians are pressing us to conclude these negotiations and request a reply from us this week.

MASSEY

¹⁹² Free on board.

390.

DEA/158-40

*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire adjoint de Grande-Bretagne*

*Under-Secretary of State for External Affairs
to Deputy High Commissioner of Great Britain*

Ottawa, June 19, 1942

Dear Sir Patrick [Duff],

In reply to your letter of June 4th concerning the sale of Canadian wheat and flour to Russia I wish to inform you that the Canadian Government has decided to continue the negotiations with the U.S.S.R. regarding the extension of a credit for the purchase of Canadian wheat and flour.

The basis of the negotiations is as follows. The Canadian Government would grant a credit of 10 million Canadian dollars without any commitment, for the present, as to the extension of further credits once this sum is exhausted. This credit is to be made retroactive to cover past shipments and also to cover any future purchases of wheat and flour which the Russians may wish to make in Canada until the credit is used up. In deciding to continue the negotiations the Canadian Government had in mind that Russia would obtain the great bulk of her requirements of wheat and flour from the United States under the impending protocol. The purpose of the credit would be to clean up the situation arising out of past shipments and to provide for any supplies of wheat and flour which Russia may wish to take from Canada in "broken stowage" or otherwise supplementary to Lease-Lend deliveries.

The successful conclusion of these negotiations would, I trust, dispose of the problem discussed in your letter of the above date.

Yours sincerely,

N. A. ROBERTSON

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DEA/158-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1192

Ottawa, June 19, 1942

Reference your telegram No. 1581, June 9th, regarding wheat for Russia.

1. Cabinet Council have decided that negotiations for extension of 10 million dollar credit to Russia for purchase of Canadian wheat and flour should be continued.
2. This credit should be made retroactive to cover all wheat and flour shipped to date through the Ministry of Food and also to cover any future

purchases which the Russians may wish to make in Canada until the credit is exhausted.

3. The amount of the proposed credit is to be definitely limited to 10 million Canadian dollars, without any commitment as to the extension of further credits once this sum is exhausted.

4. It should be made clear that the Canadian Government can only undertake to deliver the wheat F.O.B. at the North American seaboard and that the cost of ocean transport is not to be charged to the credit.

5. According to the proposals outlined in the Russian draft agreement the amount used out of the credit is to be reckoned quarterly. The payment is to be effected at the end of three years by 4 equal semi-annual instalments extending over the following two years. Interest to be reckoned in every case from the date of each advance made and to be payable semi-annually. These arrangements are satisfactory. Canadian Government requests that interest be calculated at 3 per cent per annum, payable semi-annually. In case of advance made in respect of past shipments interest is to be reckoned as from the dates of those shipments or as from a convenient mid date during the period of the past shipments.

6. Prices to be paid by the Russians for wheat and flour should be the same or equivalent to those paid by the British.

7. Nature of payment suggested by Russians, namely in Canadian dollars or gold at the option of the Trade Delegation is satisfactory.

8. Canadian Government would agree to make the necessary arrangements with the Bank of Canada to open a special account in favour of Trade Delegation of U.S.S.R. in London to be used by the Trade Delegation for payment for Canadian wheat and flour purchased according to the agreement.

In agreeing to extend this credit the Canadian Government has in mind that Russia will obtain the great bulk of its needs of wheat and flour from the United States under the impending protocol. The purpose of the credit would be to clean up the situation arising from past shipments and to provide for any supplies of wheat and flour that Russia may wish to take from Canada in broken stowage or otherwise supplementary to Lease-Lend deliveries.

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Accord de crédit entre le Canada et l'Union soviétique

Credit Agreement between Canada and Soviet Union

[London, September 8, 1942]

The Government of Canada and the Government of the Union of Soviet Socialist Republics have agreed as follows:

1. The Canadian Government agree to give to the Government of the Union of Soviet Socialist Republics credit of ten million Canadian dollars for the purchase of Canadian wheat and flour on a delivery basis of F.O.B. North American Seaboard. The cost of ocean transport is not to be a charge under this credit.

2. The amount used out of the credit during each quarter year is to be calculated at the end of each quarter year. The quarter years shall be deemed to end on March 31st, June 30th, September 30th, and December 31st. The total amount of the credit used during the period of three years following the date of this Agreement after which period no further advances are to be made out of this credit is to be repaid by four equal semi-annual instalments, the first instalment commencing six months after the end of three years from the date of this Agreement. Interest at the rate of 3% per annum calculated in every case on the amounts used out of the credit during each quarter year and accruing from the end of the said quarter year shall be payable semi-annually on the first day of January and the first day of July.

3. Payments by the Government of the Union of Soviet Socialist Republics under this Agreement shall be made in Canadian dollars or fine gold at the option of the Trade Delegation of the Union of Soviet Socialist Republics in the United Kingdom. The value of fine gold shall be calculated at its official price in Canada on the day of its delivery. Alternatively the Trade Delegation of the Union of Soviet Socialist Republics in the United Kingdom shall have the right to calculate the value of the fine gold at the official price in the United States of America. In this case the average rates of Canadian dollars in New York on the day prior to payment (telegraphic transfers to Montreal) shall be taken. While acquirement of Canadian dollars for payment in Canada in accordance with regulations appertaining to Canadian Foreign Exchange Control is not permitted except through authorized dealers of the Canadian Foreign Exchange Control Board at the published official rate Canadian dollars shall be acquired by the Government of the Union of Soviet Socialist Republics at the published official rate through authorized dealers of the Canadian Foreign Exchange Control Board and such official rate shall also be used for the purpose of the aforesaid calculation with respect to the official price of pure gold in the United States of America.

4. The Canadian Government agree to make the necessary arrangements with the Bank of Canada to open a special account in favour of the Trade Delegation of the Union of Soviet Socialist Republics in the United Kingdom to be used by the said Trade Delegation for payment of Canadian wheat and flour purchased under this Agreement.

5. The Canadian Government agree to make the credit retrospective to cover the value of all the wheat and flour shipped to date through the agency of the Ministry of Food of the United Kingdom to the Union of Soviet Socialist Republics. Interest shall be payable at the rate of 3% per annum on the value of the shipments to date calculated from the end of each quarter year during which the shipments of wheat and flour were made payable semi-annually as in para. 2 hereof.

6. As regards retrospective part of the credit the Ministry of Food of the United Kingdom in conjunction with the United Kingdom Commercial Corporation, Ltd., and the Trade Delegation of the Union of Soviet Socialist Republics in the United Kingdom shall agree on the tonnage and dollar value of past shipments and the final statement shall bear their respective signatures to sig-

nify their agreement thereto. This statement when signed is to be passed to the Bank of Canada and will constitute the correct debit for the aforesaid shipments arranged by the Ministry of Food of the United Kingdom on behalf of the Union of Soviet Socialist Republics.

7. Done in duplicate in London on the 8th day of September, 1942, in the English and Russian languages, both texts being legally binding.

For the Government of Canada

VINCENT MASSEY

For the Government of the Union of Soviet Socialist Republics

I. MAISKY

393.

DEA/158-40

Accord entre le Canada et l'Union soviétique
Agreement between Canada and Soviet Union

THE AGREEMENT OF PROCEDURE AND PRICES IN RESPECT OF THE
SUPPLIES OF CANADIAN WHEAT AND FLOUR TO THE UNION OF
SOVIET SOCIALIST REPUBLICS UNDER THE CANADIAN-SOVIET
AGREEMENT OF THE 8TH SEPTEMBER 1942

The Governments of Canada, the Union of Soviet Socialist Republics and the United Kingdom of Great Britain and Northern Ireland being desirous of fixing the procedure and specific arrangements to be adopted this 8th September, 1942, have concluded this Supplementary Agreement for the shipment of Wheat and Flour under the main Canadian Soviet Agreement of 8th September, 1942, and have agreed as follows:

1. The Ministry of Food of the United Kingdom (hereinafter called the Ministry of Food) having agreed to act as agents and to perform these functions free of charge, the Governments of Canada and the Union of Soviet Socialist Republics agree that the Ministry of Food shall act as agents for both parties in the performance of the purchasing and loading of Canadian Wheat and Flour under the Canadian-Soviet Agreement of 8th September, 1942.

2. The actual work of the Ministry of Food as agents will inter alia consist of the following:

(a) They will provide for the shipment of Canadian wheat and flour to the Union of Soviet Socialist Republics by any transport facilities placed at the disposal of the Union of Soviet Socialist Republics.

(b) They will make purchases for wheat and flour on an f.o.b. basis North American Ports for the account of the Union of Soviet Socialist Republics.

(c) In case of need and where possible they will supply requisite quantities from the Ministry of Food's own stocks in Canadian and/or United States of America Ports, and these quantities shall be considered as purchases by the Union of Soviet Socialist Republics under the main Canadian-Soviet Agreement.

(d) They shall make the necessary arrangements to provide bags and bag-

ging facilities for wheat and flour and delivery of these products to f.o.b. steamers and to arrange for all the necessary incidental work in connection with the shipments.

(e) They will check and confirm the correct charges covering the shipments that are tendered by the suppliers. It is agreed that the Union of Soviet Socialist Republics Trade Delegation are entitled to appoint their own representative for the checking of weights and grades of the wheat and flour supplied, but the invoices when checked and initialled by the Ministry of Food, or their agents Messrs. Thomson & Earle will be in order for payment.

3. It is agreed that the purchasing prices for wheat and flour to the Union of Soviet Socialist Republics shall be the same as the prices paid by the Ministry of Food (basis futures bought from the Canadian Wheat Board) at the same appropriate time for Canadian wheat or flour. These prices are fixed as follows:

- (a) On the basis of 85 cents (Canadian) for July Winnipeg Futures, and
- (b) On the basis of 90 cents (Canadian) for October Winnipeg Futures.

On 3(a) — the purchases of July Futures must be exchanged for actual wheat or flour by June 30th, 1942. On 3(b) — the purchases of October Futures must be exchanged for actual wheat or flour by September 30th, 1942. Should the credit not be exhausted by the 30th September, 1942, arrangements shall be made as to the residue. The Canadian Wheat Board shall replace all futures used by the Ministry of Food in carrying out the purposes of this agreement on the basis of the appropriate contract price.

4. The quality of wheat and flour to be bought by the Union of Soviet Socialist Republics shall be arranged between the Trade Delegation of the Union of Soviet Socialist Republics in London, and the Ministry of Food.

5a. On wheat the Dominion Inspection Certificate is final as to quality. The Bill of Lading weight is final as to quantity. Any dispute will be subject to the usual appeal provisions provided in the Canadian Grain Act and in accordance with the custom of the grain trade.

5b. On flour the Bill of Lading weight is final. The quality is termed 'G.R. Canadian Spring Wheat Flour Export Grade' which is the exact and only quality which the Ministry of Food at present purchase.

6. The payment for wheat and flour in each case shall be effected by the Bank of Canada against approved shipping documents and the Dominion Inspection Certificate mentioned in paragraph 5a, within seven days from the date of the Bill of Lading. The invoice accompanying shipping documents will include, as far as possible, all costs up to f.o.b. loading ports, but amendments may be made to cover incidental expenses such as carrying charges etc.

7. Each shipment shall be charged against the Canadian-Soviet Credit as at the date that payment is made by the Bank of Canada.

8. The Trade Delegation of the Union of Soviet Socialist Republics have the right to discontinue the present procedure by giving one month's notice to the Canadian Government through the Canadian Wheat Board and to the Ministry of Food, and in that case the Union of Soviet Socialist Republics shall submit a new procedure for joint discussion with the Canadian Government.

9. Done in triplicate in London on the 8th day of September, 1942 in the English and Russian languages, both texts being legally binding.

For the Government of Canada

VINCENT MASSEY

For the Government of the Union of Soviet Socialist Republics

I. MAISKY

D. BORISENKO

For the Government of the United Kingdom of Great Britain and Northern Ireland

WOOLTON

394.

DEA/158-A-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1271

Ottawa, April 9, 1943

CONFIDENTIAL. As you know war supplies are furnished to the Soviet Government under the terms of annual Protocols to which United States, United Kingdom and Soviet Governments have been parties. The supplies produced in Canada have hitherto mainly been included in the United Kingdom commitment. Under the Mutual Aid procedure it is most desirable that Canadian supplies furnished to Russia in accordance with the Bill should be directly allocated to the Soviet Government.

We consider that this can best be done by Canada becoming a direct party to the Third Protocol which will cover supplies to be furnished during the year beginning July 1st. The Protocol is now under negotiation in Washington and I understand that Mr. Karl Fraser mentioned recently to General Burns that we might wish to become a party to it and that General Burns raised no objection.

At this stage it seems best for you to inform the Department of State of our intention to pursue the question. Mr. Fraser will be in Washington early next week and will bring with him as full information as can be assembled about the supplies which Canada expects to be able to furnish to Russia. He is familiar with the present status of the negotiations. It is desired that the Legation should work in association with him in discussing the question with American, British and Soviet officials in Washington.

We are instructing Mr. Massey and Mr. Wilgress to inform the United Kingdom and Soviet Governments of our intentions in this respect and we are also advising the Soviet Minister in Ottawa.

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PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 5, 1943

MUTUAL AID — PARTICIPATION IN THIRD
 PROTOCOL WITH THE U.S.S.R.

11. THE SECRETARY reported further developments since this matter had last been discussed.¹⁹³

The United Kingdom, the United States, and the U.S.S.R. were agreeable to Canadian participation in the protocol. Officials of the departments principally concerned had considered U.S. and U.K. drafts of the instrument and were in general agreement as to the form of Canadian adherence. Consideration had also been given, with British and American authorities, to the items to be included in a Canadian schedule.

Financial arrangements and possibly shipping arrangements would require special provisions in so far as Canada was concerned. Special provision might have to be made in a Canadian schedule in respect of wheat and flour. Other items likely to be included would be industrial equipment and machine tools, explosives, aluminum and nickel.

It was proposed that, at an early date, a statement should be made, preferably in the House, with regard to Canadian participation in the forthcoming protocol.

The administrative officer designate of the Board, Mr. Karl Fraser, was proceeding with preparation of a proposed list of Canadian items to be included, up to a suggested value of some \$75 million, in consultation with other interested officials.

(External Affairs memorandum, May 3, 1943, and attached documents).[†]

12. THE WAR COMMITTEE, after discussion, noted the Secretary's report and referred for decision to the members-designate of the Canadian War Supplies Allocation Board the conditions of Canadian participation in the protocol. It was agreed, in this connection, that the Prime Minister make a statement in the House of Commons at an early date.¹⁹⁴

396.

W.L.M.K./Vol. 343

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1685

Ottawa, May 7, 1943

IMMEDIATE. Following for Pearson from Robertson, Begins: Our message of

¹⁹³ Le 7 avril.

¹⁹⁴ Voir Canada, Chambre des Communes, *Débats*, 1943, volume 3, p. 2604.

¹⁹³ On April 7.

¹⁹⁴ See Canada, House of Commons, *Debates*, 1943, Volume 3, p. 2542.

today[†] concerning public announcement of Canadian participation in Soviet Protocol.

1. The British draft protocol was considered this morning at an informal meeting of the Ministers who will compose the Mutual Aid Board after passage of the Bill. In view of Hopkins' favourable initial reception of the British draft as reported in your messages WA-2085 and 2087 of May 1st,[†] the British draft was taken as the basis for consideration subject to its alteration to provide separate schedules from the three supplying countries. On the whole the Ministers tend to prefer a separate Canadian schedule.

2. It was felt that on the whole the British draft was satisfactory to us. The view was expressed that Canada should be omitted from Article 3 in view of our inability to undertake any general obligations for the shipment of supplies to Russia. An addition and an amendment is suggested in Article 5. The amendment is to insert the words "by the Governments of the United States and the United Kingdom" after the words "supplies furnished" in the last line. The addition is to insert a clause on the following lines to look after the Canadian financial arrangements: "Any financial arrangements between the Government of the U.S.S.R. on the one hand and the Government of Canada on the other in connection with the supplies to be furnished by the Government of Canada in pursuance of the present Protocol shall be the subject of a separate agreement to be concluded between the Government of Canada and the Government of the U.S.S.R."

3. The use of this formula will make it possible for us to conclude a financial agreement with the U.S.S.R. after the passage of the Mutual Aid Bill which might embody arrangements similar to those between the United Kingdom and the Soviet Union.

4. There is a possibility that the United States will wish to make a more specific shipping commitment than the United Kingdom feel they can accept. In that event the shipping commitment might be included as part of the schedule for each country. If this is done, we should have to make some provision along the following lines: "The Government of Canada undertakes to make available at the appropriate Canadian ports the goods mentioned in this schedule at the monthly rate indicated therein, subject to the provisions of Article 6 of the Protocol."

5. I understand that a meeting is taking place tomorrow morning in Mr. Acheson's office at the State Department to discuss the terms of the Protocol at which Mr. Llewellyn will be present. Mr. Fraser will go to Washington for this meeting if he can secure air transportation and otherwise he will be represented probably by Mr. Roy Peers. It is desirable that you should attend the meeting if possible. If you were not able to do so could you arrange for the attendance of an officer of the Legation? We assume that this meeting will not consider the items to be included in the separate schedules.

6. On this point there has been some preliminary study and Mr. Fraser will take with him to Washington the results so far achieved. He expects to have detailed discussions in Washington next week. Mr. C.F. Wilson will go to Washington early next week in connection with the Soviet request for flour and wheat

which has been the subject of separate correspondence. I am asking Mr. Fraser to keep in close touch with you and to consult you particularly on matters concerning the drafting of the Protocol.

397.

DEA/158-A-40

*Le ministre-conseiller, la légation aux États-Unis, au
sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States, to
Under-Secretary of State for External Affairs*

Washington, May 11, 1943

Dear Mr. Robertson,

Along with Mr. Karl Fraser and Mr. Roy Peers, I attended a meeting at Mr. Dean Acheson's office in the State Department yesterday afternoon to discuss the draft Third Russian Protocol. There were also present at this meeting Mr. Rinehart, Mr. Achilles, Mr. Bohler and Mr. Parsons from the State Department, Brigadier General Spalding, who is acting for General Burns in the latter's absence in Moscow, and Colonel Llewellyn and Mr. Hoyer Millar representing the United Kingdom.

Mr. Acheson opened the meeting by expressing the pleasure of the United States Government at Canada's association with the Third Protocol. He informed me that a formal note from the State Department on this matter should reach the Legation very shortly.

We then proceeded to discuss a revised draft of the Protocol, which, with the amendments resulting from that discussion, is attached herewith.[†]

In so far as the preamble is concerned, an additional phrase "and the Government of the Union of Soviet Socialist Republics, desiring to assist the Governments of the United States, United Kingdom, and Canada in meeting their war needs for raw materials and other supplies" was inserted. This insertion was in lieu of an amendment to Article III, which the British desired, in order to secure some sort of undertaking from the Soviet Government that they would provide facilities for the protection of northern convoys; specifically, bases in North Russia for British airplanes. The Americans had no objection to this, but pointed out that it would undoubtedly delay the Protocol many weeks, as the Russians would object to it. Mr. Acheson felt that the provision of facilities of this kind was a matter which should be negotiated diplomatically between the British and the Russians and should not be permitted to hold up the Protocol. Colonel Llewellyn seemed impressed by this argument and agreed that Article III might stand as drafted, while the preamble could be strengthened, as indicated above. In view of the fact that the Soviet undertaking in the preamble and Article III covers "critical war materials" only and does not refer to transport and other facilities, there seemed to be no necessity for omitting Canada from this undertaking. In this respect, the present Article III differs greatly from Article III of the earlier United Kingdom draft, which talked about "assistance

and facilities in connection with the conveyance and route of supplies”.

Discussion of Article I brought up the question of a single or separate schedules. Colonel Llewellyn argued once again in favour of the former. He pointed out that separate schedules would enable the Russians to play off one supplying country against the other and to apply separate pressure to each to make good alleged deficits, when in fact there might well be an over-all surplus in any given commodity. This disadvantage, to which Colonel Llewellyn thought we ought not to be subjected, could only be overcome by a combined schedule. He also thought that a single schedule would enable supplying countries to conserve shipping resources by arranging among themselves for the despatch of Protocol material from the most convenient sources of supply, having regard to routes which might be available from time to time. The Americans, however, remained adamant in favour of separate schedules, and there is little doubt that separate schedules will prevail. They did, however, agree that in Article V the words “and re-allocation as between the three supplying countries” should be inserted after “variation” to provide for the possibility of transferring the source of supplies from one country to another if conditions necessitated it. This, they thought, would provide adequate elasticity. Beyond this they would not go, rejecting the compromise that there might be a single schedule vis-à-vis the U.S.S.R. and separate schedules between the three supplying countries. The United States also propose to attach to their schedule explanatory notes,[†] a copy of which is attached. The British view this development also with some alarm, as they feel that this will make each schedule itself a sort of protocol.

In respect of Article II, General Spalding was emphatic that there should be included in the American schedule a firm shipping commitment. There was strong opposition to this on the part of the British, and even the State Department officials were lukewarm in its support. Colonel Llewellyn was strongly in favour of Article II as it now reads and felt that he could not go beyond it in respect of shipping commitments. He suggested that General Spalding have a word with Mr. Harry Hopkins on the subject, as he, Colonel Llewellyn, had felt that Hopkins favoured a general rather than a specific shipping commitment.

I did not intervene in the debate on the single vs. separate schedules, but felt compelled to say that if shipping commitments were specific in character and attached to the separate schedules, Canada would have to have a provision included in her schedule, as follows:

“The Government of Canada undertakes to make available at the appropriate Canadian ports the goods mentioned in this schedule at the monthly rate indicated therein, subject to the provisions of Article V (former Article VI) of the Protocol.”

In respect of Article IV, I proposed the addition of the following paragraph:

“Any financial arrangements between the Government of the U.S.S.R. on the one hand and the Government of Canada on the other in connection with the supplies to be furnished by the Government of Canada in pursuance of the present Protocol shall be the subject of a separate agreement to be concluded between the Government of Canada and the Government of the U.S.S.R.”

I also suggested that the words “furnished by the Governments of the United

States and the United Kingdom" should be inserted after "supplies" in the second last line of this Article.

There was considerable discussion as to when the schedules of the three countries would be available. The Americans stated that they were ready to proceed with their figures; Mr. Fraser was of the opinion that the Canadians would be ready in a day or two, but the British thought they might not be ready before next week.

I understand that Colonel Llewelin was disappointed at the insistence of General Spalding on a firm shipping commitment and the attachment of so much explanatory material to the American schedule. He seems to feel that it may not be possible to have a single third protocol at all, but that three will be required; each country negotiating with Russia separately. I hope his fears in this regard are not justified.

Yours sincerely,

L. B. PEARSON

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DEA/158-A-40

Troisième protocole au sujet du ravitaillement de l'Union soviétique

Third Protocol regarding Military Supplies to the Soviet Union

The Government of the United States, the Government of the United Kingdom and the Government of Canada, recognising the outstanding contribution of the Union of Soviet Socialist Republics in the prosecution of the war against the common enemy, and desiring to continue to provide the Government of the Union of Soviet Socialist Republics with the maximum assistance possible in the form of military supplies, raw materials, industrial equipment and food, and the Government of the Union of Soviet Socialist Republics desiring to assist the Governments of the United States, the United Kingdom and Canada in meeting their war needs for raw materials and other supplies, have agreed as follows:

ARTICLE I

The Governments of the United States, the United Kingdom and Canada, undertake to make available for dispatch to the Government of the Union of Soviet Socialist Republics, during the period the 1st July, 1943, to the 30th June, 1944, the supplies mentioned in the schedules annexed hereto¹ under the conditions stated therein.

ARTICLE II

The Governments of the United States and the United Kingdom will aid in the movement of the supplies offered, by furnishing shipping as set forth in the schedules annexed hereto, it being understood that these commitments as to shipping may be reduced if shipping losses, lack of escorts, deficiencies in the anticipated capacity of the available routes, the necessities of other operations, or the exigencies of the situation render their fulfilment impracticable.

ARTICLE III

The Government of the Union of Soviet Socialist Republics undertakes to make available for dispatch to the Governments of the United States, the

United Kingdom, and Canada, within the period covered by the present protocol, such raw materials and other supplies as may be available and as are desired by the said Governments in the prosecution of the war.

ARTICLE IV

The financial arrangements concluded between the Government of the Union of Soviet Socialist Republics on the one hand and the Governments of the United States and the United Kingdom, respectively, on the other in connection with the supplies furnished in pursuance of the protocol signed between the parties in Washington on the 6th October, 1942,[†] shall continue to govern the provision of supplies furnished by the Governments of the United States and the United Kingdom in pursuance of the present protocol.

Any financial arrangements between the Government of the Union of Soviet Socialist Republics on the one hand and the Government of Canada on the other in connection with the supplies to be furnished by the Government of Canada in pursuance of the present protocol shall be the subject of a separate agreement to be concluded between the Government of Canada and the Government of the Union of Soviet Socialist Republics.

ARTICLE V

The list of supplies in the schedules annexed hereto shall be subject to reallocation between the three supplying countries as they may decide between themselves in order to meet strategic, supply, or shipping exigencies. They shall, too, be liable to variation to meet unforeseen developments in the war situation. If shipping losses, production failures, or the necessities of other operations render their fulfilment prohibitive, it may be necessary to reduce them. On the other hand, if conditions permit, the Governments of the United States, the United Kingdom and Canada, will be glad to review the schedules from time to time for the purpose of increasing the quantities to be provided and delivered.

In witness whereof the undersigned, duly authorised by their respective Governments, have signed the present Protocol.

Done in London in quadruplicate on the 19th day of October, 1943, in the English language.

For the Government of the United States of America:

JOHN G. WINANT.

For the Government of Great Britain and Northern Ireland:

OLIVER LYTTTELTON.

ALEXANDER CADOGAN.

For the Government of Canada:

VINCENT MASSEY.

For the Government of the Union of Soviet Socialist Republics:

F. GOUSEV.

D. BORISENKO.

PARTIE 7/PART 7
ÉNERGIE ATOMIQUE¹⁹⁵
ATOMIC ENERGY¹⁹⁵

399.

C.D.H./Vol. 14

*Le haut commissaire de Grande-Bretagne au
ministre des Munitions et des Approvisionnements*

High Commissioner of Great Britain to Minister of Munitions and Supply

MOST SECRET

Ottawa, September 2, 1942

Dear Howe,

Further to our conversation of this morning, I am sending you herewith the Aide-Mémoire which I promised.

I have since seen Dean Mackenzie as you suggested, and find that he also is fully in agreement.

I am accordingly telegraphing home to Sir John Anderson that the Canadian Government concurs in principle with the proposal, and suggesting that they should send out an advance party as soon as possible to go into further details.

Yours sincerely,

MALCOLM MACDONALD

[PIÈCE JOINTE/ENCLOSURE]

Aide-mémoire du haut commissaire de Grande-Bretagne

Aide-Mémoire by High Commissioner of Great Britain

MOST SECRET

Ottawa, September 2, 1942

AIDE-MÉMOIRE IN CONNECTION WITH PROPOSED TRANSFER
OF "TEAM 94" FROM UNITED KINGDOM TO CANADA

1. In a letter dated 6/8/42 the Lord President of the Council (Sir John Anderson) wrote to the High Commissioner asking the latter to sound the Canadian Government reaction to a proposal to transfer Team 94 and its work

¹⁹⁵ Les négociations au sujet du développement de l'énergie atomique ont été faites en grande partie, oralement sans rapports écrits. Pour le contexte des documents reproduits ici voir W. Eggleston, *Canada's Nuclear Story*. Toronto: Clarke, Irwin, 1965, M. Gowing, *Britain and Atomic Energy, 1939-1945*. London: Macmillan, 1964, and R. G. Hewlett and O. E. Anderson, Jr., *The New World, 1939-1946. Volume 1 of a History of the United States Atomic Energy Commission*. University Park: Pennsylvania State University Press, 1962.

¹⁹⁵ Most of the negotiations concerning the development of atomic energy were conducted orally and not recorded in correspondence. For the context of the documents printed here, see W. Eggleston, *Canada's Nuclear Story*. Toronto: Clarke, Irwin, 1965, M. Gowing, *Britain and Atomic Energy, 1939-1945*. London: Macmillan, 1964, and R. G. Hewlett and O. E. Anderson, Jr., *The New World, 1939-1946. Volume 1 of a History of the United States Atomic Energy Commission*. University Park: Pennsylvania State University Press, 1962.

to Canada. It was pointed out that at that stage, whereas the Lord President favoured the proposal, he had not made a recommendation to Mr. Churchill, wishing, in the first instance, to find out whether the proposal would be favoured by Canada.

2. The proposal arose partly because it would appear that in many ways — with raw material at hand, etc., etc. — Canada was the most suitable location for the work, and partly because it is similarly proposed that the other Team (U 235), which is working in co-operation with the U.S.A., should transfer its activities to that country. Therefore to some extent the two propositions hang together, though it is likely that, even if the move of U 235 to the U.S. should not materialize, it may still be desirable to move 94 to Canada if acceptable.

3. Following word from Mr. Howe that he agreed in principle with the idea and that it should be explored further, and after a talk with Dean Mackenzie the High Commissioner obtained further particulars as to what London had in mind in the first instance.

4. London's present proposals may be summarized as follows:

(a) Detailed and accurate computation of expenditure involved is being worked out and will be sent later.

(b) At first the programme would consist of laboratory and semi-technical work. Whilst unable accurately to appreciate without local investigation the cost of the work in this initial stage under Canadian conditions, London estimates that this would not exceed \$450,000 per annum at the outside. This figure is an estimate of "total cost including rent of laboratory and normal overhead but excluding rent for accommodation".

(c) It is envisaged sending a team of about 30, commencing with graduates and scientists (including engineers) with about 25 mechanics and laboratory assistants. Of the above London would propose to send about 22 graduates and 6 assistants (who are already trained in this work). The English salaries for all this proportion of the above proposed team would be about £14,000.

(d) It is London's idea that if the proposal goes through the enterprise should be on the basis of "an effective partnership between our two Governments". For instance, whilst present members of the team would continue to be United Kingdom employees, London hopes that Canadian members would be added to it to complete the full team. The Lord President also proposes "whilst we should be responsible for paying salaries of British members and Canadian Government responsible for paying salaries of Canadian members, other cost should either be borne by the Canadian Government or should be shared in such proportions as may be agreed."

5. If Mr. Howe agrees in principle along the above lines, the High Commissioner will so inform the Lord President, whereupon it would be proposed to send out an advance party forthwith to discuss further details.

400.

C.D.H./Vol. 14

*Le ministre des Munitions et des Approvisionnements
au haut commissaire de Grande-Bretagne*

Minister of Munitions and Supply to High Commissioner of Great Britain

MOST SECRET

Ottawa, September 5, 1942

Dear Malcolm [MacDonald],

Thanks for your letter of September 2nd, enclosing Aide-Mémoire covering our recent conversation. I note that Dean Mackenzie is in full agreement with the proposals contained therein.

I agree in principle with the suggestion that has been advanced by Sir John Anderson, and it will be in order for him to send out an advance party to discuss further details.

Yours sincerely,

[C. D. HOWE]

401.

NRC/Vol. 284

*Le président par intérim, le Conseil national de recherches, au directeur,
le Bureau de la recherche et du développement scientifiques des États-Unis*

*Acting President, National Research Council, to Director, Office of
Scientific Research and Development of United States*

PERSONAL AND MOST SECRET

[Ottawa,] September 29, 1942

Dear Dr. Bush,

This is just an informal note to let you know that negotiations are under way as between the United Kingdom and Canadian governments for the purpose of bringing Halban's¹⁹⁶ group to work in Canada.

Dr. Halban himself and Mr. Jackson¹⁹⁷ of the Department of Scientific and Industrial Research are on this continent, and you may have heard of their arrival. However, no definite arrangements have been made as yet.

I have been in conference with the Right Honourable Malcolm MacDonald, High Commissioner for the United Kingdom in Canada, and the Honourable Mr. C.D. Howe, who are carrying on the final negotiations from the standpoint of their own governments. Both of these gentlemen have left by air for Great

¹⁹⁶ Le chef, équipe de recherches sur les neutrons lents, Cambridge, ministère de la Recherche industrielle et scientifique de Grande-Bretagne.

¹⁹⁷ Secrétaire du directeur, ministère de la Recherche industrielle et scientifique de Grande-Bretagne.

¹⁹⁶ Head, Slow Neutron Research Team, Cambridge, Department of Industrial and Scientific Research of Great Britain.

¹⁹⁷ Secretary to the Director, Department of Scientific and Industrial Research of Great Britain.

Britain within the past two days and while there are going to see Sir John Anderson and make final arrangements. It is the opinion of Messrs. Howe, MacDonald and myself that it is essential for us, if the project goes through, to have most intimate and sympathetic co-ordination as between your groups and ours.

It has also been agreed that the project, as far as Canada is concerned, would be placed under the jurisdiction of the National Research Council, and that all formal negotiations and arrangements will be made through my office, although of course there will be no suggestion that Halban's research workers will not have the greatest freedom in discussing all scientific aspects with their opposite numbers in the United States. I understand that Halban and Jackson are planning visits to New York and Chicago to see scientific friends in those cities, but it is clearly understood that formal notification of our plans and intents will pass from my office to yours.

I had intended to be in Washington this week but was unable to arrange it; we also felt that perhaps I should have the formal agreement between the United Kingdom and Canadian governments before I presented the situation to you.

Dr. W.L. Webster, late of the B.C.S.O.,¹⁹⁸ has now come on my staff as an executive assistant. As he is making a trip to Washington I am giving this letter to him to hand to you. If there are any points on which you would like information Dr. Webster would be able to provide the answers as he will be my personal aide in dealing with this project in Canada.

With kind personal regards,
Yours sincerely,

C. J. MACKENZIE

402.

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*Le directeur, le Bureau de la recherche et du développement scientifiques
des États-Unis, au président par intérim, le Conseil national de recherches
Director, Office of Scientific Research and Development of United States,
to Acting President, National Research Council*

SECRET

Washington, October 1, 1942

Dear Dean Mackenzie,

By coincidence I was just on the point of writing you a letter today, to give you some of the latest developments in regard to tube alloy¹⁹⁹, when Webster arrived and turned over to me your latest letter. The Canadian developments which you treat in that letter are of such importance and so far-reaching that I am adhering to my original intention, and this letter is therefore primarily for the purpose of bringing you up to date on some of the recent moves. I will therefore write you further as soon as I can confer with Dr. Conant and ponder over some of the points which Dr. Webster's visit has accentuated.

¹⁹⁸ British Central Scientific Office
(Washington).

¹⁹⁹ Le projet de recherche sur l'uranium de
Grande-Bretagne.

¹⁹⁹ Uranium research project of Great Britain.

There has now been a new organizational move in this country on this subject. As you know, in recent months the program has been divided between an Executive Committee, of which Dr. Conant is Chairman, and the Corps of Engineers which is charged with plant construction. Matters of broad policy have remained in the hands of the group designated by the President some time ago. There has now been created a new military Committee which will exercise general supervision of the entire program with particular attention to its military aspects. This committee will determine policies and procedures, and will have the advice of the Executive Committee on all scientific and engineering phases of the matter. It has an Army officer, Brig. General Groves, as its Executive Officer to correlate all portions of the work. Its membership consists of Admiral Purnell, General Styer, and either Dr. Conant or myself as Chairman. On broad matters of general policy it will still receive its direction from the group initially charged by the President with responsibility on this program. The scientific relationships will continue to reside with the Executive Committee over which Dr. Conant presides. The creation of this committee will, I feel sure, accelerate the program, provide adequate coordination between the military services and the scientific group, and assure adequate attention to all military phases of the matter.

Another step which it is important that you know concerns the status of the program itself. There are really three phases of this program at the present time. The first involves the fundamental experimental work. The second includes three pilot plants, the heavy water program, and the experiment on the cumulative effect under A.H. Compton.²⁰⁰ The third involves the construction and operation of an electromagnetic plant designed for 100 grams a day but with an actual output which is of course still somewhat indefinite. There have recently developed a series of inevitable conflicts between this program and other war programs on the subject of critical materials. The amount of material involved is indicated by the estimates: on the second phase \$7,000,000., and on the third phase \$25,000,000. Under the program as approved in June we have been proceeding with the first two phases, and in a tentative way only with the third phase. Two important decisions have now been reached.

The first results from the definite recommendation of the Executive Committee that the third phase should now proceed at the maximum possible speed. The second decision was taken at an important conference a few days ago, and it was there decided that this program should be given such priority, in all three of its phases, as to insure the utmost expedition, even although it was recognized that such a decision necessarily involves some interference with other important war programs. It is understood that as other phases arise, such as the possible construction of other large-scale plants, they will be evaluated at the time and on their merits, particularly in view of the interference with other war programs. Undoubtedly no further decisions can be reached along these lines until the results of present pilot plant work are in hand.

I have had some correspondence with Sir John Anderson, and I have now

²⁰⁰ Directeur, projet métallurgique, États-Unis.

²⁰⁰ Director, Metallurgical Project, United States.

written him to apprise him of these latest moves. He has raised the question of closer integration of the entire effort. As one part of his letter there is raised the possibility that the group now working on the British diffusion process might possibly work with greater expedition in this country. I fear, however, that when he raised this question he was not fully informed as to our situation. In fact, he seems to have believed that we would be able to proceed, not only with pilot plant work, but also with full-scale construction along several lines without undue interference with other war programs. Such, unfortunately, is not the case. I have accordingly written him to explain more fully our exact situation, for I think that this will undoubtedly modify his point of view in regard to what may now be desirable. Dr. Simon²⁰¹ is now here and we have discussed the matter with him, and I believe that Dr. Akers²⁰² will soon visit us. It appears to me probable, however, that a decision in regard to the extent of integration of the American and the British programs can be made much more expeditiously when it can be based on a decision between the American process and the British process of diffusion on the basis of experiments which will be carried out shortly in England and the experiments in this country on the pilot plant which should be ready in April or May. The primary point to be kept in mind, of course, is to insure that the scientific personnel who are most able in this field are enabled to work under favorable conditions.

In Sir John Anderson's letter he mentions the plans in regard to Dr. Halban's program, being worked out at the moment. I assured him in my reply that we would be quite content if his discussions with you resulted in setting up in Canada a strong group on the particular aspect of the program with which Dr. Halban is concerned, and that adequate and frequent interchange would then be highly desirable. Since that time Dr. Halban and Mr. Jackson have been in contact with A. H. Compton, and I judge that the conversations are already producing the type of interchange which is desirable. On this phase of the matter I will look forward to close consultation with you as the matter proceeds, in order that all aspects of the relationships may be handled in a way that will be most helpful to your plans.

In addition to the immediate matter of technical program, Sir John Anderson has raised certain broad questions of international relationships. I have not as yet been in position to reply to his letter on this matter in any definite way. Certainly this broad phase of the whole subject needs to be worked out with the greatest care. I was particularly happy today to learn, therefore, that the Canadian organization has now become definite, for I feel that this will be of distinct aid in proceeding with the discussion of the broader phases of the relationships on this subject, on which, of course, I will need to have careful discussion with you somewhat later. Undoubtedly, however, the immediate relationships in regard to the technical program and the construction program need first to be

²⁰¹ Scientifique, laboratoire Clarendon, Université d'Oxford.

²⁰² Le directeur des recherches sur l'énergie atomique, ministère de la Recherche industrielle et scientifique de Grande-Bretagne.

²⁰¹ Scientist, Clarendon Laboratory, Oxford University.

²⁰² Director of Atomic Energy Research, Department of Industrial and Scientific Research of Great Britain.

approached, and on this I plan to write you later as soon as I have discussed with Dr. Conant your letter which I have just received.

Cordially yours,

V. BUSII

403.

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*Le président par intérim, le Conseil national de recherches, au président,
le Comité de recherche pour la défense nationale, le Bureau de la
recherche et du développement scientifiques des États-Unis*
*Acting President, National Research Council, to Chairman,
National Defense Research Committee, Office of Scientific
Research and Development of United States*

MOST SECRET

[Ottawa,] November 9, 1942

Dear Dr. Conant,

In reply to your telegram of November 4th, 1942,[†] I would like to outline for you the position we have reached on the establishment of Dr. Halban's group in Canada.

As you will know, already recent high-level discussions in the United Kingdom have resulted in a final decision to transfer to Canada all British activity on the project with which Dr. Halban has been associated in Great Britain. This transfer will now be carried through with the whole-hearted support of the Governments of both the United Kingdom and Canada.

We have obtained accommodation in Montreal which appears to satisfy all the requirements of the project and work will be carried on in that city as part of the National Research Council's activity.

Arrangements are now being made to transfer from Great Britain all the personnel who have been engaged there on the project and all material and equipment which have been accumulated or developed there by Dr. Halban's group. This move to Canada should be complete by the end of this year and we hope the project, greatly expanded by the addition of Canadians to the group, will be well established in Canada early in January, 1943.

It has long been recognized that the fruition of this development is bound up inseparably with the availability, to the group now to work in Canada, of heavy water. With Dr. Halban, I have considered our position in this matter very carefully since the early availability to us of quantities of this material does imply a large measure of courteous co-operation and strong support of our effort from your United States groups working on similar problems.

I believe I am safe in stating that our team, in connection with its first boiler unit with equipment for heat extraction and separation of element 94²⁰³ will be ready to use, immediately it is produced, all material which can be made available up to a total of six tons. This requirement of six tons is a present estimate

²⁰³ Plutonium.

based on existing data but a more precise estimate will be possible as a result of experiments carried out with increasing quantities of heavy water as they become available.

Delivery of the total quantity in successive parts, each as early as possible, will enable these preliminary experiments to be carried out while construction of the first boiler unit proceeds and while the total quantity accumulates.

I understand, however, that the meeting for which you have requested this statement is concerned only with a general exploration of the policy which is to govern the allocation of this material. It should therefore be satisfactory if you will assume our crude urgent requirement to be a total of six tons with deliveries starting as soon as material becomes available.

I am grateful indeed for this opportunity of placing our position and this anticipated requirement before you since a rapid fulfillment of this new project which we have undertaken in conjunction with the United Kingdom must depend on the early procurement of this key material.

Yours sincerely,

C. J. MACKENZIE

404.

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Le président, le Comité de recherche pour la défense nationale, le Bureau de la recherche et du développement scientifiques des États-Unis, au président par intérim, le Conseil national de recherches
Chairman, National Defense Research Committee, Office of Scientific Research and Development of United States, to Acting President, National Research Council

SECRET

Washington, November 17, 1942

Dear Dr. Mackenzie,

I am sorry to say that I am not yet able to give you a final answer to the problems presented in your letter of November 9, concerning Dr. Halban's work in Canada.

I presented your letter at the last meeting of the small committee which is in charge of all phases of this work, but can only report the general trend of our thinking. A number of factors prevented the Committee from coming to a final conclusion at that meeting. I hope very much that within a month I will be able to write you finally as to their decision.

You will recognize that at first sight it seems a little unusual for the scientific group and others in charge of this work in the United States to relinquish the first year's production from the plant on which they have spent so much time and energy. Nevertheless, I am sure that all recognize that we must consider Dr. Halban's undertaking in Canada as one aspect of the total effort. Furthermore, we recognize how important it is to have the first six tons used by someone who can carry that aspect of the problem forward with rapidity. It seemed to the Committee that we in the United States might agree to your suggestion that the

first six tons of material²⁰⁴ produced by the Trail Plant should be allocated to Dr. Halban's group in Canada with the following two provisos, — namely, one, that small amounts of material would be available for experimental work in the United States, and, two, that the allocation would be subject to review and possible modification in the light of new facts by a committee composed of yourself, Mr. Akers and myself. It was our thought here in the United States that such a committee which did not involve any party at issue between one group of scientists or proponents of one process or another could take a dispassionate view of the total situation from a point of view of united nations war effort. It might well be that six months from now or a year from now, new scientific results, unexpected technical developments or military considerations might make us wish to modify the total plan and revise our decision as to the best use of the first six tons of the production in question.

As I said earlier in the letter, the Committee was not ready to make a final answer at the last meeting. I should be interested in knowing, however, whether you think an answer along the lines I have indicated would be satisfactory to you.

May I once again apologize for the delay, but, as you know, such matters require a great deal of negotiation, particularly when they involve military, scientific and technical considerations.

Very sincerely yours,

JAMES B. CONANT

405.

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*Le président par intérim, le Conseil national de recherches, au président,
le Comité de recherche pour la défense nationale, le Bureau de la
recherche et du développement scientifiques des États-Unis*

*Acting President, National Research Council, to Chairman,
National Defense Research Committee, Office of Scientific
Research and Development of United States*

SECRET

[Ottawa,] November 24, 1942

Dear Dr. Conant,

I received your letter of November 17th and can well appreciate that your committee would feel at first sight the request we made in our letter was rather an unusual one, but knowing you realized well that Dr. Halban's undertaking in Canada is really one aspect of the total effort which might give us all much desired information at the earliest possible moment. We hoped an arrangement could be made in order to have the material utilized in the best common interest.

Your suggestion that the committee might be prepared to agree that the first six tons should be tentatively allocated to Dr. Halban's group, with the proviso

²⁰⁴ Eau lourde.

²⁰⁴ Heavy water.

that small amounts of the material be available for experiments in the United States, and that the allocation would be subject to review and possible modification by a committee composed of you, Mr. Akers and myself, seems to me to be eminently fair and generous, and it is a suggestion which I personally feel is wise and practical.

We can no doubt discuss this matter when I see you next Saturday but in the meantime I would like you to know that we all appreciate the attitude which you have taken in this difficult matter where military, scientific and technical considerations are involved.

Yours sincerely,

C. J. MACKENZIE

406.

C.D.H./Vol. 7

*Le directeur des recherches sur l'énergie atomique, le ministère de la
Recherche industrielle et scientifique de Grande-Bretagne,
au ministre des Munitions et des Approvisionnements*

*Director of Atomic Energy Research, Department of Industrial and Scientific
Research of Great Britain, to Minister of Munitions and Supply*

MOST SECRET

[Ottawa,] December 4, 1942

Dear Mr. Howe,

URANIUM OXIDE

The High Commissioner's Office have told me that you are being pressed by the Americans to release to them the 15 tons of Eldorado oxide which is now held for delivery to England.

On Monday and Tuesday I discussed the raw material position in Chicago with Dr. Compton and his group. A full note[†] on this discussion will be available by this evening but, in the meantime, I think you would like to have information to enable you to deal with oxide.

I suggest that you should instruct Eldorado to deliver to the Americans, for purification by the Mallinckrodt process,²⁰⁵ the whole of the 15 tons on the understanding that the Americans will arrange to meet the Canadian requirement of 3 tons of Mallinckrodt oxide by March 1st, 1943, and also that 5 tons of Mallinckrodt material should be reserved for England pending the clearing up of the raw material position with them.

I make this last reservation because I understand that London have cabled me in Washington saying that they consider that 5 tons of the Mallinckrodt material should be sent to England. They cabled this before they had received an account of our Chicago discussions and it may be that they will reduce this

²⁰⁵ Voir R. G. Hewlett and O. E. Anderson Jr., *The New World, 1939-1946. Volume 1 of a History of the United States Atomic Energy Commission*. University Park: Pennsylvania State University Press, 1962, pp. 86-87.

²⁰⁵ See R. G. Hewlett and O. E. Anderson Jr., *The New World, 1939-1946. Volume 1 of a History of the United States Atomic Energy Commission*. University Park: Pennsylvania State University Press, 1962, pp. 86-87.

requirement when they learn that the Americans will be able to meet the Canadian requirements both for oxide and metal.

As soon as the position of these remaining 5 tons is cleared up I will ask the High Commissioner's Office to advise you what can be done with it.

Yours sincerely,

W. A. AKERS

407.

C.D.H./Vol. 7

*Le ministre des Munitions et des Approvisionnements, au président,
Eldorado Gold Mines Limited*

Minister of Munitions and Supply to President, Eldorado Gold Mines Limited

MOST SECRET

Ottawa, December 5, 1942

Dear Gilbert [LaBine],

RE: URANIUM OXIDE

I authorized you some days ago to ship the 15 tons of Eldorado oxide to the United States rather than to England. I have now cleared this with the British authorities, and think that you can continue to ship to the United States rather than to England, until I notify you further.

The British desire to have 3 tons purified by the Mallinckrodt process and returned to Canada by March 1st, 1943, and also wish to make provision that 5 tons of Mallinckrodt material shall be reserved for England; pending the clearing up of the British requirements. It is my understanding that the 5 tons is an outside figure, and that the actual requirement will probably be less.

I assume that the shipments to Canada and to England above mentioned have been cleared by W. A. Akers, representing the High Commissioner, and Dr. Compton of Chicago, representing the U.S. user. However, I suggest that you notify your customer in the United States that all Uranium oxide produced by your Company can be shipped to him, subject to return shipments of Canadian and British requirements above stated.

I trust that this letter will throw some light on the requirements position.

Yours very truly,

[C. D. HOWE]

408.

C.D.H./Vol. 7

Le ministre des Munitions et des Approvisionnements au directeur des recherches sur l'énergie atomique, le ministère de la Recherche industrielle et scientifique de Grande-Bretagne

Minister of Munitions and Supply to Director of Atomic Energy Research, Department of Industrial and Scientific Research of Great Britain

MOST SECRET

Ottawa, December 5, 1942

Dear Mr. Akers,

RE: URANIUM OXIDE

Thanks for your most secret letter of December 4th, enclosing a full note of your discussion[†] in Chicago with Dr. Compton and his group, which note I have read with interest.

I am instructing Eldorado to deliver to the Americans for purification by the Mallinckrodt process the whole of the 15 tons. At the same time, I will ask Eldorado to try to arrange that the Americans will meet Canadian requirements of 3 tons of Mallinckrodt oxide by March 1st, 1943, and also that 5 tons of Mallinckrodt material should be reserved for England, pending the clearing up of the raw material position with them.

I note that it is not clear whether 5 tons are required in England, but that further advice will be received.

Thanks for your help in this matter.

Yours sincerely,

[C. D. HOWE]

409.

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Le président, le Comité de recherche pour la défense nationale, le Bureau de la recherche et du développement scientifiques des États-Unis, au président par intérim, le Conseil national de recherches

Chairman, National Defense Research Committee, Office of Scientific Research and Development of United States, to Acting President, National Research Council

SECRET

Washington, January 2, 1943

Dear Dean Mackenzie,

I am now in a position to give a definite answer to your letter concerning the assignment of the product of the Trail Plant. I am sure you will understand the reasons for the long delay, which have been a consequence of our reviewing our own program here in the United States and a number of changes which have been made in the last few days.

In order that you may understand the background for my answer to your particular question, may I first of all say that there have been two important

changes in respect to the United States program since we last talked. First, we have decided to supplement the Chicago program by an intensive effort using heavy water in the production of element "49".²⁰⁶ To that end, we are going ahead with the duPont Company for the development, construction and operation of the Chicago Plant, the erection of our own heavy water plants and the design of a plant making element "49" and using heavy water. (The fact that duPont is to do this work is just between ourselves.) You will see that this decision greatly modifies the basis of our previous discussion.

The second change is an order which Dr. Bush and I have received from the top which restricts our interchange on this whole subject by the application of the principle that we are to have complete interchange on design and construction of new weapons and equipment *only* if the recipient of the information is in a position to take advantage of it in this war. Such a principle is, of course, in the interest of secrecy. Since it is clear that neither your Government nor the English can produce elements "94" or "25"²⁰⁷ on a time schedule which will permit of their use in this conflict, we have been directed to limit the interchange correspondingly. Where one side is well along in the development of a process or instrument, even if construction is not possible, it will be to the advantage of the common war effort to provide full interchange on this phase of the work. Thus, we are to arrange for interchange on the diffusion process.

We should very much like to have the group of scientists assembled in Canada carry on the fundamental scientific work for the use of heavy water so that duPont Company could base their designs on this experience. To this end, we would be quite ready to release all the product of the Trail Plant initially for the use of this group. We should expect that this Canadian group would direct their program along lines worked out in connection with the American engineers (duPont Company) and make all their results available to this designing group.

The application of the principle of limited interchange would mean that we should not be in a position to give to the Canadian group any information about the methods of extraction of element "49", nor the design of the plant for the use of heavy water for this purpose, nor the methods for preparing heavy water.

Under this arrangement and with exchange so restricted by order as I have stated, it would seem to us that it would be unwise to have an English or Canadian group of engineers associated with the enterprise, as this would certainly lead to conflict of authority and uncertainties as to procedure. The Canadian group of scientists would, of course, be free to interchange with Dr. Compton's group at Chicago in so far as the use of heavy water in the chain reaction was concerned and in regard to the chain reaction itself, but not in regard to the chemistry of element "49" or the separation.

I do not have to tell you how much we would appreciate the assistance of the Canadian group in this enterprise. It seems to us that the plans now adopted would provide for the maximum of assistance in what is, after all, a joint aim, —

²⁰⁶ Indium.

²⁰⁷ Manganèse.

²⁰⁷ Manganese.

namely, the production of a weapon to be used against our common enemy in the shortest possible time under the conditions of maximum secrecy.

Very sincerely yours,

JAMES B. CONANT

410.

C.D.H./Vol. 7

*Le ministre des Munitions et des Approvisionnements au président,
Eldorado Gold Mines Limited*

Minister of Munitions and Supply to President, Eldorado Gold Mines Limited

MOST SECRET

Ottawa, May 26, 1943

Dear Gilbert [LaBine],

Our friends, the British Government, seem to be greatly disturbed about a report that has reached them to the effect that you have sold the output of uranium from Great Bear Lake to the United States Government covering production for the next two years. The British feel that this excludes them from this market.

I have no knowledge of any such sale and I feel sure that you would not dispose of your product in a way that would interfere with filling urgent requisitions from the United Kingdom.

In any event, I would be opposed to selling our full output of uranium for a long period in advance under present day circumstance.

Please let me have the facts as I must report to our Prime Minister on this subject.

The British Government also has information that Prager is prospecting for radium ore in the Great Bear Lake area with some success and that he will shortly start an operation in competition with yours. I cannot believe that this is true. If it is, the Government must intervene as we can only have one company in the radium business.

I am sorry to trouble you with these matters, but apparently both are considered to be serious by the United Kingdom. An early reply giving full information on both subjects will be appreciated.

Yours sincerely,

[C. D. Howe]

411.

C.D.H./Vol. 7

*Le président, Eldorado Gold Mines Limited, au ministre
des Munitions et des Approvisionnements*

President, Eldorado Gold Mines Limited, to Minister of Munitions and Supply

MOST SECRET

Toronto, May 28, 1943

Dear Mr. Howe,

I wish to acknowledge your letter of May 26th and note that our friends, the British Government, seem to be greatly disturbed about certain reports that

have reached them to the effect that we have sold the output of Uranium from Great Bear Lake to the U.S. Government covering production for the next two years, which would exclude them from this market.

In view of the reports which have reached you I think it advisable to give you a brief review of the contracts we have on hand at present:

1. Contract dated December 21, 1942 covering the refining of approximately 655 tons of ore, apparently of Belgian origin. This contract was supplemented on April 14, 1943, to cover an additional 600 tons of U308.
2. Contract dated July 16, 1942 covering 350 tons of U308 from Eldorado ore, to be delivered in the form of Black Oxide. To date, approximately 185 tons have been delivered against this contract and the balance is to be delivered after the treatment of the ore under contract (1) has been completed.
3. Contract dated December 22, 1942 covering 500 tons of U308 in the form of Black Oxide, from Eldorado ore, for delivery after completion of the two contracts above, but before December 31, 1944.

For your information we would advise that up to the end of May we have delivered approximately 420 tons of U308 against contract (1) above. Our refinery capacity at the moment is approximately 120 tons of U308 per month. With the additional equipment now being installed we hope to have this capacity increased to 145 tons per month by the end of August.

After receiving your letter of December 5, 1942, in which you outlined the requirements of the United Kingdom Government, I was of the opinion that it was good policy to accept all contracts that came our way for the refining of ore, in order to give our industry revenue and at the same time protect our company against other interests which were anxious to take on job refining for the U.S. Government.

Our verbal understanding with the U.S. Government, of which we hope to have a written agreement within the next few days which will be submitted to you,²⁰⁸ is to the effect that we will not be prevented from supplying the needs of our own Government for any of our products. It is true that at the moment we are shipping our entire output of Uranium across the line to our American friends, but we have been definitely led to believe by verbal understanding that they know this is a Canadian company and that the requirements of the governments of both Canada and the United Kingdom should be taken care of.

I trust that the above information is what you require and that it will put at rest any fears about the British Government being excluded from our production.

Yours respectfully,

G. A. LABINE

²⁰⁸ Apparemment il n'y a pas eu d'accord écrit. Voir C. P. Stacey, *Armes, hommes et gouvernements*. Ottawa: Information Canada, 1970, p. 571.

²⁰⁸ Apparently there was no such written agreement. See C. P. Stacey, *Arms, Men and Governments*. Ottawa: Information Canada, 1970, p. 519.

412.

C.D.H./Vol. 7

*Le haut commissaire de Grande-Bretagne au
ministre des Munitions et des Approvisionnements*

High Commissioner of Great Britain to Minister of Munitions and Supply

PERSONAL AND SECRET

Ottawa, July 17, 1943

Dear Howe,

I was sorry that we did not manage to meet, as we had hoped, before you left for your holiday. But I quite understand that your preoccupation with many urgent matters made that impossible.

I have to go away on Tuesday, for about ten days of engagements on the Pacific coast. But I will get into touch with you when I return to Ottawa at the end of July.

I have had a talk with Mackenzie about his meeting with Groves in New York, and he is working to get us the Oxide we want for the most economical programme we can arrange for Montreal. I believe that he may be able to get enough for our requirements up to September 1944, though the prospect is very doubtful after that. However, that matter can wait till we meet. But it is now clear that our requirements and those of the Americans together will far exceed the total output of Eldorado and there are signs that our American friends are therefore seeking to take action about other properties in the region.

I am assuming that LaBine and any others concerned, apart from Mackenzie, have been instructed to avoid negotiations of any sort with the Americans until you are back to take general charge of them.

I hope that you are having a real good holiday, and that your golf is giving you entire satisfaction.

With warm regards,

Yours ever,

MALCOLM MACDONALD

P.S. I had meant to send you this straight away, but found there is no means of getting it to you without invoking special arrangements. So I am asking that it should be kept for you on your return.

413.

C.D.H./Vol. 7

*Le ministre des Munitions et des Approvisionnements
au haut commissaire de Grande-Bretagne*

Minister of Munitions and Supply to High Commissioner of Great Britain

PERSONAL AND SECRET

Ottawa, July 27, 1943

Dear Malcolm [MacDonald],

Thanks for your letter of July 17th which has come to hand on my return to Ottawa.

General Groves was in Ottawa last Monday, and I think that the situation up to September 1944 is satisfactory. Beyond that date, if all goes well there will be a shortage unless the Belgian Congo is opened up. It seems to me that this source of supply must be brought in without delay.

I am meeting LaBine tomorrow morning, and will put in hand further extensions to the refinery and an active campaign of exploration at Great Bear Lake. My understanding with Groves is that in future all dealings for the product will be Government to Government, which will give us control of the situation as far as Canada is concerned.

I will discuss the matter with you further on your return.

With warm regards,

Yours sincerely,

[C. D. HOWE]

414.

C.D.H./Vol. 7

*Le ministre des Munitions et des Approvisionnements au président,
Eldorado Gold Mines Limited*

Minister of Munitions and Supply to President, Eldorado Gold Mines Limited

Ottawa, July 28, 1943

Dear Mr. LaBine,

This will advise you that the Government of Canada is taking delivery of all uranium ore produced in this country, for resale to governments requiring this product. From this date your Company is instructed to make deliveries solely on orders from Dean C.J. Mackenzie, President of National Research Council, who is my agent in dealing with this product.

Please notify your agent in the United States that no further shipments will be made to his account or on account of contracts between your Company and its customers except as directed by Dean Mackenzie.

Having in mind the urgent need for material, please do everything possible to expand your mining operations, advance exploration for new ore bodies, and improve the production of your refinery. It is important for the prosecution of the war that Canada shall make a maximum contribution in producing and refining uranium ore.

Yours very truly,

[C. D. HOWE]

415.

W.L.M.K./Vol. 338

Le Premier ministre de Grande-Bretagne au Premier ministre

Prime Minister of Great Britain to Prime Minister

MOST SECRET

Quebec, August 11, 1943

My dear Mackenzie King,

As a result of the discussions which the Lord President of the Council held recently in Washington it was agreed that there should be recommended jointly

to the President and myself draft articles of an agreement to govern collaboration between our two Governments on the project which is known as "Tube Alloys". These draft articles provide for the setting up of a Combined Policy Committee.

In view of the part which the Canadian Government are playing in this project, I think it would be very appropriate that there should be a Canadian member of the Combined Committee. I hope therefore that, if the President is agreeable, you may be willing to appoint a representative to serve upon it.

When we discussed this matter yesterday, you told me that you would see no difficulty in this and that your representative would be Mr. Howe. I take it, therefore, that you will be agreeable to my suggesting to the President that Mr. Howe should be invited to become a member of the Committee. For myself, I should be very glad to welcome him in that capacity.

If you agree, it might be a good idea for the Lord President to have a talk with Mr. Howe about the effect of the articles of agreement before he leaves.

Yours sincerely,

WINSTON S. CHURCHILL

416.

W.L.M.K./Vol. 338

*Le Premier ministre de Grande-Bretagne au Premier ministre
Prime Minister of Great Britain to Prime Minister*

MOST SECRET

Quebec, August 19, 1943

My dear Mackenzie King,

With reference to my letter of August 11, I enclose, for your most secret information, a copy of Articles of Agreement governing collaboration between the authorities of the United States and the United Kingdom in the matter of Tube Alloys, signed by President Roosevelt and myself today.²⁰⁹ As you will see, the President has accepted the suggestion that Mr. Howe should be invited to become a member of the Combined Policy Committee as a representative of Canada.

Yours sincerely,

WINSTON S. CHURCHILL

²⁰⁹ Pour le texte de cet accord voir M. Gowing, *Britain and Atomic Energy*. London: Macmillan, 1964, pp. 439-40.

²⁰⁹ For text of this agreement see M. Gowing, *Britain and Atomic Energy*. London: Macmillan, 1964, pp. 439-40.

PARTIE 8/PART 8
 ARMISTICE AVEC L'ITALIE
 ARMISTICE WITH ITALY

417.

DEA/7-Ls

*Le secrétaire d'État aux Affaires extérieures
 au haut commissaire en Grande-Bretagne*
*Secretary of State for External Affairs
 to High Commissioner in Great Britain*

TELEGRAM 1559

Ottawa, September 2, 1943

IMMEDIATE. MOST SECRET. Reference Dominions Office Circular D. 598 of August 27th.[†] Signature of Italian armistice.

United Kingdom Government has been informed that Canadian Government would be glad to be represented at signature if practical arrangements for such representation can be made. If time and other factors permit, General McNaughton would be most suitable representative. Please so inform him and ask him, if he is likely to be unavailable, whether General Simonds²¹⁰ could be asked to be present as Canadian representative. Failing Simonds we should be glad to have General McNaughton designate most suitable Canadian representative available. It is understood that considerations of time and place may prevent representatives of Canada and other United Nations from being present at the signature of Instrument, but should be grateful if you could keep in touch with the United Kingdom authorities and make whatever arrangements seem suitable in the circumstances.

418.

DEA/7-Ls

*Le haut commissaire en Grande-Bretagne au
 secrétaire d'État aux Affaires extérieures*
*High Commissioner in Great Britain to
 Secretary of State for External Affairs*

TELEGRAM 2112

London, September 3, 1943

IMMEDIATE. MOST SECRET. Your telegram No. 1559 of September 2nd. Directly your telegram under reference was received, I got in touch with McNaughton who, of course, is not available to represent Canada at signature of Armistice. He has designated Simonds as most suitable Canadian representative at signature. Failing him, Brigadier Wyman or Brigadier Penhale in that order of preference. I have sent an urgent message to Simonds conveying this information. United Kingdom Government is not clear whether Armistice has been already signed or not.

MASSEY

²¹⁰ Officier commandant supérieur, première Division canadienne en Sicile et en Italie.

²¹⁰ Senior Officer Commanding, First Canadian Division, Sicily and Italy.

419.

DEA/7-Ls

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 622

London, September 4, 1943

IMPORTANT. MOST SECRET AND PERSONAL. Following for the most secret and personal information of the Prime Minister, Begins: My telegram of the 3rd September, Circular D. 619.[†] Surrender terms were signed yesterday by General Eisenhower's representative and General Castellano. It is contemplated that formal signature of armistice should take place after announcement is made, which will not be for some time yet. Meanwhile strictest secrecy will be maintained, and General Eisenhower, in reporting above, adds that event must be kept absolutely secret or our plans will be ruined. Ends.

420.

DEA/5601-40

Le secrétaire d'État aux Affaires extérieures au ministre en Argentine²¹¹
Secretary of State for External Affairs to Minister in Argentina²¹¹

TELEGRAM 88

Ottawa, September 15, 1943

The following information has been received from our High Commissioner in London based on telegrams sent by British Foreign Office to diplomatic missions in neutral capitals:

"Although hostilities have been terminated by the signature of the armistice, a formal state of war still exists with Italy. We cannot therefore re-establish official diplomatic relations with members of Italian Missions in neutral countries, at any rate for the present.

At the same time I recognise that it may be possible to secure useful information from Italian Missions, and there is no objection to your establishing personal and unofficial contacts with members of the staff of the Italian Mission at your discretion."

The British Minister may already have informed you of the attitude which the United Kingdom are adopting in the matter and I feel that we should pursue a parallel policy.

421.

DEA/7-Ls

Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures

High Commissioner in Great Britain to
Secretary of State for External Affairs

TELEGRAM 2250

London, September 18, 1943

SECRET. Your telegram No. 1639 of September 16th,[†] terms of Armistice with Italy.

²¹¹ Les mêmes instructions furent communiquées au haut commissaire en Irlande.

²¹¹ The same instructions were sent to the High Commissioner in Ireland.

With regard to the point raised in the last paragraph of your telegram under reference, owing to exigencies of timing the Armistice was only signed by the Italian representative and a representative of General Eisenhower. I understand that United Kingdom authorities are now considering the advisability of drawing up some form of document supplementary to the Armistice, of which the appropriate United Nations would be signatories, but it has not yet finally been decided to adopt this course.²¹²

I am taking up the remaining points in your telegram with the Dominions Office and hope to be able to let you have a reply[†] shortly.

MASSEY

PARTIE 9/PART 9
PRISONNIERS DE GUERRE ET RÉFUGIÉS
PRISONERS OF WAR AND REFUGEES

SECTION A

DIEPPE: PRISONNIERS MIS AUX FERS

DIEPPE: SHACKLING OF PRISONERS

422.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, October 9, 1942

GERMAN PRISONERS OF WAR — FETTERING
OF GERMAN PRISONERS IN CANADA

5. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES referred to a public announcement made by the German High Command of their intention to put British prisoners in chains, and the reply by the United Kingdom that German prisoners in British hands would be treated likewise, by noon tomorrow, if the German threat were carried out.

A request had now been received from the U.K. government that the Canadian government implement the British threat of reprisal and arrange for the fettering of some two thousand prisoners in Canadian camps.

(Telegrams 202 and 204, Dominions Office to External Affairs, October 8 and 9, 1942).[†]

6. MR. MACDONALD reviewed the circumstances leading to the present situation. Germany had alleged that the hands of German prisoners at Dieppe had been tied and that a British order to that effect had been given. In consequence, the Germans had threatened to chain our prisoners taken during the same

²¹² Pour les documents d'armistice, voir
Canada, *Recueil des traités*, 1943, N° 21.

²¹² For the armistice documents, see Canada,
Treaty Series, 1943, No. 21.

operation. The U.K. government had publicly denied the German charges, stating that any such order, if it was issued, would be cancelled. The German threat had not then been carried into effect.

On October the 7th, however, the German government had again announced their intention of putting Dieppe prisoners into irons from mid-day, October the 8th, stating that this measure would remain in force until the British War Office had proved that, in future, it would issue true statements and that it had sufficient authority to see that its orders were carried out. This announcement had apparently been related to British commando operations in the Channel Islands.

On October the 8th, the British War Office had issued a statement, again denying the German allegations. The U.K. War Cabinet had decided upon a policy of reprisals and an announcement to that effect had now been made.

7. MR. MACDONALD said that, in fact, operational orders for Dieppe had included instructions that, wherever possible, prisoners' hands should be tied to prevent destruction of their documents. Apparently a copy of this order had been captured.

The Canadian government had not been consulted before the decision to institute reprisals had been announced in London, although Canada was most intimately concerned and action on our part would be required to give it effect. The Dieppe prisoners affected were nearly all Canadians, and German prisoners against whom counter measures would have to be taken, with the exception of some two hundred, were in Canadian camps.

The Prime Minister (who was in Toronto) had been consulted by telephone. He had felt that, in the circumstances, the Canadian government would have to comply, inasmuch as we had already been committed by London. It should be made clear, however, that we were most reluctant to take this course and that we sincerely hoped that the fettering of prisoners, on both sides, would be of brief duration.

8. THE ASSISTANT UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS explained the situation in detail and read telegrams exchanged with the Dominions Office and the Canadian High Commissioner in London.

Compliance with the United Kingdom's request would involve 1,100 German prisoners of war in Canada. Decisions on two points were required: first, as to the reply to be sent to the U.K. government; and second, as to the message to be communicated to Germany through the protecting power.

9. THE MINISTER OF MINES AND RESOURCES expressed great reluctance to engage in measures of reprisal which would certainly prove futile. The United Kingdom should be informed of our extreme distaste for this course and urged to take any possible initiative which offered hope for its discontinuance by both sides.

10. THE MINISTER OF JUSTICE raised the question of Canadian responsibility for German prisoners of war transferred to this country by Britain.

The paramount consideration should be the effect of the course taken upon Canadians in enemy hands. Nothing should be done which would make their

lot harsher, and every effort should be directed to opening a way out. In a contest of brutality we were bound to lose.

Would it be possible to defer the order for fettering of German prisoners, pending an opportunity for investigation?

11. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS said that under the Convention Canada was the "detaining power" and not merely an agent of the British government, in respect of German prisoners in Canadian camps. In consequence Canada was responsible under international law.

12. MR. MACDONALD expressed the view that, at this stage, the Canadian government would have to accept the United Kingdom's decision in order to avoid an open difference as to measures which London had already announced. Strong exception should, however, be taken to the issue of the Dieppe order and to the fact that the reprisals decision had been taken without Canadian consultation. It should be urged that the British government make an offer of complete investigation by the protecting power and make a straightforward statement of the facts regarding Dieppe.

13. THE WAR COMMITTEE, after further discussion, approved the handcuffing of 1,100 German prisoners in Canada, from noon the following day, and agreed that the U.K. government be informed of the War Committee's views as to the wisdom of the policy and the exception to the announcement of the decision without prior consultation with Canada.

It was also agreed that the U.K. government be urged to make a frank statement of the facts and offer a full investigation with a view to ending the threatened contest in reprisals.

The draft telegram to the Dominions Office and the draft Aide-Mémoire for communication to the Swiss Consul General were approved, as revised. It was agreed that a statement in general terms be given to the press.

423.

DEA/621-CX-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 214

Ottawa, October 9, 1942

MOST IMMEDIATE. MOST SECRET. Your telegrams Nos. 202 of October 8th[†] and 204 of October 9th.[†] We are prepared to take desired action and to handcuff from noon Saturday 1,100 German prisoners in Canada. See my immediately following telegram for text of notification to Germany sent through Swiss representative. We think it undesirable that any figures indicating number of German prisoners handcuffed in Canada and in United Kingdom, respectively, should be made public, only the total being given.

2. This decision has been reached with reluctance. We feel that we have been committed without proper consultation to a course of doubtful wisdom. Not

only are nearly all the Dieppe prisoners Canadians but the task of applying reprisals to German prisoners falls mainly on Canada. We fear a futile contest may follow in an attempt to match with the Germans an eye for an eye. In such a contest in the application of harshness to prisoners the Germans are certain to win.

3. We consider that it would have been preferable to leave to the Germans a face-saving escape before reprisals were applied on our side. An offer might have been made of complete investigation by the Protecting Power accompanied by a threat of reprisals if such an investigation showed the German charges to be unfounded and if the Commonwealth prisoners were not promptly freed from their chains.

4. To avoid, however, an open difference with the United Kingdom Government who had already announced the measures to be taken although their execution required Canadian cooperation, we have decided with regret to take the action requested and are so informing the press.

5. We understand that there was included in the operation plans for Dieppe a sentence authorizing the tying of prisoners' hands to prevent destruction of documents. We believe that, especially since the Germans have this order, a straightforward statement of the facts should now assist in ending this unhappy contest in reprisals.

6. Can you offer any explanation of why German reprisals have been imposed at this particular time? What connection exists between them and the incidents occurring during the Commando Raid on Sark?

424.

DEA/621-CX-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 215

Ottawa, October 9, 1942

MOST IMMEDIATE. MOST SECRET. Reference my immediately preceding telegram No. 214. Following is text of aide-mémoire given Swiss Consul General in Charge of German Interests, Begins: The Canadian Government and people have learnt with amazement and regret of the fettering of Canadian prisoners of war by the German authorities. The Canadian Government protests in strongest terms this action by the German authorities, which is in clear violation of Article 2 of the Geneva Convention.

Unless the order for the fettering of Canadian prisoners of war is rescinded, the Canadian Government, acting in consultation with the Government of the United Kingdom, will reluctantly take immediate counter action. Failing, therefore, an official report that the prisoners of war taken at Dieppe have been released from their fetters, an equivalent number of German prisoners of war, officers and men, will be put into chains at 12 noon Saturday October 10th. Needless to say, the Canadian Government will be very glad to cancel this order the moment that word is received that the order for the fettering of prisoners taken at Dieppe is rescinded. Ends.

425.

DEA/621-CX-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2477

London, October 9, 1942

MOST IMMEDIATE. SECRET. Shackling of German prisoners of war in Canada.

I have consulted Colonel Ralston and Mr. Howe on the question of compliance with the United Kingdom request that 2000 German prisoners of war in Canada should be shackled at noon Saturday. Ralston, Howe and I all disagree on principle with the whole policy of mutual reprisals. Ralston and myself, however, feel that as Canada has taken the stand that we are only acting as custodians for German prisoners of war transferred from the United Kingdom, there seems no alternative but to comply with the request of the United Kingdom Government. However, we are all three of us strongly of the opinion that the United Kingdom Government should be informed that our compliance with the United Kingdom request is made with reluctance, especially as we were not given an opportunity of being brought into consultation before the Cabinet decision here was made. At the same time we suggest that the United Kingdom Government might be informed that the Canadian Government consider that it should be intimated to the German Government that as their action in placing fetters on British prisoners of war is a direct contravention of Article two of the Geneva Convention, and as this measure of reprisal was taken without any prior investigation of the facts, which could have been investigated through the Protecting Power, His Majesty's Governments had no alternative but to place an equivalent number of German prisoners in handcuffs in like manner. However, the German Government should at the same time be invited to submit its charges re the tying of hands to the investigation of the Protecting Power, and should be invited in the meantime to suspend the shackling of prisoners of war on a reciprocal basis pending a report on the part of the Protecting Power.

Unless some action along the above lines is taken there is evident danger that this whole situation will develop into competitive reprisals with no limit in sight. For example you may have seen the communiqué of the German High Command that if the British announcement that an equal number of Germans will be manacled at noon to-morrow is put into effect the German High Command will have three times as many British prisoners of war put in fetters as from noon to-morrow.

The time element is obviously of vital importance in this matter and I should be most grateful for your earliest possible instructions as to whether the United Kingdom Government should be approached along the lines suggested above.

MASSEY

426.

DEA/621-CX-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1852

Ottawa, October 9, 1942

MOST IMMEDIATE. MOST SECRET. Your telegram No. 2477 of October 9th. Please see my telegrams to Secretary of State for Dominion Affairs Nos. 214 and 215 of today. These were approved by War Committee before your telegram arrived and you will note that we had reached similar conclusions on reprisals policy to those of Ralston, Howe and yourself.

2. You are authorized to suggest to United Kingdom Government the course recommended in the two last sentences of paragraph 1 of your telegram and to express our hope that they will adopt these proposals.

3. For your information we are not complying with United Kingdom request on ground that we are custodians for German prisoners transferred from United Kingdom since we consider that under Geneva Convention Canada is the detaining power. Our agreement is caused primarily by desire to avoid public difference with United Kingdom on this issue.

427.

DEA/621-CX-40

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM CIRCULAR D. 408

London, October 10, 1942

IMMEDIATE. SECRET. My telegram Circular D. 405 of October 8th.[†]

1. In view of latest developments, War Cabinet have again reviewed the position. Following is statement of facts with our comment.

End of part 1, part 2 follows.

Part 2.

On 2nd September, the German High Command announced:

"The English Order captured near Dieppe states in Appendix L, paragraph 4, figure B X 2 X wherever it is possible the hands of prisoners will be bound so that they cannot destroy their papers. This extract from the English Operational Order was published among other things in the official statement of the German High Command of the 30th of August, 1942. The English Government has not defined its attitude to this. The German High Command have therefore ordered that all the British officers and soldiers taken prisoners near Dieppe will be placed in fetters as from 14:00 on the 3rd of September. The reason for this treatment has been made known to the prisoners. This measure will only be

cancelled when the British Government withdraws in an official pronouncement the instructions decreed in the above mentioned order about the fettering of German prisoners of war”

End of part 2, part 3 follows.

Part 3.

The War Office issued the following statement on 2nd September:

“A German communiqué has stated that orders were given by the British in the Dieppe operations that prisoners’ hands should be tied to prevent them destroying their papers. Investigations are being made as to whether in fact any such order was issued. It is categorically denied that any German prisoner had his hands tied. Any such order if it was issued will be cancelled”

The German High Command issued on 3rd September a statement repeating the War Office statement and saying:

“On the strength of this declaration the High Command of the German Armed Forces has lifted the reprisal measures against British prisoners of war announced on September 2nd. The text of this British declaration will be made known to the British prisoners of war as well”.

End of part 3, part 4 follows.

Part 4.

On enquiries being made it was found that the Order referred to in the German statement of September 2nd had been issued. In the view of the War Office this might be held to imply that irrespective of the circumstances the hands of prisoners of war should be tied. This might be regarded as contrary to the Geneva Convention which, though it lays down nothing about tying the hands of prisoners of war, prescribes humane treatment.

End of part 4, part 5 follows.

Part 5.

On the 7th October German Government issued a further announcement as follows:

“After the abortive landing attempts at Dieppe a captured British Order demanding that German prisoners be fettered forced the High Command of the armed forces to announce suitable counter measures for the protection of German soldiers’ honour. Thereupon the British War Office declared on the 2nd September it is emphatically denied that any German prisoner has had his hands fettered. Any such order if it should have been issued will be revoked. In the meantime both declarations of the British War Office have been proved to be either frivolous, unverified assertions, or conscious lies, for the examination in court of a German Lance Sergeant, a Corporal and five privates, as well as of five men of the organisation TODT who temporarily fell into British captivity at Dieppe and who were later freed makes it clear that they had all been fettered from ten minutes to one hour and a half, either their hands had been tied on their backs or their wrists. In some instances even their individual fingers had been tied together over their chests. This was not-all. A similar dastardly incident took place in the Channel Island of Sark. On the 4th October, in the early hours of the morning, 16 British raided a German labour squad of one N.C.O.

and four men. These dressed only in their shirts, were tied up with a thin but very strong round plaited rope, prevented from putting on any further clothes and marched to the beach. When the German soldiers resisted this unheard of treatment the N.C.O. and one man were killed by shots and by thrusts with bayonet and another soldier was wounded. These facts are confirmed by the evidence of a sapper who managed to escape in the affray. The investigation has evidenced that the fettering had been prepared systematically. The German High Command of the armed forces has thus in its hands irrefutable proof of the two British War Office statements of 2nd September having been made untruthfully. The High Command of the armed forces therefore finds itself compelled to direct as follows:

As from 12:00 o'clock noon of the 8th October all British officers and soldiers captured at Dieppe will be laid in irons. This measure shall remain in force until such time as the British War Office will give evidence that in future it will make truthful statements of the fettering of German prisoners of war or that it has assumed authority to make sure its orders are enforced with the troops in future. All terror and sabotage units of the British and their henchmen who behave not like soldiers but like bandits will be treated as such by the German troops and wherever they appear they will be finished off in ruthless struggle."

End of part 5, part 6 follows.

Part 6.

The War Office issued the following statement on the same day:

"Enquiries were instituted after the Dieppe raid. All German prisoners of war brought back to the United Kingdom were interrogated and unanimously declared they had not had their hands tied and had been given humane treatment. This statement can be proved by the German Protecting Power. Any of the prisoners can be seen by the representatives of the German Protecting Power to confirm this. The evidence the enemy have adduced rests on their unsubstantiated assertions. There is full evidence of the humane treatment of prisoners of war by British troops and if the German Government carry out the threats mentioned in their communiqué the British Government will have to consider their future action. The raid on Sark was carried out by a party of ten officers and men. Seven of the party went into an occupied house and captured five Germans. The hands of the Germans were tied in order that arms might be linked with the captives. No written orders had been issued. The prisoners had to be taken past a German occupied barracks to the boats and the precautions were therefore necessary. In spite of the precautions four of the five German prisoners of war broke away shouting and had to be shot to prevent their raising the alarm."

End of part 6, part 7 follows.

Part 7.

On the next day 8th October His Majesty's Government issued a further statement as follows:

"His Majesty's Government repeat the declaration that they do not and will not countenance any orders for the tying of the hands of prisoners of war taken

in the field. The action of the German Government in taking reprisals against the British prisoners of war in their hands is expressly forbidden by Article 2 of the Geneva Convention. Nevertheless should the German Government persist in their intentions His Majesty's Government will be compelled in order to protect their own prisoners of war to take similar measures upon an equal number of enemy prisoners of war in their hands."

End of part 7, part 8 follows.

Part 8.

The German High Command thereafter announced that they had put the Dieppe prisoners in chains as from noon on October 8th.

End of part 8, part 9 follows.

Part 9.

The War Office thereupon issued the following statement:

"The German Government having put into operation the illegal action threatened in their communiqué, the War Office announces that unless the German Government release the prisoners captured at Dieppe from their chains, an equal number of German prisoners of war will be manacled and chained as from 12:00 noon Saturday, 10th October."

End of part 9, part 10 follows.

Part 10.

The German High Command issued the following on 9th October:

"Since the announcement by the German High Command of October 7th in which reprisal measures against the fettering of German prisoners at Dieppe and on the Island of Sark were made known, the British Government have only made excuses, referred to statements of German war prisoners who were not manacled and declared that they do not and will not countenance the binding of war prisoners in the field. Since the British Government has not referred to the fact that notwithstanding the former and the present hypocritical statements of the British War Office, German prisoners were fettered in a crude way on October 8th. At noon 107 British officers and 1269 n.c.o's and men who were taken prisoner at Dieppe were put in fetters after they had been informed of the reasons. Chaplains, medical personnel, wounded and sick, were not manacled. In the evening of October 8th the British War Office announced that an equal number of German prisoners will be manacled and put in irons from October 10th onwards. If this should be done the German High Command will put into fetters three times the number of British prisoners of war from noon on October 10th onwards".

End of part 10, part 11 follows.

Part 11.

His Majesty's Government think that there is risk of some misunderstanding as to what is or is not allowed in this matter.

The Geneva Convention lays down the treatment to be accorded to prisoners of war. Clearly, however, wholly different conditions apply to prisoners in safe custody as contrasted with the action of taking prisoners in the course of battle.

In the latter case the tying of a prisoner's hands may be the only way of preventing him from escaping while being taken into custody, it may indeed be the only alternative to taking his life.

The German Government have now deliberately manacled prisoners of war in their custody and far removed from the battle. They have done this as a reprisal, but reprisals are specifically forbidden by the Geneva Convention.

His Majesty's Government think it desirable that an early public statement should be issued based on the above and we hope to let you have the text of this as soon as possible.

In the War Cabinet's view there is reason to think that the German action was prompted by fear of our Commando raids and aimed at making them less effective. His Majesty's Government therefore propose that if the German Government put into effect their threat to manacle three times the number of British prisoners of war, they, for their part, should increase correspondingly the number of German prisoners to be manacled. His Majesty's Government trust that this action, which has been forced upon us, will receive the approval and co-operation of the Dominion Governments. We should be grateful for earliest possible reply. End of telegram.

428.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 207

London, October 10, 1942

SECRET. My telegram Circular D. 408 of today, last paragraph. Action proposed by us would involve Canadian Government in the first instance putting manacles on 3,888 German prisoners of war in all (inclusive of those due to be manacled at noon on October 10). We trust that Canadian Government would agree to take this action on our notifying them that Germans have fulfilled threat.

429.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 208

London, October 10, 1942

SECRET. My telegram No. 207 of October 10. Following from the Prime Minister for the Prime Minister, Begins: Earnestly hope that you will stand by us in this anxious business in which we both have much at stake. Am sure it will be of short duration. Ends.

430.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 209

London, October 10, 1942

MOST IMMEDIATE. SECRET. Your telegram No. 214.

We are most grateful to Canadian Government for having agreed to take action proposed and to handcuff 1100 German prisoners in Canada from noon today. We sympathise with reluctance of Canadian Government to take this action and their prompt decision is in the circumstances much appreciated. We fully agree with your view that number of German prisoners handcuffed in United Kingdom and Canada respectively should not be made public.

We greatly regret that you should feel that Canadian Government had been committed without consultation. Unfortunately the need for an immediate decision in the circumstances of the case precluded our consulting you fully as we should have wished. Like you we are most anxious to avoid a contest with the Germans in harshness to prisoners of war and we felt that the decision we took was the best calculated to put a speedy end to the matter. Our Government communiqué of October 8th was in fact designed to afford the Germans an opportunity of the face saving escape which you advocate. As regards offer of investigation by Protecting Power, War Office communiqué of October 7th provided for this, but it will be appreciated from the full statement communicated to you in my telegram Circular D. 408 that it would not be possible for Protecting Power to pronounce on anything which may have taken place at Dieppe or at Sark.

Information which is asked for in paragraphs 5 and 6 of your telegram under reference is, so far as available, contained in my telegram Circular D. 408. We very much hope that in view of full explanations there given Canadian Government will agree to take action as in my telegram No. 207 if the case should unfortunately arise and we should be grateful for earliest possible reply.

431.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, October 10, 1942

**PRISONERS OF WAR — FETTERING OF
 GERMAN PRISONERS IN CANADA**

1. THE SECRETARY read the draft minutes of the previous meeting, covering discussion of this subject.
2. THE PRIME MINISTER reported further correspondence exchanged with the U.K. government and the Canadian High Commissioner in London.

The British War Cabinet had again reviewed the position, in the light of the facts. On October the 9th the German High Command had announced their intention of fettering three times the number of prisoners put into irons by the British, who now proposed to increase correspondingly the number of German prisoners manacled and, for that purpose, the approval and co-operation of the Dominion governments had been asked.

This last request would involve the Canadian government putting handcuffs on 3,888 German prisoners of war, in all. Mr. Churchill had appealed to Mr. King to support such a move, expressing his assurance that it would be of short duration.

(Telegrams, Dominions Office to External Affairs, Circular D. 408, parts 1 to 11, also 207 and 208, October 10, 1942).

3. MR. KING said that, in reply to the message sent after the last meeting, the U.K. government had said that the need for an immediate decision had precluded their consulting the Canadian government fully, that they felt their decision had been best calculated to end the matter speedily and that it was hoped that the Canadian government would agree to take the action requested in regard to further prisoners of war.

A public statement of the facts was now being made in London, admitting the existence of the Dieppe order (but denying that it had been acted upon) and explaining the circumstances of the tying of prisoners' hands during the Sark raid.

(Telegrams, Dominions Office to External Affairs, 209 and Circular D. 409,† October 10, 1942).

4. MR. KING expressed the opinion that acceptance of the United Kingdom's proposal to match the German action would inevitably lead to further competition in reprisals. On the other hand, if delay could be obtained, pending an opportunity for independent mediation, an opportunity would be given to judge of German intentions, whether the Nazis were seeking merely to compel agreement to refrain in all circumstances from binding prisoners, whether their action was aimed at making commando raids less effective, or whether it was part of a general policy of terrorism.

The U.K. government should be advised frankly of the strong distaste felt by Canada for a course of further reprisal.

5. MR. KING said that the good offices of the Swiss government, as Protecting Power, as well as those of the International Red Cross had been offered to assist in bringing to an end the whole unhappy situation. It should be urged upon the U.K. government that these avenues be fully explored with the object, if possible, of overcoming the present difficulties and preventing a series of reprisals and counter-reprisals.

6. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES opposed any extension of the fettering of German prisoners in Canada. As a matter of fact, it would be physically impossible to manacle the numbers now mentioned.

Every possible effort should be made to have the practice called off by both sides. There was nothing to support the British hypothesis as to the German

motive which was more likely to have related to their resentment of indignities to the German race.

7. THE MINISTER OF FINANCE remarked that the situation had been complicated because the United Kingdom had changed their ground from denial to explanation.

8. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS suggested that it might be open to the Swiss to have Britain and Germany agree upon a statement of what constituted "humane treatment" under the Convention in regard to tying of prisoners.

9. THE ASSISTANT UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted a draft telegram to the U.K. government urging that further fettering of prisoners on our part be, at least, delayed. This would permit of seeking every opportunity of settlement through the Protecting Power and the Red Cross, would enable a clearer idea of the German purposes to be obtained, and, at the same time, avoid embarking upon a series of competitive reprisals which could not, in the circumstances, prove successful.

10. THE WAR COMMITTEE, after discussion, approved a communication to the U.K. government in the sense of the draft telegram submitted.

(Telegram External Affairs to Dominions Office, 216, October 10, 1942).

432.

DEA/621-CX-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 216

Ottawa, October 10, 1942

MOST IMMEDIATE. MOST SECRET. Reprisals on prisoners of war. We have already taken the initial measures of reprisal as stated in my telegram No. 214 of October 9th paragraph 1. With regard to the proposal in your telegrams Circular D. 408, last paragraph, and 207 of October 10th, before we seek to match the number of prisoners placed in chains by the Germans we consider that at least there should be some delay even though the Germans may already have carried out their threat to chain three British prisoners for each German fettered by us. During this delay we think that every opportunity should be taken of seeking a settlement making use of the Protecting Power and the International Red Cross. If we keep pace with the Germans step by step the probable result will be the fettering of all German prisoners whom we hold and of all Commonwealth prisoners whom they hold. We cannot equal them in this because of the great disparity in the number of prisoners held by each side.

2. Furthermore, we believe we should have a clearer idea of the purpose of the German reprisals before taking further action — whether this is (a) an effort to compel agreement to refrain in all circumstances from binding prisoners immediately after capture or (b) as you suggest an attempt to make Commando

raids less effective or (c) part of a policy of general terrorism or (d) a means of distracting attention inside Germany from the Russian campaign or (e) vengeance for an alleged insult to "the master race". Only on the first hypothesis does there seem to be much chance of getting a settlement by agreement. Light might be thrown on these points by the Protecting Power and by a study of German propaganda.

3. As an immediate step might not the Swiss Government be asked as the Protecting Power for both sides to employ their good offices to get an agreed definition between Germany and ourselves of what constitutes "humane treatment" under the Geneva Convention on the specific point at issue? We attach importance to this suggestion.

4. We have taken note of the message of the International Red Cross Committee transmitted to you by the British Minister in Berne in which they express fears that the reprisals might seriously jeopardize the entire question of prisoners of war and the Red Cross work for them. We are concerned that this may indeed be the effect of competitive reprisals and we think that the Committee's initiative should be followed up. We also feel that the offer to the British Minister in Berne made by Pilet Golaz of intervention by the Swiss Government should be followed up. In handing to the Swiss Consul General the message quoted in my telegram No. 215 of October 9th the Under-Secretary of State for External Affairs expressed the strong hope that the Swiss Government would do its utmost to bring about an early settlement.

433.

DEA/621-CX-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 217

Ottawa, October 11, 1942

IMMEDIATE. MOST SECRET AND PERSONAL. Following from Prime Minister for your Prime Minister, Begins: Views expressed in our telegram No. 216 to the Secretary of State for Dominion Affairs appear to be strongly endorsed by all shades of opinion in Canada. We agreed reluctantly to initial shackling of prisoners of war in Canada as a token protest against German reprisals — but we see nothing whatever to be gained in competition in reprisals in which dice are obviously loaded against us.

In the circumstances, I very much hope you can see your way to accepting the offers of mediation made by the Protecting Power and the International Red Cross Committee. I believe there would be an advantage in doing so before these offers have been accepted by the German Government. Ends.

434.

DEA/621-CX-40

Le Premier ministre d'Australie au secrétaire d'État aux Affaires extérieures
Prime Minister of Australia to Secretary of State for External Affairs

TELEGRAM 9

Canberra, October 13, 1942

IMMEDIATE. SECRET. Following telegram has been sent to the Secretary of State for Dominion Affairs, Begins: No. 456. Secret. Matter is one of such general concern and potential danger to the large number of Australians now in hands of Japanese that we would have preferred being advised at a much earlier stage.

2. We have little faith in value of reprisals, especially in cases where burden will fall on helpless captives on both sides and where competition in cruelty can be carried on indefinitely with far more embarrassment to us than to the enemy. We are gravely concerned at consequences to prisoners held by Japanese, *vide* paragraph 1.

3. There seems to be a valid distinction between prisoners detained during actual progress of operations and those who are in secure custody. The validity of this distinction is clearly in dispute between belligerents within meaning of Article 87 of Convention. Therefore a conference should be suggested under Article 87 and the German Government asked in meantime to withdraw its order for manacling of Dieppe prisoners.

4. Before your decision is announced we desire to be informed of it, also of views of other Dominions so that we can determine our position.

435.

DEA/621-CX-40

Le secrétaire d'État aux Affaires extérieures
au haut commissaire par intérim en Australie²¹³

Secretary of State for External Affairs
to Acting High Commissioner in Australia²¹³

TELEGRAM 183

Ottawa, October 13, 1942

SECRET. Reference Commonwealth Prime Minister's telegram No. 9 of October 13th and para. (d) of your telegram No. 233 of October 13th[†]. Please communicate following reply to Commonwealth Government, Begins: We are in full accord with the views expressed in your telegram to the Secretary of State for Dominion Affairs on the reprisals against prisoners of war and we have already notified the United Kingdom Government to this effect. We have a special interest in the question since nearly all the Dieppe prisoners were Canadians and since so few German prisoners are held in the United Kingdom that we must handcuff a large number of German prisoners transferred to Canada if the policy announced by the United Kingdom Government is to be carried out.

²¹³ E. B. Rogers.

2. We reluctantly agreed to participate in the initial reprisal and have handcuffed a number of German prisoners in our camps. We took this course because our refusal to do so would have meant an open difference with the United Kingdom Government who had announced the reprisal before they were informed of our views. Such an open difference would have been admirable material for German propaganda.

3. We have, however, informed the United Kingdom Government that we are not prepared at present to do more than we have done and we have strongly urged the acceptance by them of offers of mediation by the Swiss Government and the International Red Cross. We suggested to the United Kingdom on October 10th that the Protecting Power should use their good offices to settle the immediate point at issue about the binding of prisoners at time of capture — a suggestion which parallels that in the third paragraph of your telegram. Ends.

436.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 412

London, October 13, 1942

IMMEDIATE. SECRET. Telegram Circular D. 408 and your reply²¹⁴ about prisoners of war. Prime Minister will give following reply to Private Notice Question in House of Commons at about noon British Summer Time on Tuesday, 13th of October, Begins: His Majesty's Government have never countenanced any general order for tying up of prisoners on the field of battle. Such a process, however, may be necessary from time to time under stress of circumstances and may indeed be in best interest of safety of prisoners themselves.

The Geneva Convention upon treatment of prisoners of war does not attempt to regulate what happens in actual fighting. It is confined solely to treatment of prisoners who have been securely captured and are in responsible charge of hostile Government. Both His Majesty's Government and the German Government are bound by this Convention. The German Government by throwing into chains 1370 British prisoners of war, for whose proper treatment they are responsible, have violated Article II of the aforesaid Convention. They are thus attempting to use prisoners of war as if they were hostages upon whom reprisals can be taken for occurrences on the field of battle with which said prisoners can have had nothing to do. This action of the German Government affronts the sanctity of the Geneva Convention which His Majesty's Government have always been anxious to observe punctiliously.

His Majesty's Government have therefore approached the Protecting Power and invited them to lay before the German Government their solemn protest against this breach of Geneva Convention and to urge them to desist from it, in which case the counter measures of a similar character which His Majesty's

²¹⁴ Document 432.

Government felt themselves forced to take in order to protect their prisoners of war in enemy hands will immediately be withdrawn.

Until we learn from the Protecting Power the result of this protest, I have no further statement to make upon the subject and I should strongly deprecate any discussion which might be prejudicial to action of Protecting Power and consequently to interests of prisoners of war of both belligerent countries. As soon as a reply is received a further statement will be made to the House. Ends.

Please treat matter as secret meanwhile.

437.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 413

London, October 13, 1942

IMMEDIATE. SECRET. My telegrams Circular D. 412 and Circular D. 410.

Proposed statement contained in my telegram Circular D. 412 results from consideration of matter by War Cabinet last night who had views of Dominion Governments before them.

We have informed His Majesty's Minister at Berne that we much appreciate M. Pilet Golaz' offer and have instructed him to make a communication to M. Golaz in the terms of first three paragraphs of statement in my telegram Circular D. 412, i.e., from "His Majesty's Government" down to "withdrawn".

We propose to defer our consideration until result of this approach is known.

438.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 417

London, October 16, 1942

SECRET. My telegram Circular D. 415. Suggestion has been made in various quarters that situation should be dealt with by means of conference procedure provided by Article 87 of Geneva Convention for settlement of disputes between belligerents. Our view is that it would be inexpedient to follow this line. We think it important to maintain the position that the Protecting Power is concerned only with the treatment of prisoners of war after they have been securely captured and are in the effective control of the hostile Government. If we were to invite the Swiss Government as Protecting Power to concern themselves with the action taken by our troops in the course of fighting, the Germans by threatening to maltreat our prisoners could force on us neutral enquiries into all our methods of waging war.

Above is of course for your information only.

439. DEA/621-CX-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 225

Ottawa, October 17, 1942

IMMEDIATE. SECRET. Your Circular D. 417 of October 16th.

Canadian Government have at present no intention of invoking Article 87 and will not do so without consultation with other Commonwealth Governments. It is agreed that it would not be advantageous to use this Article. But it is hoped that if the Protecting Power suggests such a conference the suggestion will not be rejected without consultation with the Government of Canada and communication of the text of the proposal. This is especially important in view of compulsory clause in Article 87.

440.

DEA/621-CX-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 231

Ottawa, October 23, 1942

IMMEDIATE. MOST SECRET. The Canadian Government are deeply concerned by the apparent weakening in the authority of the International Convention regarding the treatment of prisoners of war and fear that the situation which has arisen as a result of reprisals and counter measures may deteriorate further. All the evidence indicates that the Axis Governments are preparing to pursue a deliberate and concerted policy of treating prisoners of war as hostages. In the view of the Canadian Government this new development makes necessary a complete review of the attitude of the Governments of the British Commonwealth in a joint public statement by them of their policy.

We feel that a new effort should be made to terminate the present deadlock over the shackling of prisoners of war and to deprive the Axis Governments of the initiative which they are taking with their reprisals policy.

The Canadian Government therefore proposes that the Governments of the British Commonwealth should jointly and simultaneously communicate to the Protecting Power, to the International Red Cross and to the public some statement along the following lines, Begins:

The Governments of the British Commonwealth of Nations have jointly considered the situation which has arisen as a result of action taken by the enemy to inflict reprisals on prisoners of war in their hands for actions in the field of battle for which these prisoners could have no responsibility.

This policy of treating prisoners of war as hostages is contrary to all dictates of justice and humanity and is in violation of the principles explicit in the Geneva Convention.

It is the evident hope of the enemy that by doing so they can weaken the offensive spirit of our Commando troops and bomber crews and thereby restrict the effectiveness of our offensive warfare.

No action of this sort by the enemy will deflect us from waging offensive warfare and carrying it into enemy countries with the utmost vigour.

Faced with the alternative of a hideous competition in reprisals against helpless prisoners of war or the rejection of a policy of using this method of exacting penalties from captives who cannot be held responsible for occurrences in which they have no part, the Governments of the Commonwealth adhering to the Prisoner of War Convention and basing their treatment of prisoners of war in their hands firmly on its principles have decided against the policy of reprisal. They will hold the enemy Governments equally bound to fulfil the spirit and letter of the Convention.

Should the German Government or any other enemy Government persist in the policy of treating prisoners of war in their hands as hostages in flagrant violation of their international obligations and contrary to all considerations of humanity and justice the individuals responsible will not be allowed to escape the just retribution to be meted out in due course to all war criminals. Ends.

While it would be desirable to secure the simultaneous adherence of the United States, the U.S.S.R. and the other United Nations to such a declaration we do not feel that the Governments of the Commonwealth, if agreed on the policy proposed, should wait for their concurrence.

Simultaneously with this declaration the Governments of the United Kingdom and Canada would inform the Protecting Power and issue separate statements to the effect that in view of the declaration of policy on the treatment of prisoners of war which they had made jointly with the other Governments concerned and in order to implement it, each had decided as from an early date, which would be set, to unshackle all German prisoners of war in their hands and to invite the German Government in response to this action to unshackle all British and Canadian prisoners of war in their hands.

This message is being repeated to the Governments of Australia, New Zealand and the Union of South Africa and the Government of the United States is being advised of our views.

441.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 433

London, October 24, 1942

IMMEDIATE. My telegram Circular D. 423 of October 17th.[†] As we have so far received no indication from Swiss Government of result of representations made by them to German Government, His Majesty's Minister at Berne has been requested to ask Swiss Government to press German Government for early reply. Meanwhile we are collecting material regarding enemy atrocities and breaches of Conventions.

2. His Majesty's Minister at Berne reports that International Red Cross Committee have asked His Majesty's Consul at Geneva to transmit the following message to His Majesty's Government with the request that Dominion Governments should be informed. The same text has been sent to American, German, Italian and Japanese Governments and will later be given to the press, Begins:

International Committee of the Red Cross at Geneva notes with grave anxiety that growing intensity of belligerent operations and resulting tension are creating or might create serious damage to the principles of the two Geneva Conventions concerning the treatment of the sick and wounded of the armies in the field and prisoners of war which are the fundamental charters of security for a large number of war victims. In these tragic circumstances International Red Cross Committee further emphasizes that when one side invoking wrongs committed by other takes in its turn rigorous measures the effect far from settling the controversy is merely to aggravate it together with sufferings inflicted on both sides on combatants which are no longer capable of bearing arms and thus have the right to the generosity of their opponents.

Certain belligerents already express doubts as to the intention of the others to observe the principles of the Conventions which have however in the course of these three years of war constantly proved their efficacy. In view of the grave menace of this situation, the International Red Cross Committee adjures each of the belligerents to remain faithful to the letter and to the spirit of these essential texts and to the use of all possible means of assuring to the enemy wounded or prisoners a humane and chivalrous treatment. Thus integral respect by all for the Geneva Conventions will be assured. Ends.

442.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 435

London, October 27, 1942

IMMEDIATE. MOST SECRET. Reference Canadian Government's telegram of October 24th, No. 231²¹⁵, about prisoners of war. As will be seen from my telegram of October 24th Circular D. 433 before Canadian Government's telegram was received we had instructed His Majesty's Minister to ask the Swiss Government to press for a reply from the German Government. In these circumstances we feel that right course is that we should await reply of Swiss Government for a few days before any further action is taken. We are informing International Red Cross accordingly that we are awaiting Swiss Government's reply.

We will of course keep you informed of developments and consult you as to the next step to be taken as soon as possible.

²¹⁵ Document 440.

443.

DEA/621-CX-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2642

London, October 28, 1942

MOST IMMEDIATE. MOST SECRET. Examination of censorship reports on letters to Canada from officers, N.C.O.'s and men of the Canadian Army shows that majority of letters dealing with the subject of shackling of prisoners of war condemn our having engaged in counter reprisals. About 80 per cent of the letters referring to this subject express such disapproval generally in strong terms. Public opinion here is almost unanimously opposed to action of United Kingdom and Canada in shackling German prisoners by way of reprisal. One hears action widely condemned in private conversation and the subject needless to say is actively and widely discussed. Press opinion would be more outspoken along these lines had papers here not been requested by the Ministry of Information to avoid comment on subject at present.

Present policy has been adopted and maintained by Mr. Churchill personally, despite the widespread disapproval which it has met, and the subject therefore is one in which his personal prestige is involved. I gather that he takes a less serious view of the implications and consequences of the situation than is held by the great majority of people, officials and otherwise, almost all of whom regard the present position with the gravest disquietude.

Field Marshal Smuts, although he concurs in the decision of the War Cabinet conveyed in Circular D. 435, October 27th, feels that sooner or later we shall probably have to back pedal, in other words take action along lines of proposals in your telegram No. 231.²¹⁶ Smuts, however, feels that Germans should be given longer to reply. This probably represents views of War Cabinet members but I fear that the attitude of the Cabinet is simply one of waiting for something to turn up which may help. In my view there is little likelihood that the Germans will make any reply to the message sent by the United Kingdom Government and to wait longer for it may result in irremediable deterioration of the position.

We shall, I feel, have to act with the maximum degree of firmness and I should like to suggest that a further telegram be sent to Dominions Office pointing out the dangers of delay, asking that the proposals made in your telegram No. 231 should be earnestly considered forthwith and urging their acceptance.

I may say that I am in touch with Preiswerk of the Swiss Legation and have discussed with him the situation within the limits of the proprieties and that any recommendation that I have made on the subject is not without full consideration having been given to the impressions I have gleaned from him.

MASSEY

²¹⁶ Document 440.

444.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 224

London, October 28, 1942

IMMEDIATE. MOST SECRET AND PERSONAL. Following from the Prime Minister for the most secret and personal information of the Prime Minister, Begins: Addressed to External Ottawa No. 224, Kindler Canberra No. 636, and Premier Wellington No. 447.

About the tying up of prisoners, we are, as you know, awaiting the reply of the German Government to our representations and protest conveyed to them by the Swiss Government. As soon as we receive it we will communicate with you again. In no case should we take any further measures without full discussion with you.

2. I have the strong impression that the original order for tying up prisoners came from Hitler and is a sign of his rage and fury, and that it encountered a good deal of passive opposition not only from the German Foreign Office, but from the German military authorities under whom the prison camps now fortunately are. Hitler or the German Government then sought to widen the issue by indulging in a campaign of atrocity allegations and a week ago it looked as if this might be the prelude to a general denunciation by them of the Geneva Convention with the intention of using prisoners of war for all kinds of work or for some other reason. But this again seems to have encountered considerable resistance in German military and diplomatic circles. At any rate nothing has happened yet. I have the feeling, which I must admit is based largely on instinct, that the German answer may take the form of demanding solemn assurances as to the strict maintenance of the Geneva Convention, which assurances we should of course immediately give.

3. I remain hopeful that with time and patience we shall succeed in relieving our officers and men from the affront to which they have been subjected. Ends.

445.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 437

London, October 28, 1942

IMMEDIATE. MOST SECRET. My telegram Circular D. 435 of October 27, chaining of prisoners of war.

His Majesty's Minister at Berne reports that M. Pilet Golaz, Swiss Minister for Foreign Affairs, informed him on October 26 that even before receipt of our request to press German Government for early reply he had again telegraphed Berlin asking for earliest possible reply. He had also on October 23 spoken to the German Minister again. He had added on his own part the proposal that

shackling should cease at an agreed hour and day on both sides. Rights and wrongs of the origin of these measures could be left for subsequent discussion.

He awaited German reply.

He added confidentially that there were many proofs of Hitler's irritability and nervousness recently, for instance in the case of Denmark. He hoped that His Majesty's Government would exercise patience in the hope of a solution.

2. His Majesty's Minister at Berne has been asked to communicate following to International Committee of the Red Cross, Begins:

His Majesty's Government are grateful to the International Red Cross Committee for their message²¹⁷. They have already invited the Protecting Power to lay before the German Government their solemn protest against the breach by the German Government of the Geneva Conventions and to urge them to desist from it, in which case the counter measures which His Majesty's Government felt themselves forced to take in order to protect their prisoners of war would be immediately withdrawn. Ends.

446.

DEA/621-CX-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2694

London, November 2, 1942

IMMEDIATE. MOST SECRET. My telegram No. 2642 of October 28th.

I feel that there is a pressing need for initiative to be taken on our part to endeavour to put an end to shackling of prisoners of war, especially as in the light of Mr. Churchill's telegram of October 28th²¹⁸ there appears to be no prospect of any action being taken by the United Kingdom Government pending a reply from Germany, nor is there any reason to suppose that any reply from Germany will be forthcoming through the Protecting Power. This raises the question of what our next step should be. It appears to me that the opportunity is now less favourable for our taking the initiative in making a statement along the lines proposed in your telegram No. 231 to the Dominions Office²¹⁹. As enemy propaganda has in the past few days dropped the prisoners of war question and the threats to denounce the Geneva Convention, [if] a statement along lines previously suggested were now made, [it] would seem too much like weakening on our side.

There seem to be three alternative policies which might be adopted in the circumstances —

(1) To continue to wait for a reply from the German Government as suggested in Mr. Churchill's telegram. For the reasons outlined above and in my

²¹⁷ Voir le document 441.

²¹⁷ See Document 441.

²¹⁸ Document 444.

²¹⁹ Document 440.

telegram No. 2642²²⁰ I do not think it reasonable to continue to follow a course of action which has brought no results after more than three weeks of waiting.

(2) To take advantage of the suggestion contained in Circular D. 437 of October 28th made by M. Pilet Golaz that shackling should cease at an agreed hour and day on both sides. To adopt this course we should, in agreement with the United Kingdom Government, indicate to the Protecting Power that an invitation made to both belligerents simultaneously to unshackle prisoners of war, would be agreeable to His Majesty's Governments, who would act immediately. If such an invitation were to come from the Protecting Power it would obviously provide a face saving way out for both sides.

In accepting the proposal of the Protecting Power, we could at the same time issue a public statement along the lines indicated in your telegram No. 231, denouncing the principle of using prisoners of war as hostages, confirming our adherence to the Prisoners of War Convention, and expressing our intention to hold the enemy Governments equally bound to fulfil their obligations.

(3) As a last resort it may be necessary, in order to make plain the intention of the Canadian Government, for us to notify the United Kingdom Government that having waited for an answer from the German Government for more than three weeks with no result, the Canadian Government, desirous of putting an end to the shackling of prisoners of war and adhering to the Prisoners of War Convention, proposes to make a separate notification to the Protecting Power that as from a certain date German prisoners of war will be unshackled in Canada, the enemy Government at the same time being also informed through the Protecting Power that they would be bound to fulfil their obligations in the terms and spirit of the Convention. It would naturally be essential for us in pursuing this course to avoid open difference with the United Kingdom Government, but a proposal on these lines might, if all else fails, be the most effective method of bringing pressure to bear on the Government here. The paramount consideration in our mind must of course be the welfare of our prisoners of war, and as indicated in the protest of the Senior British Officer at Oflag 7B, reported to you in Dominions Office telegram No. 425 of October 20th¹ the shackling is having serious effects on the mental and physical health of the prisoners of war concerned.

MASSEY

447.

DEA/621-CX-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2700

London, November 2, 1942

For Robertson from Wrong, Begins: I have had many discussions on reprisals policy respecting prisoners and no one I have seen supports position adopted by

²²⁰ Document 443.

War Cabinet here. Several senior officials have been most apologetic for lack of initial consultation with us. As last resort unilateral unbinding of German prisoners by Canada would certainly win much support in United Kingdom if impasse continues. I fully agree with views expressed in High Commissioner's telegram No. 2694 of November 2nd. Ends.

448.

DEA/621-CX-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 239

Ottawa, November 3, 1942

MOST SECRET AND PERSONAL. Following from the Prime Minister for the most secret and personal information of your Prime Minister, Begins: We are all very worried about this wretched business of tying up prisoners. The passage of days has strengthened the feeling of people in this country that we cannot match the enemy in this type of reprisal and that we should make a new effort to break the present deadlock. This opinion is clearly shared by the governments of South Africa and Australia, and, I believe also, by the government and people of the United States.

It would seem extremely doubtful that any reply from Germany will be forthcoming through the Protecting Power. In the circumstances it is becoming increasingly difficult for us to maintain and defend the action we have taken. There are additional dangers in prolonging the shackling. Within the last week we have received, through the Spanish Consul General in charge of Japanese interests, a vigorous protest[†] from the Japanese Government against the treatment of Japanese nationals evacuated from the Protected Area in British Columbia. The specific charges are wholly specious and easily rebutted. However, the language used in the protest and its presentation at this time make it only too apparent that the enemy are working up a concerted case for undermining the protection which the International Conventions now afford to prisoners of war and civilians in their power.

You will appreciate that the welfare of our prisoners of war is necessarily a foremost consideration in our mind. As indicated in the protest of the Senior British Officer at Oflag 7B quoted in Dominions Office telegram Circular D.425 of October 20th,[†] the shackling is having serious effect on the mental and physical health of the prisoners. I might add the fear of this is causing much anguish of mind to the parents and relatives of those of our men who are held prisoner in Europe and in Asia. Ends.

449.

DEA/621-DS-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 240

Ottawa, November 3, 1942

SECRET. Reference our telegram No. 231 and your telegram No. 435,²²¹ shackling of prisoners. The Canadian Government feel strongly that a serious and

²²¹ Document 442.

early effort should be made to break the present deadlock. We are still of the opinion that a declaration of policy along the lines suggested in our telegram under reference, followed by the immediate unshackling of enemy prisoners, offers the best prospect of early action. We are not, however, wedded to this particular proposal, though the United States and the Union of South Africa both welcomed it as a helpful initiative. We recognize that there is a risk that a declaration such as we propose, denouncing enemy conduct and threatening punishment of war criminals, might minimize the effectiveness of our offer to release prisoners and fail to bring about desired response from the German Government. As a possible alternative, consideration has been given to simply unshackling prisoners from a fixed date, reserving declaration of policy respecting Geneva Convention, etc., for a later occasion.

There is no doubt that the misgivings with which public opinion in Canada viewed our participation in a policy of reprisal have grown steadily. With the lapse of weeks, opinion on the question has hardened and the anxiety, particularly of friends and relatives of war prisoners, has greatly increased.

In order to avoid an open difference with your Government, which would certainly have been exploited by enemy propaganda, we felt compelled to apply the method of token reprisal. We cannot continue this policy indefinitely and we see no signs that it is achieving its intended purpose. In the circumstances we would strongly urge upon you the advisability of our two Governments fixing a near date, say November 10th, on which we would unshackle the German prisoners in our hands. Further consideration could be given in the meantime to the appropriateness of coupling this action with a declaration of policy in respect of our maintenance of the Geneva Convention and to the particular points which such a declaration should contain.

We would be prepared to follow the course suggested in the preceding paragraph without further communication with the enemy through the Protecting Power. It might be thought, however, that the end in view could be better attained by suggesting to the Protecting Power that it should invite both belligerents simultaneously to unshackle prisoners of war. That Government could be informed that such an invitation would be agreeable to the United Kingdom and Canadian Governments who would act immediately on its receipt. If such an invitation were to come from the Protecting Power it might provide a way out of the present impasse which would be acceptable to the enemy as well as to ourselves.

450.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 227

London, November 4, 1942

MOST SECRET AND PERSONAL. Following from Prime Minister for Prime Minister, Begins: Your telegram No. 239. I really do hope you will not press me too

hard about these 400 prisoners²²² whom you can tie up as loosely as you please. Very great events are impending and we may feel much easier in a little while. The Hitler movement to accuse us of atrocities and to repudiate the Geneva Convention is dying down. Our firm attitude has made its impression on the German Foreign Office and German High Command. It would be a thousand pities to give in to this bully and make a feature of it at this juncture. Such an advertised surrender might well lead to a prolongation of these indignities on your men and ours. I shall certainly ask Parliament next week to wait longer for the results of the Swiss mediation and I have very little doubt that the House of Commons will accord us this help in our responsibilities and difficulties. Better days are coming. All good wishes. Ends.

451.

DEA/621-CX-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 242

Ottawa, November 7, 1942

SECRET AND PERSONAL. Following for your Prime Minister from the Prime Minister, Begins: All Canada is rejoicing with you in the success of the united forces in Egypt. We are quite prepared to have other matter stand for present, but all here hope some way out of present predicament may soon be found. My best of wishes to you. Ends.

MACKENZIE KING

452.

DEA/621-CX-40

Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs

TELEGRAM 2778

London, November 10, 1942

MOST SECRET. Personal for Robertson from Wrong, Begins: Opportunity arose yesterday for discussing with Cripps question of reprisals on prisoners. He strongly supported the initial countermeasures on ground that United Kingdom Government had good evidence that decision to bind Dieppe prisoners was Hitler's own and was opposed by German army and Foreign Office; if our reply had been only verbal protest this would have meant victory for Hitler inside Germany and might have led to treatment of our prisoners as hostages in

²²² Afin d'éviter des émeutes, les autorités canadiennes avaient renoncé à mettre aux fers environ sept cents prisonniers du camp d'Ozada en Alberta.

²²² In order to avoid riots, the Canadian authorities had refrained from shackling approximately seven hundred prisoners in the camp at Ozada, Alberta.

other respects. He considers the countermeasures have kept alive differences inside Germany and have probably stopped further retaliation. The belief that German action was personal decision of Hitler was dominating factor in deciding British policy.

He said emphatically that there was no intention of allowing present situation to continue indefinitely or entering any contest with Germany; there was still prospect that German Government would reply to approach by Protecting Power especially since they might well have lost their numerical advantage in number of prisoners held as result of our Egyptian victory. Should the deadlock continue the difficulty was to find a suitable occasion for further action by us. He suggested that if no German reply arrived within a week the Swiss Government might be asked to approach Germany again and we might then untie the German prisoners as evidence of our intentions without committing ourselves not to bind them again. He considers it important to keep open the breach between Hitler and the Army on this question and to avoid giving Hitler a victory.

I believe Cripps fully appreciates the difficult position in which Canada was placed by lack of initial consultation and by some of the later moves here.

453.

DEA/621-CX-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2780

London, November 10, 1942

SECRET. Chaining of prisoners of war.

You will have noted from my telegram of even date No. 2778 that Wrong had the opportunity of discussing the problem with Sir Stafford Cripps when he met him yesterday and that Cripps was able to throw some light on the background of the decision of the United Kingdom Government.

Preiswerk²²³, whom I saw today, confirms the view that the decision to bind the Dieppe prisoners was Hitler's own and is opposed by the German Army and Foreign Office. Naturally he would not like to be quoted on this information but he told me that the German Legation in Berne had expressed itself in disagreement with reprisals policy and that the *Oberkommando* of prisoners of war in Germany also did not favour this policy.

Mr. Churchill was asked in the House of Commons today whether he had any statement to make and he replied that he would be making a statement shortly on the subject. I understand that he will make reference to the shackling of

²²³ Le chef, la division spéciale pour la protection des intérêts de l'Allemagne, l'Italie, le Japon, la Thaïlande et la Bulgarie en Grande-Bretagne et dans l'Empire britannique, légation de Suisse en Grande-Bretagne.

²²³ Head, Special Division for safeguarding German, Italian, Japanese, Thai and Bulgarian interests in Great Britain and the British Empire, Legation of Switzerland in Great Britain.

prisoners of war in his general review on the war situation which he is to make in the House of Commons tomorrow. I am informed by the Dominions Office that they hope to cable advance information reporting what Mr. Churchill intends to say.

Several Cabinet Ministers have been urging Churchill to modify his attitude regarding the problem and I think that action is now likely in the near future.

MASSEY

454.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, November 11, 1942

TREATMENT OF PRISONERS OF WAR

4. THE PRIME MINISTER reported that he had received a personal communication from Mr. Churchill, previously made known to the Cabinet, urging that any action in regard to the shackling of prisoners of war be deferred.

A reply had been sent expressing willingness to let the question stand for the moment in view of the developments in North Africa, but reaffirming the hope that some solution might be found.

(Telegrams 227, Dominions Office to External Affairs, November 4, and 242, External Affairs to Dominions Office, November 7, 1942).

5. THE MINISTER OF NATIONAL DEFENCE reported that Colonel Clarke, who was in charge of prisoners' welfare, in the Department, urged the desirability of an open expression of Canada's intention to abide by the Geneva Convention, particularly in view of pending negotiations with the Japanese.

6. MR. RALSTON pointed out that, because of the large number of German prisoners captured in Egypt, a declaration by the United Kingdom could not now be interpreted as an evidence of weakness. The present circumstances gave added weight to the Canadian proposals.

7. THE WAR COMMITTEE, after further discussion, agreed that a further communication be sent to the United Kingdom expressing the view that the successes in Egypt strengthened the case for immediate action to put an end to the shackling of prisoners, and for a joint declaration along the lines proposed in earlier communications.

455.

DEA/621-CX-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] November 11, 1942

Since the War Committee discussion on the prisoner of war position this afternoon, you will have seen the attached telegram from the High Commissioner's office, No. 2778 of November 10th, reporting a conversation which Wrong had with Sir Stafford Cripps. Cripps makes a pretty good case for a little further delay before pressing for unshackling. Do you think we might wait three or four days before sending the message upon which the War Committee decided this afternoon?²²⁴

456.

DEA/621-CX-40

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM CIRCULAR D. 457

London, November 12, 1942

SECRET. My telegram Circular D. 453 of November 11th[†], manacling of prisoners.

1. Speaking unofficially to Secretary of State for Foreign Affairs on November 10th, Swiss Minister said his impression was there were some influences in Berlin both in Foreign Office and in German High Command who would like to see this matter brought to an end but that Hitler and Ribbentrop were both obdurate. He had heard no more on subject from his Government recently but hoped very much that we would be able to avoid any public discussion here. He had much admired restraint that had been shown and he felt sure public discussion would only increase the difficulty of final solution.

2. Mr. Eden agreed and said, also speaking unofficially, that if Swiss Minister's representative should happen to ask to see one of camps where German prisoners of war were being shackled here he would probably find that hours of shackling had been reduced. Minister welcomed this move which he thought was well calculated to strengthen hands of his Government to give material to those in Berlin who disliked this whole practice. He would certainly report matter to his Government and he gave Mr. Eden to understand that Head of Special Division of Legation would take an early opportunity of seeing position for himself.

²²⁴ La note suivante était écrite sur ce mémorandum:

²²⁴ The following note was written on the memorandum:

P[ri]me M[in]ister says "yes". R[OBERTSON]

3. After thanking Mr. Eden for co-operative attitude of United Kingdom Government in this question, Minister referred to Swiss Foreign Minister's personal suggestion made to German Government that shackling should cease at an agreed hour and day on both sides. (See my telegram Circular D. 437, October 28th). Mr. Eden said he thought it a good one and if Germans were prepared to agree with it he felt confident that for our part we would be willing to do so also. He did not however get impression that Swiss Minister thought that a solution could easily be found even with new material given to him.

457.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 235

London, November 13, 1942

PERSONAL AND SECRET. Following from the Prime Minister for the Prime Minister, Begins: Thank you so much for your very kind telegram No. 242.²²⁵ I was sure you would help me. I am naturally thinking how to get out of what you justly call the predicament but I also want very much to see our poor prisoners released from the severities which Hitler is inflicting upon them.

See my immediately following repetition of our recent message from Berne. Ends.

Repetition referred to is contained in telegram circular D. 459.[†]

458.

DEA/621-CX-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 255

Ottawa, November 20, 1942

SECRET. Reference our telegram No. 240 of November 3rd.

The steady improvement in the general military situation during the past month and in particular the very considerable increase in the number of German prisoners in Allied hands from the operations in North Africa, put us in a much stronger position than heretofore to commence the unshackling of prisoners of war. We feel the Swiss Minister of Foreign Affairs should be asked to revive his suggestion transmitted in your telegram Circular D. 437 of October 28th that shackling should cease at an agreed hour and day on both sides. We are strongly of the opinion that we should indicate to the Swiss Government that if they would propose publicly and simultaneously to us and to the Germans that shackling should cease from a near hour and day to be specified in the Swiss proposal, that such an invitation would be agreeable to our Governments who would be prepared to act on it immediately and unconditionally.

²²⁵ Document 451.

459.

DEA/621-CX-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2939

London, November 26, 1942

IMMEDIATE. MOST SECRET. Position here as regards shackling of prisoners of war remains as unsatisfactory as ever. I was given to understand by Attlee that, as a result of your telegram to the Dominions Office No. 255 of November 20th, it has been decided to approach Swiss Government in the sense of your recommendation. It now appears that nothing at all has been done except to enquire of the Swiss how the matter stands (see Dominions Office telegram Circular D. 480 of November 26th.¹) The United Kingdom Government has not altered the point of view shown in Eden's reply to the Swiss Minister in Dominions Office telegram Circular D. 457 of November 12th. This was to the effect that the United Kingdom Government would be glad if the Swiss Government would make an approach to the German and British Governments asking both to unshackle their prisoners and that, if this were done, the British Government would take action on the understanding, however, that the German Government did likewise. This suggests the conditional action which was envisaged in original communication to the Swiss Government on October 13th²²⁶, and it now appears that this is the proposal which still stands and to which the Swiss are now urged to obtain a reply. Our suggestion is, of course, that we should unconditionally unshackle our prisoners if asked to do so by the Swiss. There has been some confusion of mind over the difference between the two proposals, and I endeavoured this afternoon to make clear what our suggestion was and asked that it should be given consideration. As a result of this, Attlee is sending a minute to the Prime Minister on the subject asking that our proposal should be considered. I have no expectation, however, that this will lead to any definite results, as the latter's attitude apparently has remained unchanged from the beginning. I feel now that, without some definite action on our part, the matter will drag on indefinitely with the danger of deterioration in position and that meanwhile nothing will be done which might lead to alleviation of condition of the prisoners themselves. My considered view is now that the Government of Canada should set a day on which German prisoners in their hands will be unshackled and inform United Kingdom Government that this has been decided. The Government here, of course, would have to take similar action in connection with the prisoners in their hands. I am sure that such a course would be a relief to most of those concerned here, including nearly all the members of the War Cabinet. Unless we take such action, I can see no other way of ending the impasse. As one of the Detaining Powers with a very special interest in this particular issue, both because of our Canadian prisoners in Germany and the large number of German prisoners in our own hands, we are in the circumstances I feel fully entitled to take such action.

MASSEY

²²⁶ Voir les documents 436 et 437.²²⁶ See Documents 436 and 437.

460.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, November 30, 1942

...
TREATMENT OF PRISONERS OF WAR

29. THE MINISTER OF MINES AND RESOURCES reported that a telegram from the Canadian High Commissioner in Great Britain, reporting that the Protecting Power had forwarded a reply from the German government regarding the unshackling of prisoners of war, had been received.

The German government refused to consider unshackling unless it received official intimation that the British government had issued a confession of its error and a general order forbidding any binding of prisoners in the future.

(Telegram No. 2970, High Commissioner in the U.K., to External Affairs, November 30, 1942).¹

30. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that the United Kingdom had made no answer to the Canadian communication of November the 20th, sent in accordance with the last decision of the War Committee. Mr. Massey was of the opinion that no further action could be expected from the United Kingdom at the moment, and recommended that the Canadian government set a date on which German prisoners would be unshackled unconditionally and inform the U.K. government that this had been decided upon.

(Telegram No. 2939, High Commissioner in the U.K., to External Affairs, November 26, 1942).

31. THE SECRETARY reported that a communication had been received from the Chairman of the Wartime Information Board¹, suggesting that Canada should, if necessary, take independent action, that such a step would have a very beneficial effect on Canadian public opinion, that it would enhance Canada's stature abroad, and that it would tend to offset unfriendly talk of British imperialism.

32. THE MINISTER OF NATIONAL DEFENCE was of the opinion that Canada should proceed at once to inform the United Kingdom that, on a given date, Canada intended to communicate directly with the Swiss government to the effect that if they extended an invitation to both sides to unshackle, Canada would comply unconditionally.

33. THE WAR COMMITTEE, after further discussion, agreed that the government of the United Kingdom should be informed through the Canadian High Commissioner that, in the circumstances, the Canadian government proposed to take independent action, with a view to effecting the unshackling of prisoners of war, either by a direct approach to the Swiss government in the sense of our telegram of November the 20th, or by fixing an early date on which shackling of prisoners in Canada would cease, irrespective of action taken by the U.K. or German governments.

461.

DEA/621-CX-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne.*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2221

Ottawa, December 1, 1942

MOST SECRET. Your telegrams No. 2939 of November 26th and No. 2970 of November 30th.[†]

War Committee feel Canada is compelled to take independent action with a view to effecting the unshackling of prisoners of war. They are considering as alternative courses:

(1) our approaching the Swiss Government direct through the Swiss Consul General here in the sense of our telegram to Dominions Office No. 255 of November 20th;

(2) our fixing a near date on which shackling of prisoners of war in Canada will cease regardless of action which the United Kingdom Government or the German Government may think it advisable to take with respect to prisoners of war in their custody.

I should be grateful if you would inform the United Kingdom authorities of our feeling in the matter and of the alternative courses of action which we have under consideration, and transmit any observations they may wish to offer.

462.

DEA/621-CX-40

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM CIRCULAR D. 492

London, December 1, 1942

SECRET. My telegram of November 16th, Circular D. 462,[†] Following telegrams have been received from His Majesty's Minister at Berne, Begins: German Ministry of Foreign Affairs handed to Swiss Minister, Berlin, on November 24th, a bitterly controversial and uncompromising reply, concluding in substance as follows:

"In these circumstances the German Government cannot consider further the question of removal of countermeasures it has ordered before it has received through the Swiss Government an official intimation that the British Government has issued to its troops an entire confession and general order forbidding under severe penalties any binding (*Fesselung*) of prisoners and also possession of bonds (*Fesseln*) for this purpose. Should it be proved that the British Government is still unwilling to desist from the methods it has hitherto adopted in its treatment of prisoners and that British troops continue to be guilty of abuses of the nature described, the German Government will for its part also be con-

strained to regard the corresponding provisions of the Hague and Geneva Conventions as no longer binding.”

Following is full note handed over by the German Minister for Foreign Affairs to the Swiss Legation at Berlin:

1. The German Government sharply rejects declaration and protest made by the British Government. Both are gist of a vain attempt to evade main question which concerns treatment of prisoners of war. If either belligerent has right to protest against breaches of Prisoners of War Convention, the German Government and not the British have that right.

2. Ever since German prisoners have been in British hands the German Government have repeatedly noted the most serious offenses committed by the British against the spirit of Geneva Convention. German soldiers have been repeatedly robbed and opportunely maltreated by British troops. British guards have taken away their valuables and their possessions by force or stolen them, have torn off their decorations and badges and rank, and have tortured them in all possible ways in particular during transport and in camps. British Commandants have refused them food and medical attention in order to compel them to give information and in the course of interrogations have inflicted most ignoble treatment on them. The rights of German prisoners of war to humane treatment protection against violence and respect of their persons and honour have been continually disregarded by British troops and Commanders. The German Government have been repeatedly compelled to demand intervention of Protecting Power against this illegal action. The German High Command have given a full list of these incidents in an official declaration of opinion (not telegraphed, as text was broadcast) which proves that British troops are guilty of the most unheard of breaches of belligerent rights and in countless cases have acted against International Agreements concerning usages of war. Measures taken by British for binding of prisoners of war which have now led to countermeasures by the German Government are only a further link in the same chain of British breaches of international laws.

3. The public statements which the British Government have made concerning binding of German prisoners of war are typical of British methods. As public statements made by the German High Command explained, that the British Government have not only denied that orders were given out for binding of prisoners of war but also the fact that such binding took place. When they could no longer contradict irrefutable German proof that such orders had been issued they stated that these orders were unauthorized but still maintained that orders were never carried out. When this assertion was refuted by facts brought to light by the Germans, the British Government finally attempted to justify the binding by specious arguments and to represent that German reprisal measures were a breach of Convention. To justify their action the British Government tried to establish a difference between treatment of prisoners of war on the battlefield and their treatment when they had been brought into enemy territory, and tried to maintain that principles of Geneva Convention (group corrupt) application on the battlefield. This false interpretation of Prisoners of War Convention, which is indisputably refuted by text of Convention itself, is char-

acteristic of conception of British Government that soldiers immediately after their capture are handed over to entirely arbitrary powers of their captors. It is clear that chief principles of Convention are applicable at and from the first moment of capture. When belligerent power, as English did in the case of German prisoners taken at Dieppe and Sark, contravenes fundamental principles of Convention, that power cannot invoke that same Convention in its favour and demand of its opponent that its own prisoners should not be treated in the same way. [That] The English interpret the Convention, according to which a belligerent power may commit the most serious breaches of International Law in handling of prisoners of war in its hands, and further refuse to discontinue such practice, while its opponent is obliged to accept this in silence and to make not the slightest alteration in treatment of prisoners of war in its hands, is absurd and would make the whole Geneva Convention illusory.

Part one ends, part two to follow. Ends.

Further telegram will be sent as soon as possible.

463.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 494

London, December 1, 1942

SECRET. My telegram Circular D. 492 of December 1st. Following is summary of rest of German note, Begins:

4. The German Government maintains that any binding of prisoners of war is completely incompatible with the most elementary rules of a humane and soldierly conduct of the war and cannot be justified by any specious arguments. Further, the particulars disclosed in publication made by the German High Command on October 16th brings out that this binding was carried out by British troops in a manner amounting to cruelty. The English attempt to present these measures as an assurance of safety of prisoners themselves can only be described as a complete distortion of the facts. The German Government is in possession of material from which it follows beyond doubt that British troops are systematically instructed in methods of binding prisoners of war. Thus the Captain Instructor for measures of close fighting at special training centre of British Army, W.E. Fairbairn, has published a book with the title of "All-in Fighting" in which detailed instruction is given by means of illustrations in methods of binding and in treacherous attacks on German soldiers.

5. A further proof that the British Government in itself [*sic*] presents methods of waging war, is in no way entitled to be advocate of Geneva Convention, is provided in a specially striking manner by the attached White Book on fighting in Crete in 1941. The collection of declarations under oath therein contained presents such a frightful picture of the actions of British troops towards German soldiers who had fallen defenceless into their hands, that the German Government has hitherto refrained from publishing this matter.

6. As regards statement in verbal note to the Swiss Legation that the British Government is prepared to relinquish countermeasures which it has considered justified if the German authorities desist from further unwarrantable countermeasures ordered by them, the German Government declares as follows:

As it appears above the British Government adopted a completely obscure attitude in matter of binding prisoners of war. Thus for example on the one hand it denies that it ever ordered this binding while, on the other hand, it describes this measure as occasionally necessary and seeks to justify it. In these circumstances the German Government cannot consider further question of removal of countermeasures it has ordered before it has received through the Swiss Government an official intimation that the British Government has issued to its troops an entirely categorical and general order forbidding under severe penalties any binding (*Fesselung*) of prisoners of war and also possession of bonds (*Fesseln*) for the purpose.

The German Government insists, thus providing itself with a guarantee, that in future, German prisoners of war shall not run the risk of being bound by British troops.

In conclusion the German Government must refer the following consideration should it be proved that the British Government is still unwilling to desist from the methods it has hitherto adopted in the treatment of prisoners, and that British troops continue to be guilty of abuses of the nature described, the German Government would, for its part, also be constrained to regard corresponding provisions of The Hague and Geneva Conventions as no longer binding. For it is self-evident that condition of application of International Agreements that other party to these Agreements should observe them. Ends.

464.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 246

London, December 1, 1942

IMPORTANT. SECRET. We have had under constant examination proposal in your telegram 20th November, No. 255, about unshackling of prisoners. We fully sympathise with position of Canadian Government. It will be agreed that the objective in our handling of this question must be to do anything possible to alleviate the lot of our own prisoners. Our only doubt has been whether Canadian proposals would in fact serve this purpose. Matter must now be considered in relation to the violent reply from the German Government which has been communicated to you in my telegrams Circular D. 492 and Circular D. 494 which, as you will see, consists mainly of wholly unjustified charges against our treatment of German prisoners.

On receipt of full text of German note we shall draft a reply to be sent to German Government and will telegraph this draft to you for your observations.

465.

DEA/621-CX-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2226

Ottawa, December 2, 1942

IMMEDIATE. MOST SECRET. Personal for Massey from Robertson, Begins: Our telegram No. 2221 of December 1st relating to shackling was drafted on instructions of the War Committee yesterday before receipt of Dominions Office Circular telegrams Nos. 492 and 494 of December 1st containing the full text of the German reply, and No. 246 also of December 1st.

These telegrams from the Dominions Office will be considered by the War Committee. I think, however, that the War Committee so strongly desire to end shackling in Canada they are not likely to recede from one or another of the alternatives approved by them yesterday. Ends.

466.

DEA/621-CX-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State, for External Affairs*

TELEGRAM 3010

London, December 3, 1942

IMMEDIATE. MOST SECRET. I am glad to say that War Cabinet today accepted Canadian proposal that the Protecting Power should be requested to ask both Germans and ourselves to unshackle prisoners of war simultaneously. It is possible of course that Swiss in the light of recent German communications will now not wish to take such action. But in that event I think United Kingdom Government would be prepared to agree to unconditional unshackling of prisoners in both Canada and United Kingdom if we requested it. You will shortly receive telegram from Dominions Office giving Cabinet decision in full.

467.

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*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM 250

London, December 3, 1942

SECRET. My telegram No. 246. You will see from my Circular D. 503 of today that we are in agreement with Canadian Government's proposal set out in your telegram No. 255 of November 20th. We take it that in the circumstances

Canadian Government will suspend consideration of proposals communicated to us yesterday by High Commissioner here²²⁷. We will let you know at once when we receive Swiss Government's reply.

468.

DEA/621-CX-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 3011

London, December 3, 1942

MOST SECRET AND PERSONAL. Following for Robertson, Begins: Your personal telegram No. 2226 of December 2nd was most helpful in connection with decision reported in my No. 3010. Ends.

MASSEY

469.

DEA/621-CX-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2251

Ottawa, December 4, 1942

IMMEDIATE. MOST SECRET. Reference Dominions Office telegrams Circular D. 503[†], 504[†] and 505[†].

Canadian Government are very glad that United Kingdom Government have agreed to approach the Swiss Government in the sense suggested in our telegram to Dominions Office No. 255 of November 20th. In the circumstances we will suspend further consideration of the proposals communicated to you in our telegram No. 2221 of December 1st.

Having in mind that so far as is known the great majority of prisoners shackled by the Germans are Canadians and that Canada is for practical purposes the detaining power in respect of the majority of the German prisoners who have been chained in reprisal, it seems to us quite inappropriate that the note quoted in Circular D. 505 which H.M. Minister at Berne is to communicate to the Swiss Government should relate throughout exclusively to His Majesty's Government in the United Kingdom. In particular it would be appreciated if supplementary instructions were sent to the Minister at Berne asking him to make clear to the Swiss Government that the invitation to unshackle prisoners of war in their hands should be communicated by the Swiss Government to the Canadian Government at the same time as it is conveyed to the United Kingdom and German Governments.

²²⁷ Voir le document 461.

²²⁷ See Document 461.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 3028

London, December 7, 1942

MOST SECRET. SECRET. Your telegram No. 2251, December 4th, and my telegram No. 3022, December 5th, prisoners of war. I have now had a reply from Attlee to say that a supplementary telegram has been sent to the British Minister at Berne which reads as follows: "Invitation should of course be addressed simultaneously to Canadian as well as to United Kingdom and German Governments".

471.

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*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM CIRCULAR D. 519

London, December 8, 1942

MOST IMMEDIATE. SECRET. My telegram Circular D. 518. Following message received tonight from His Majesty's Minister at Berne, Begins: M. Pilet Golaz communicated to me this afternoon a note (see my telegram Circular D. 520) having just previously made an identical communication to the German Minister.

2. He informed me at the same time that Swiss Government would issue a communiqué at or shortly after noon tomorrow December 8th stating generally that they were convinced that shackling of prisoners had been reluctantly resorted to by the Governments concerned and that they therefore in their quality of Protecting Power had proposed that the Governments concerned should simultaneously release all shackled prisoners.

3. M. Pilet Golaz added that in the interests of prisoners of war he attached very great importance to the following points:

(a) No leakage of any kind in the press or broadcasts or otherwise should be permitted before the communiqué was issued.

(b) Nothing should be said in Parliament or elsewhere from which the German Government could conclude or infer that the Swiss Government's action was due to the initiative of His Majesty's Government.

(c) It would thus be undesirable that the United Kingdom and Canadian Governments should release prisoners too soon after receipt of the Swiss Government's invitation. German Government might, he feared, suspect previous consultation if we release prisoners before December 12th. Ends.

In view of above we have decided to postpone proposed announcement and take no action until December 12th.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 520

London, December 8, 1942

MOST IMMEDIATE. SECRET. My telegram Circular D. 519. Following is summary of note communicated by the Swiss Minister for Foreign Affairs, Begins: Federal Political Department deplores daily shackling of large number of prisoners of war in Great Britain, Canada and Germany, and is convinced that this situation, which is contrary to Geneva Convention 1929, has come about unwillingly, resulting as it does from divergencies of opinion between Great Britain, Canada and Germany — who are all three inspired by similar desire to ensure scrupulous observation of Convention — explore its scope and application.[sic]

Switzerland therefore, as Protecting Power both of British interests in Germany and German interests in the British Empire, feels it her duty to suggest to sympathetic consideration of British, Canadian and German Governments objective which they all have in view might be pursued without infliction of further sufferings on prisoners of war deserving equal and reciprocal respect. Indeed Swiss Government feel that that aim would be more easily attained if reprisals, under which British and Canadian as well as German soldiers are suffering severely, are brought to an end.

The approach of Christmas offers the belligerent Powers an opportunity to terminate, without prejudice, matter in dispute, a state of things manifestly contrary to principle of humanity which it is the duty of the Protecting Power to safeguard. In order to facilitate agreement on a date for cessation of reprisals on both sides, Protecting Power sees no option but to propose one itself. Thus on basis and in spirit of Article 87(1) of Geneva Convention it ventures to suggest simultaneously to British, Canadian and German Governments to free all prisoners in their hands from shackling (*entraves*) on Monday December 14th, 1942, at 10:00 hours.

Political Department earnestly trusts that this proposal will be accepted.
 Ends.

473.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 251

London, December 8, 1942

MOST IMMEDIATE. MOST SECRET AND PERSONAL. Following most secret and personal from Prime Minister for Prime Minister, Begins: It was very pleasant to hear your voice tonight. Please refer to our telegram Circular D. 514, secret, of December 5th[†], about the Germans intending to remove all shackles during

Christmas week etc. On this we had decided to advise immediate unshackling considering that this was an excellent opportunity of breaking the deadlock.

2. However since our telegram to you Circular D. 518, December 7th[†], the message set out in our following telegrams Circular D. 519 and 520 have come in from the Swiss Protecting Power. In these circumstances we propose to say and do nothing as they request until the 12th when I hope this matter will be settled in accordance with your wishes and our men relieved from the penalties they bear. Thank you so much for agreeing to this short further delay in achieving what you and we both have at heart. Having appealed to Mr. Pilet Golaz we ought to be guided by that advice as long as it promises a fruitful result. Ends.

474.

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Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 262

Ottawa, December 8, 1942

IMMEDIATE. MOST SECRET AND PERSONAL. Following from Prime Minister for your Prime Minister, Begins: Thank you for personal message in your telegram No. 251 of December 8th. I hope Swiss appeal will bring an end to this sorry business. If, however, the Germans do not respond to it, I consider it most important that our further moves to relieve our men should be made only after full consultation between us.

We are raising certain questions of procedure on which agreement is desirable before December 12th in our telegram No. 261[†]. Ends.

475.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 256

London, December 14, 1942

MOST IMMEDIATE. SECRET. My telegram No. 252 of December 9th[†], paragraph 3, (fourth). His Majesty's Minister at Berne has strongly urged that reply should be delivered not later than tomorrow December 15th.

2. In these circumstances we are instructing His Majesty's Minister to communicate following reply to the Swiss Government, Begins: His Majesty's Governments in the United Kingdom and Canada welcome the initiative of the Swiss Government in proposing simultaneously to United Kingdom, Canada and the German Governments on December 8th that prisoners of war who have been shackled in the United Kingdom, Canada, and Germany should be released from their shackles on December 15th. As evidence of desire of United Kingdom and Canadian Governments to respond fully and promptly to spirit in which Swiss proposal is made, they gave orders that all German prisoners of

war who had been shackled should be unshackled without delay and those prisoners of war were freed from their shackles on December 12th. Ends.

3. We assume that above action will be in accordance with Canadian Government's wishes.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 563.

London, December 19, 1942

My telegram Circular D. 547.[†] Swiss Minister for Foreign Affairs handed to His Majesty's Minister at Berne on December 17th aide-mémoire substance of which is contained in my immediately following telegram. Minister for Foreign Affairs said that he would give German Minister later on same day a similar aide-mémoire which would contain —

- (a) The British reply;
- (b) The statement that the Swiss Government had communicated the German reply officially to the British Government;
- (c) The hope that the German Government would now un-manacle British prisoners without waiting for any further discussion of original cause of reprisals;
- (d) The information that the Swiss Government had expressed the hope that the British Government would confirm that prisoners on the battlefield were not to be manacled in the future.

2. M. Pilet Golaz said that after considerable reflection he had decided to express this hope to us officially for three reasons —

- (a) In order if possible to secure the liberation from their manacles of British prisoners of war;
- (b) In order to secure a settlement thereby maintaining the sanctity of the Geneva Conventions;
- (c) To create circumstances in which the question of severely wounded could be taken up again.

3. Minister for Foreign Affairs thought that the German Government (or rather the German leaders) would be less pleased than ourselves with the action he was now taking but he hoped that the approach of Christmas might act as a solvent. He was opposed to any publication of correspondence before negotiations had reached satisfactory conclusion.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 564

London, December 19, 1942

SECRET. My immediately preceding telegram. Following is substance of Swiss aide-mémoire.

Receipt is acknowledged of His Majesty's Minister's note of December 15th.²²⁸

Federal Political Department has not failed so to inform German Legation, expressing hope that current negotiations would thereby be facilitated and that British and Canadian prisoners in Germany would be released without awaiting their issue. On the other hand, German Government has declared its readiness to renounce its own reprisals as soon as it knew through the Swiss Government that the British Government had forbidden, under penalty and by categorical and general order the shackling of prisoners, and possession of shackles for this purpose. Since by its note of September 3rd (see War Office statement in paragraph 3 of my telegram Circular D. 408)²²⁹ His Majesty's Legation has intimated that His Majesty's Government had cancelled order to take handcuffs into battle if such order however was issued. Department hopes that His Majesty's Government will find no great difficulty in confirming that they maintain same view thus enabling the Department to assure the German Government that British and Canadian troops have orders not to shackle (*ligoter*) captured combatants, taking of handcuffs (*menottes*) into battle for this purpose thus constituting, if it occurred, a breach of discipline.

478.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 594

London, December 30, 1942

IMPORTANT. SECRET. My telegram Circular D. 590 of December 29th.[†] His Majesty's Minister Berne was informed by Swiss Government December 29th that according to telegraphic report just received from Swiss Legation, Berlin, all British prisoners were unshackled at 1700 hours on December 24th and remained unbound for rest of that day and for whole of Christmas day.

Shackling was, however, resumed on December 26th. In official note to Swiss Legation, in which this communication was made, it was stated that shackling would continue until official intimation postulated in German note November 24th (see 6 of my telegram Circular D. 494 of December 1st and my telegram Circular D. 547 of December 15th[†]) had reached German Government.

479.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 8

London, January 12, 1943

SECRET. My immediately preceding telegram. Following is draft of telegram to His Majesty's Minister, Berne, Begins: His Majesty's Government in the United

²²⁸ Voir le document 475.

²²⁸ See Document 475.

²²⁹ Document 427.

Kingdom acknowledge receipt of communication handed over by M. Pilet Gollaz to His Majesty's Minister, Berne, on December 17th informing him of attitude of German Government in regard to question of tying of hands of prisoners of war.

His Majesty's Government desires to point out to Swiss Government that whatever allegations German Government may make as to action taken by British soldiers on the field of battle, these can provide no possible justification for manacling of British prisoners of war in the hands of the German Government. Under Article 2 of International Convention relative to treatment of prisoners of war, the treatment of such prisoners as hostages and their subjection to measures of reprisal, is expressly forbidden.

His Majesty's Government's position in this matter was clearly stated in communication made by His Majesty's Minister to Swiss Foreign Minister on October 13th and announced in House of Commons by the Prime Minister on same date²³⁰, in which they declared they had never countenanced any general order for tying up of prisoners of war on the field of battle. They added, however, that such a process might be necessary from time to time under stress of circumstances and might indeed be in best interests of safety of prisoners themselves. To this statement, which is hereby reaffirmed, they have nothing to add. Ends.

480.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 193

London, January 26, 1943

MOST IMMEDIATE. MOST SECRET AND STRICTLY CONFIDENTIAL. Your telegram No. 102 of January 22nd¹ and my immediately following telegrams Nos. 194 and 195[†] of January 26th. Shackling of prisoners of war.

I have personally discussed the shackling problem on the highest level and I feel that to enable you to have the clearest possible picture of views of United Kingdom Government on what reply should be made to the Swiss note of December 17th, I am quoting in my immediately following telegrams verbatim two documents which have been given to me in the strictest confidence. They should, under no consideration, be referred to in any communication to the United Kingdom Government. Telegram No. 195 sets out the views of the General Staff on the tying of prisoners of war hands in the field of battle and, as you will see, adduces reasons why the United Kingdom authorities cannot agree to meeting the general demand that we should give an undertaking not to tie the hands of prisoners of war under any circumstance. I should mention that I have

²³⁰ Voir le document 436.

²³⁰ See Document 436.

had an opportunity now of discussing the matter with General Stuart who has also spoken personally to the Adjutant General and that he has expressed agreement with the views set out in this paper. He is cabling direct to National Defence.

As regards the text contained in my telegram No. 194, I should explain this represents a tentative text prepared by the Foreign Office. I am sending it to you in the strictest confidence to enable you to judge the kind of reply which the United Kingdom Government has in mind.

I am informed that the whole shackling problem is to be considered by the War Cabinet at noon tomorrow, January 27, when a revised text of a reply to the Swiss Government will be submitted to you if it receives Cabinet approval.

MASSEY

481.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 194

London, January 26, 1943

MOST SECRET AND STRICTLY CONFIDENTIAL. Following is the tentative draft of reply from the United Kingdom Government referred to in my telegram No. 193 of January 26th, Begins: His Majesty's Government in the United Kingdom acknowledge receipt of the communication handed by M. Pilet Golaz to His Majesty's Minister at Berne on December 17th informing him of the views of the German Government in regard to the binding of prisoners of war.

2. There appears to be some misapprehension as to the policy of His Majesty's Government in this matter and they desire to take this opportunity of explaining their attitude.

3. His Majesty's Government reaffirm their determination to adhere scrupulously to the provisions of the Geneva Convention and they have taken steps by the issue of orders to all Commanders in the Field, to ensure that all ranks shall be acquainted with and observe the terms of the Convention with particular reference to treatment of prisoners of war immediately after capture. In these orders the general binding of prisoners of war is strictly forbidden. Attention, however, is called to the following consideration. It is the duty of a prisoner of war during operations to escape or to impede his captors if he can do so. It is equally the duty of every soldier to prevent any such action by a prisoner of war who may be in his keeping during operations. In fulfilment of this duty special measures of restraint, such as the binding of prisoners, may be adopted if the operational conditions make it essential but measures must be carried out in a humane manner and as soon as the emergency which necessitated them is over they must be at once discontinued.

4. In the German communication it is asserted that

“His Majesty’s Government have attempted to establish a difference between the treatment of prisoners of war on the battle-field and their treatment when they have been brought into enemy territory and that they maintain that the principles of the Geneva Convention have no application on the battle-field”.

As will be clear from the orders, of which a summary is given in the preceding paragraph, the view of His Majesty’s Government is that the express provisions of Article I of the Geneva Convention show that a combatant is deemed to be a prisoner of war and entitled to the protection accorded by the relevant provisions of that Convention as soon as he has been captured by the enemy. On this point, therefore, it appears that there is no disagreement between the two Governments.

5. His Majesty’s Government confidently expect that in the light of these explanations the necessary orders will be issued by the German High Command for the removal of the countermeasures taken against British prisoners of war. Ends.

MASSEY

482.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d’État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 202

London, January 27, 1943

MOST IMMEDIATE. MOST SECRET AND STRICTLY CONFIDENTIAL. Reference Dominions Office telegram No. 21 of January 27th¹ and my telegram No. 194 of January 26th. Shackling of prisoners of war.

1. In view of the decision of the military authorities in which General Stuart and General McNaughton concur, that it is not possible to give an undertaking to the Germans not to tie the hands of prisoners of war in special circumstances in the field, it is therefore obviously impossible to give the categorical undertaking required by the Germans in the Swiss note of December 17th, reported in Dominions Office telegram [Circular D.] No. 564 of December 19th, as a result of which the Germans would unshackle our prisoners of war.

2. However there still remains the question of whether or not the reply we make to the Swiss note would give the Germans an opportunity of denouncing the Geneva Conventions, and in this connection the Prime Minister’s statement, which is referred to in the draft submitted in telegram No. 8²³¹ and which now appears to have been approved by the United Kingdom Cabinet in preference to the tentative draft submitted in my No. 194 of January 26th, might give rise to the interpretation apparently put on it by the Germans that we do not consider the Geneva Conventions as binding on the battlefield. The phrase

²³¹ Document 479.

actually employed, (see my [sic] Circular D. 412 of October 13)²³² was "the Geneva Convention upon the treatment of prisoners of war does not attempt to regulate what happens in the actual fighting".

3. Since it is in our interest to try and keep the Germans to the Geneva Conventions so long as it is possible, I feel that a clear indication of our intentions along the lines suggested in the tentative draft contained in my telegram No. 194 of January 26th is clearly preferable to the reiteration of the somewhat ambiguous statement contained in the draft submitted in Dominions Office telegram No. 8 of January 12th.

4. I should stress again that the tentative draft which I reported in my telegram No. 194 was given to me in strict confidence and was only a proposal to the Cabinet here and of course should in no circumstances be referred to in any communication to the United Kingdom Government.

MASSEY

483.

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*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 185

Ottawa, February 3, 1943

IMMEDIATE. SECRET. Your telegrams Nos. 193, 194 and 195[†] of January 26th and No. 202 of January 27th and Dominions Office telegram No. 21 of January 27th.[†]

1. In view of the altered opinion given by Generals Stuart and McNaughton, we agree that undertaking demanded by Germans not to bind prisoners in any circumstances cannot be given.

2. The Minister of National Defence shares your view that the reply to the Swiss note of December 17th should be on the lines of the Foreign Office draft cited in your telegram No. 194 (with changes indicated below) in place of draft quoted in Dominions Office telegram No. 8 of January 12th which has been approved by British War Cabinet. Since the Foreign Office draft was given you in strictest confidence we are reluctant to present to British Government a proposed reply conforming to it. We are, therefore, not telegraphing the Dominions Office direct and we leave it to you to present our alternative proposals in whatever manner may be most appropriate.

3. The following changes in the Foreign Office draft are suggested:

(a) The reply should be made in the name of both the British and Canadian Governments.

(b) The last sentence of paragraph 3 should be strengthened by rephrasing along following lines: "The binding of prisoners in fulfilment of this duty will

²³² Document 436.

only be countenanced when particular operational conditions make it essential in the interests of the safety of the prisoner and when any other action would be less humane; such measures must be carried out in a humane manner and must be at once discontinued immediately they are no longer required to prevent the prisoner's escape."

(c) The final paragraph of the draft should preferably be deleted.

4. We have not yet received a reply to the request for information on actual conditions of shackled prisoners which was made in paragraph 5 of our telegram 102 of January 22.[†]

484.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 25

London, February 5, 1943

IMMEDIATE. SECRET. My telegram No. 21 of January 27th.[†]

We received yesterday from Canadian High Commissioner here an aide-mémoire[†] embodying views of Canadian Government and question has today again been considered by the Cabinet in the light of these.

We are anxious to go as far as we can to meet the views you have expressed and have accordingly prepared further draft telegrams to His Majesty's Minister at Berne, which are given in my immediately succeeding telegram.

I should be glad to know at the earliest possible date whether Canadian Government would be ready to accept these revised drafts. I should make it clear that they have not yet been seen by the Prime Minister and that they are subject to his approval on his return.

485.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 26

London, February 5, 1943

IMMEDIATE. SECRET. Following are texts of draft telegrams. First draft Begins: His Majesty's Governments in the United Kingdom and in Canada acknowledge receipt of communication handed over by M. Pilet Golaz to His Majesty's Minister at Berne on December 17th, informing him of views of the German Government in regard to binding of prisoners of war.²³³

²³³ Le paragraphe 2 ici est en effet le paragraphe

²³³ Paragraph 2 here is actually paragraph 3.

3. Le paragraphe 2, qui suit, fut omis par erreur lors de la transmission de ce télégramme:

Paragraph 2, as follows, was omitted by error during transmission of the telegram:

2. His Majesty's Government desire to take this opportunity to make plain their policy in this matter.

2. His Majesty's Governments reaffirm their determination to adhere scrupulously to provisions of the Geneva Convention and they have taken steps, by issue of orders to all commanders in the field, to ensure that all ranks shall be acquainted with and observe the terms of the Convention, with particular reference to treatment of prisoners of war immediately after capture. In these orders the general binding of prisoners of war is strictly forbidden. Attention, however, is called in these orders to the following consideration. It is the duty of a prisoner of war during operations to escape or to impede his captors if he can do so. It is equally the duty of every soldier to prevent any such action by a prisoner of war who may be in his keeping during operations. The binding of prisoners in fulfilment of this duty will only be countenanced when particular operational conditions make it essential in the interests of the safety of the prisoner, and when any other action would be less humane; such measures must be carried out in a humane manner and must be discontinued as soon as they are no longer required to prevent prisoner escaping or impeding his captor.

4. In the German communication it is asserted that "His Majesty's Government have attempted to establish a difference between treatment of prisoners of war on the battlefield and their treatment when they have been brought into enemy territory, and that they maintain that the principles of the Geneva Convention have no application on the battlefield". As will be clear from orders, of which a summary is given in preceding paragraph, the view of His Majesty's Governments is that the express provision of Article 1 of Geneva Convention shows that a combatant is deemed to be a prisoner of war and entitled to the protection accorded by relevant provisions of Geneva Convention as soon as he has been captured by the enemy. On this point therefore, it appears that there is no disagreement between the two Governments. First draft ends.

Second draft Begins: My immediately preceding telegram.

In handing over a communication to Swiss Government in terms of my telegram, you should suggest to M. Pilet Golaz that when he communicates our reply to the Germans, he should say that he presumes that in view of the contents of the reply, German High Command will issue orders for unshackling of British prisoners of war. Second draft ends.

486.

DEA/621-CX-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 21

Ottawa, February 6, 1943

IMMEDIATE SECRET. Your telegrams Nos. 25 and 26 February 5th. We concur in the draft telegrams to the British Minister at Berne quoted in your telegram No. 26 and are glad to note that the alterations that we proposed through the Canadian High Commissioner have been accepted subject to Mr. Churchill's approval.²³⁴

²³⁴ Les télégrammes furent expédiés au Ministre de Grande-Bretagne en Suisse le 10 février.

²³⁴ The telegrams were despatched to the Minister of Great Britain in Switzerland on February 10.

487.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 162

London, March 18, 1943

SECRET. Following is summary of German reply, Begins: German Government has taken note of Declaration of the British and Canadian Governments as communicated by the Swiss Government on February 18th on question of shackling of prisoners of war. German Government can only conclude that these two Governments are still adopting an attitude which is incompatible with the terms of the Geneva Prisoners of War Convention, and with the most elementary rule of humane and soldierly conduct of the war.

It is indeed stated in the Declaration that shackling of prisoners is in principle forbidden to British and Canadian Senior Officers, that handcuffs might not therefore be carried by the latter, and that disregard of these orders would be punished as contrary to discipline. Declaration, however, goes on to emphasize that shackling of prisoners is permissible and even a matter of duty if it appears to be called for by particular circumstances of operations in order to prevent flight or overcome resistance of a captured soldier.

It is obvious that prohibition in principle of shackling is made completely illusory by this reservation. It is thus in practice left entirely to the full choice of British and Canadian troops to extend shackling of captured German soldiers to any extent and to act in this respect in future as they acted in Dieppe and Sark, as shown by sworn protocol published by the German Army.

If it is brought out in the Declaration that British and Canadian troops carry no handcuffs, this point has no significance. The German Government has never complained that German nationals were handcuffed; on the contrary it is clear from the protocol that captured German soldiers in question were shackled with cords by British and Canadian troops, and indeed in most brutal manner and with refined cruelty. Since British and Canadian Governments in their present Declaration hold out this conduct as being permissible and in certain circumstances even necessary, it is plain that their troops are equipped with corresponding means of shackling.

Allegation in Declaration that shackling is in certain circumstances a less evil, and in interests of security of prisoners, is an empty and specious argument. German Government can claim in comparison with British and Canadian forces an incomparably greater number of prisoners and needs no instruction in the laws and usages of war. German soldiers have never shackled British or Canadian soldiers after capturing them and have never felt the need of such a measure. It is therefore completely out of place for the British and Canadian Governments now to attempt to give lessons to the German Army. The German Government continues firmly to maintain the attitude that all shackling of prisoners of war is inadmissible, nor can it be justified by arguments of any kind. The German Government have therefore made withdrawal of reprisal measures, to which they were forced by shackling law [order?] carried out by

British and Canadian troops, dependent on their obtaining security against the danger that German prisoners of war should be shackled in the future. German Government, therefore, made simple demand which indeed as matter stands is a matter of course, that British and Canadian Governments should issue to their troops a complete categorical and general order which would forbid, under severe penalty, any shackling of prisoners of war, together with possession of shackles for this purpose. This demand of the German Government is not met by present Declaration of the two Governments, on the contrary, that Declaration proves that danger of German prisoners being shackled by British or Canadian troops will continue to exist in the future. The British and Canadian Governments therefore alone bear the responsibility if measures of reprisal exercised on the German side against British and Canadian prisoners of war continue in force. Ends.

488.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 988

London, November 18, 1943

SECRET. My Circular D.670 of September 18th¹. His Majesty's Minister, Berne, reports that at request of German Red Cross, Dr. Burckhardt of I.R.C.C. has arranged to visit Germany for discussions on shackling question which German Government wished to treat through Red Cross channels.

489.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1041

London, November 30, 1943

MOST SECRET. My telegram Circular D. 988 of November 18.

Professor Burckhardt has returned to Berne from Berlin and has sent personal message to Mr. Eden to effect that as result of his visit Germans have agreed to do away with handcuffing as from November 22nd. Order will not be formally rescinded but simply not be carried on any longer.

2. International Red Cross Committee representative in Berlin will start immediately to visit camps. He will then report and United Kingdom Government will be officially notified of facts. Burckhardt specially asks that no publicity be given to matter pending this official notification.

490.

DEA/621-CX-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1115

London, December 17, 1943

SECRET. My telegrams of December 6th, Circular D. 1063[†] and 1064[†].

We had contemplated announcement on lines of letter from I.R.C.C. in form of answer to Parliamentary question. German Foreign Office have since officially notified Swiss Government that shackling ceased on November 22nd, but latter's view was that publicity for this notification would be undesirable, and, in light of this view, we have considered whether any statement at all would be wise. It is, of course, essential not to run risk of shackling being reimposed, and, since Hitler's reaction to public comment is unpredictable, absence of any publicity would appear to be safest course. We have, therefore, reached conclusion that it would be best not to make any announcement, and we understand that Canadian Government are of same view. Position is being explained confidentially to press here with request that they will refrain from publishing any reports on subject which they may receive. We should be grateful if Dominion Governments would urge similar reticence on part of their own press.

SECTION B

RÉFUGIÉS DE L'EUROPE
 REFUGEES FROM EUROPE

491.

W.L.M.K./Vol. 284

Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures
au Premier ministre

Memorandum from Assistant Under-Secretary of State for External Affairs
to Prime Minister

[Ottawa,] September 12, 1943

I enclose a copy of a letter[†] addressed to you by Mr. Samuel Bronfman, President of the Canadian Jewish Congress, requesting that vigorous representations should be made to the French Government on the subject of the deportation to enemy territory of Jewish refugees in unoccupied France.

Such information as we have received on this question is certainly painful. Apparently a very large number of deportation orders have been issued, the execution of which in many instances would probably be equivalent to a sentence of death. The Vichy Government seems to be in process of returning to Germany refugees from German oppression.

On September 4th the State Department announced that they had made, through their Embassy at Vichy, the most vigorous protest against these measures. We have learned, through the Legation in Washington, that this protest was accompanied by a special request to exempt from the deportation orders all

Jewish refugees in possession of the necessary documents to reach another country. The Legation also stated that they had learned confidentially that Mr. Hull intended to raise the whole matter with the French Ambassador; he has probably already done so.

I had intended to ask you, before the arrival of Mr. Bronfman's letter, whether you would agree to the question of these deportation orders being discussed with Mr. Ristelhueber. This might be done by sending for him and giving him a strong verbal protest on humanitarian grounds, which he would be asked to transmit to his Government. Now Mr. Bronfman has asked us to do just this, and I should be glad to know what action you wish me to take.

H. W[RONG]

492.

DEA/4300-40

*Le directeur de l'Immigration, le ministère des Mines et des Ressources,
au sous-secrétaire d'État aux Affaires extérieures*

*Director of Immigration, Department of Mines and Resources,
to Under-Secretary of State for External Affairs*

URGENT

Ottawa, September 14, 1942

Dear Mr. Robertson,

Mr. Samuel Bronfman, President of the United Jewish Refugee and War Relief Agencies, has approached our Minister with a proposal that Canada receive part of a group of 5,000 Jewish children in unoccupied France, whose parents are reported to have been deported by the German authorities. It is alleged that these children are in immediate danger of deportation. We are advised that Jewish organizations in the United States have approached the United States Government with a similar proposal and expect to receive a favourable decision.

The letter from Mr. Bronfman urges an immediate decision and a waiver of all "technical details" to allow the children to move at once. I expect that in the term "technical details" are included such things as the mental and physical condition of the children which are not likely to be waived either by the United States or Canada.

If we are to do anything to help in this situation, we should co-operate with the United States authorities since they have probably the only facilities now available for the examination of the refugees. If any came to Canada, they would require a transit visé from the United States and I suppose the Jewish organizations would endeavour to charter a ship and bring them as one group into a U.S. port. Will you please send a wire to Washington and endeavour to find out what the United States proposes to do about accepting some of these children and, if possible, how many. If they are going to help, I think we should do so at the same time. It might be well to enquire what facilities the United States people have for determining fitness in unoccupied France.

Yours very truly,

F. C. BLAIR

493.

W.L.M.K./Vol. 284

*Mémorandum du sous-secrétaire d'Etat adjoint aux Affaires extérieures
au Premier ministre*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] September 15, 1942

With regard to our conversation yesterday and my memorandum of September 12th concerning the deportation of Jewish refugees from France, I saw Mr. Lageneste this afternoon in the absence of Mr. Ristelhueber. I asked him to convey to his Government the grave concern felt by the Canadian Government over the reports reaching them from numerous sources regarding the arrests in France on a very large scale of Jewish refugees, with the object of deporting them to Germany and Eastern Europe. It seemed scarcely credible that those who had found asylum from German persecution in France should be handed over to Germany now. I expressed the hope that the reports reaching the press from Switzerland and other places were greatly exaggerated, and that it was not too late for the French Government to resist German pressure. I asked him to let his Government know that we hoped that the deportations would be prevented, and that those who had been placed in concentration camps for deportation would shortly be released.

Mr. Lageneste received these representations in a frank and friendly way, expressing, off the record, his full agreement. He said that he had no official information on what was being done, but thought that there might have been some confusion between the anti-Semitic measures taken by the Germans in Occupied France with the actions of the Vichy Government. I replied that it seemed clear at least that there had been a large roundup of Jews in Unoccupied France, but it was not clear whether any deportations to Germany had actually occurred. He promised that he would pass the message on to his Government immediately. He remarked that he felt sure that Pétain was not anti-Semitic and he had never heard that Laval was by conviction an anti-Semite. He had the idea that the French authorities, in collaboration with the Church, might even be stimulating resistance to the deportation measures demanded by Germany in order to be able to tell the German Government that they could not carry them out. The Pope is reported to have joined in the protest through the Papal Nuncio in Vichy.

I attach a draft letter[†] for your signature²³⁵ to Mr. Samuel Bronfman, in reply to his letter to you of September 10th[†], of which a copy was enclosed with my earlier memorandum. I have heard from the Director of Immigration that Mr. Bronfman has approached Mr. Crerar with a proposal that Canada should consent to receive five thousand Jewish refugees, especially women and children, from Unoccupied France. This is a large order which, even if we were willing, we could not meet, as there is next to no transportation available. We

²³⁵ Note marginale:

²³⁵ Marginal note:

Signed. W. L. M[ACKENZIE] K[ING]

have asked the Legation in Washington to find out whether any action in this sense is contemplated by the United States Government.

I think it would be desirable to let the press know that we have made representations to Vichy on this subject²³⁶. If you concur, I can say something about this at the departmental press conference on Thursday morning at 11 a.m.

H. W[RONG]

494.

DEA/4300-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-2565

Washington, September 16, 1942

Your EX-2183 of September 14th[†], regarding the admission to the United States of Jewish Refugee children from Unoccupied France.

The United States authorities advise in strict confidence and for information of the Canadian authorities only that they have also been approached on the same subject and they have found themselves able to admit approximately one thousand such children. The details of the plan have not yet been worked out and, therefore, the United States authorities cannot advise as to methods of transportation and whether ordinary immigration requirements will be waived. Ends.

495.

DEA/4300-40

Le directeur de l'Immigration, le ministère des Mines et des Ressources,
au sous-secrétaire d'État adjoint aux Affaires extérieures

Director of Immigration, Department of Mines and Resources,
to Assistant Under-Secretary of State for External Affairs

Ottawa, October 3, 1942

Dear Mr. Wrong,

Following up my note of yesterday[†] with copy of letter to Mr. Saul Hayes about the movement of Jewish refugee children from Unoccupied France, I may say that it would I think be most advisable to pass the information on to the Legation at Washington so that the U.S. authorities may be advised of what we propose to do. I have been very careful not to disclose any of the confidential information that is contained in the Washington despatch WA-2565 of the 16th ultimo in answer to your EX-2183 of the 14th ultimo.[†] We have no organization in Unoccupied France, indeed we have no facilities for examining these children otherwise than at Lisbon²³⁷ but if the movement takes place we would be

²³⁶ Note marginale:

Agreed to K[ING]

²³⁶ Marginal note:

²³⁷ On se servait des locaux britanniques puisque le bureau d'immigration canadien avait été fermé en décembre 1941.

²³⁷ British facilities were used since the Canadian immigration office had been closed in December 1941.

quite satisfied to accept the same standards of fitness that will be required by the U.S. authorities for the thousand children they expect to bring. I expect that the Jewish organizations that deal with transportation matters in New York will probably try to charter vessels to move these children from Marseilles to New York and it would be most helpful to us if the United States and the Canadian movements could be co-ordinated both in the matter of examination and shipping.

Yours very truly,

F. C. BLAIR

496.

DEA/4300-40

La légation aux États-Unis au département d'État des États-Unis
Legation in United States to Department of State of United States

Washington, October 6, 1942

MEMORANDUM

The Canadian authorities have given consideration to the admission to Canada of Jewish refugee children from Unoccupied France.

The Canadian authorities have informed the United Jewish Refugee and War Relief Agencies of Montreal that they will approve an initial movement of five hundred children to Canada, which may be increased by an additional five hundred when it is definitely ascertained that the second group can be properly placed and cared for.

This approval has been given subject to the following conditions:

(1) The provision of a satisfactory guarantee by the United Jewish Refugee and War Relief Agencies that they will assume full responsibility for all costs incurred.

(2) The United Jewish Refugee and War Relief agencies will assume responsibility for the reception, placement, and after-care of children in accordance with their offer; and to ensure that foster homes are suitable before placement of children.

(3) Questions of guardianship and control of children to be dealt with in accordance with provincial-legislation by organizations responsible for placement and supervision.

(4) The children to be under eighteen years and physically and mentally fit.

(5) The children to be admitted as non-immigrants for the duration of the war without any obligation on the part of the Canadian authorities to later admit parents or relatives.

(6) While the Canadian authorities will co-operate in assisting the children to proceed to Canada, no responsibility is accepted for removing them from Unoccupied France.

(7) The United States authorities will be able to co-operate in determining the fitness of the children before they leave Europe and in making the transportation arrangements.

In this latter respect, it is the understanding of the Canadian authorities that the United States authorities have been approached by similar organizations in

the United States. Should the decision of the United States authorities be favourable to admitting a group of children, it would be appreciated if the United States authorities could see their way to co-ordinate the transportation arrangements of the two groups.

As regards the examination of the children before their departure, the Canadian authorities have no organization in Unoccupied France that could undertake this task; the Canadian authorities, however, would be fully prepared to accept the same standards of fitness that will be required by the United States authorities and they would appreciate it if, when the examining staff is appointed, a provision could be made for the examining of the children who are proceeding to Canada.

497.

DEA/4300-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

DESPATCH 3057

Washington, December 31, 1943

Sir,

I have the honour to refer to my despatch No. 2852 of November 25th regarding admission of Jewish refugee children into Canada from Unoccupied France.

2. We have been informed that of the children who had been examined in France a few hundred succeeded in reaching port before the occupation of the whole of France by the Germans. The Americans are prepared to take all of them except twenty; these twenty are not considered as coming within the requirements established by the United States because they are all between the ages of sixteen and eighteen. The United States authorities had set sixteen years as the maximum age for the children while we had set eighteen years as a maximum. The State Department has inquired whether we would be prepared to admit these twenty young people. I have advised them that provided they otherwise satisfy the United States requirements and had sponsors in Canada, there would be no objection to the United States Consul granting them transit visas.

I have etc.

L. B. PEARSON
 for the Minister

498.

DEA/4300-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-117

Ottawa, January 13, 1943

Your teletype WA-41 of 5th January[†] regarding Jewish refugee children. Immigration authorities here a few days ago received a cable from their London Office saying that 250 Jewish children accompanied by parents were in Spain and Portugal and there was a proposal to move those under 16 to the United States and those between 16 and 18 to Canada. They immediately notified their London Office that the agreement referred to in previous correspondence to move Jewish refugee children to Canada had nothing to do with such children accompanied by parents and that the latter children who are with their parents cannot be included in the movement.

It should, therefore, be made perfectly clear to United States authorities that Canadian authorities concerned will not accept the Jewish children who are in France, Spain or Portugal with their parents, and that, if the twenty mentioned in previous correspondence consist of such children, the action must be cancelled.

499.

DEA/5127-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre

Memorandum from Under-Secretary of State for External Affairs
to Prime Minister

[Ottawa,] January 20, 1943

The United Kingdom Government have instructed Lord Halifax to make a comprehensive approach to the United States Government on the acute refugee problem which has developed in Europe. The nature and urgency of the problem and possible co-operative means towards its solution are ably set forth in Dominions Office telegram Circular D. 26 of January 15th[†], of which you have received a copy. A brief statement was made in the British House of Commons yesterday on the subject the gist of which appears in Dominions Office telegram Circular D. 31 of January 19th.[†] The United Kingdom High Commissioner has been instructed to approach the Canadian Government on the matter. I attach a letter from Sir Patrick Duff of January 16th[†] asking whether we would feel able to make a contribution by accepting a number of refugees in Canada and, if so, to what extent.

I am asking the Director of Immigration to provide a statement showing the number of refugees which has been admitted to Canada during the war either for permanent residence or temporarily. We have twice since the war authorized special measures, once some two years ago when we agreed to accept 1000 refugees, mainly from the Far East, and again recently when we agreed to receive 1000 Jewish children from unoccupied France who had been separated

from their families. The occupation of all of France took place before the arrangements to carry out the second scheme had been completed and we are not likely to receive under it more than a handful of children who had succeeded in getting into Spain or Portugal.

My own feeling is that we should make some contribution towards the solution of this pressing problem which concerns at present non-Jewish refugees probably to as large an extent as Jews. I think that the matter might come before the War Committee next week for preliminary examination. Copies of the telegrams from London have been sent to the Canadian Minister in Washington with a request for his observations on the probable policy of the United States. The problem obviously transcends the normal limits within which immigration questions are considered.

500.

IB/441

Mémorandum du directeur de l'Immigration, le ministère des Mines et des Ressources, au ministre des Mines et des Ressources

Memorandum from Director of Immigration, Department of Mines and Resources, to Minister of Mines and Resources

Ottawa, January 21, 1943

I have discussed with you on different occasions since the outbreak of war various proposals submitted for the admission to Canada of refugees from Europe and elsewhere.

A new one which is really a renewal of an earlier proposal is I understand to be considered by the Cabinet War Committee on the 27th instant, and Mr. Norman Robertson has sent me some papers and asked for information which I presume will be submitted to the Committee at the meeting on the 27th. I attach a copy of my letter of this date to Mr. Robertson.[†]

The Secretary of State for Dominion Affairs recently cabled H.M. Ambassador at Washington to discuss the refugee problem with the United States Government and submitted the following information:

(1) It is impossible to meet the refugee situation of Europe without considering the many thousands now crowding into neutral countries.

(2) The problem is not wholly Jewish but Allied criticism is likely if any marked preference is shown to the movement of Jews.

(3) There is a possibility that Germany may change from a policy of extermination to that of exodus as they did before the war, to embarrass other countries by flooding them with foreign immigrants.

(4) Shipping limitations prevent meeting an unlimited demand for travel.

(5) Neutral countries in Europe (Switzerland, Sweden, Spain and Portugal) are approaching the limit of their capacity to receive these.

(6) Great Britain is accommodating nearly 100,000 refugees and Colonies are straining their resources in providing for scores of thousands of refugees in

addition to civilian internees and prisoners. (East Africa is said to have taken in more than two and a half times its white population. Palestine has contributed substantially and recently an offer has been made to move 5,000 women and children from Bulgaria to Palestine).

(7) Owing to the food rationing, housing, transportation difficulties and lack of absorptive capacity, not many could be accepted by the United Kingdom but it is suggested that the United States might open her doors for a large but unstated number.

(8) That an agreement along these lines between Britain and the United States would open the way to approaching other Governments, such as the Dominions and South American countries for co-operation.

I have no idea what response will be made by Washington but evidently the matter is to be brought before the Cabinet War Committee on the 27th instant for some discussion or decision as to what Canada can and should do. You will notice I have not mentioned in my letter to Mr. Robertson facts which I am giving you. It is necessary in reaching a decision to recognize the bearing of the succeeding paragraphs on the general subject of admission.

While theoretically this is not wholly a Jewish problem, it has proven in our experience to be almost wholly a Jewish problem in all our dealings with refugees. This became evident shortly after the last war when a strong movement set in of what we now call refugees. The first year it was very noticeable was 1920-21, when the number was 2,763. It jumped the following year to 8,404, then receded to 2,793 in 1922-23, 4,255 in 1923-24, and 4,459 in 1924-25, and it kept up between the 3,000 and 5,000 mark until 1930-31.

The first refugee scheme organized on any scale was in the autumn of 1923 when Canada agreed to take 5,000 Jewish refugees driven out of Russia who were then principally in Roumania. Having got the door open between 7,000 and 8,000 were pressed through in that movement. Every refugee movement since 1925 with the exception of the 300 Sudeten families and 72 single men who came in 1938 for land settlement and upwards of 500 Polish and a few Czech machinists and engineers who have come within the past two years, has been predominantly, indeed almost wholly Jewish.²³⁸

You will recall that just two years ago Council agreed to give asylum to 1,000 Czech, Polish, Belgian and Netherlands refugees under a guarantee of maintenance to be given by their Governments. It was laid down that a reasonable racial balance was to be maintained. War conditions prevented the movement of the entire thousand but those who managed to come were almost entirely Jewish. We found it impossible to maintain any racial balance and so it has been year after year when dealing with refugees.

²³⁸ Note marginale:

²³⁸ Marginal note:

These are movements under control.

501.

DEA/5127-40

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

[Ottawa,] January 27, 1943

The need for cooperative action to assist in meeting the problem of refugees now in neutral European countries is stated cogently in the instructions sent to Lord Halifax which are quoted in Dominions Office telegram [Circular] D. 26 of January 15th.[†] The neutral countries chiefly concerned are Portugal and Spain and perhaps Sweden to a lesser degree. The refugees who have succeeded in reaching Sweden and Switzerland cannot be evacuated during the war and they are certainly better off than those in the Iberian Peninsula.

On receipt of this telegram the Director of Immigration was asked to furnish such data as might be available concerning the admission of refugees to Canada in recent years. Definite statistics cannot be provided since, except in the case of a few small organized movements of refugees, there is no record whether persons entering Canada have come as refugees or for other reasons.

From the end of the last war until immigration was severely restricted in 1931, 41,873 persons of Jewish origin were admitted to Canada as immigrants. A large proportion, though not all of these, were doubtless refugees from Europe. Included in this total are some 7,500 Jewish refugees from Roumania; this movement was initiated in 1923 because of the influx to Roumania of Jewish refugees from Russia. There were also small movements of Jewish children, of Armenians and of Mennonite farmers during that period.

The practice of the Canadian Government from 1931 until the present time is described as follows by the Director of Immigration:

"With the advent of the depression immigration was rigidly curtailed in the spring of 1931 when the door was shut to European immigrants save farmers with capital. At that time the practice was adopted of admitting additional immigrants by naming them in special Orders-in-Council and that practice still continues. These people have been admitted very largely as refugees on the applications of relatives or friends in Canada. The total number dealt with in this way from the end of 1930 to the end of 1942 is 10,234. Approximately one-half of those from Europe were of Jewish race."

For between two and three years before the outbreak of war, we admitted a number of Europeans with capital to establish or develop new industries in Canada. I can only estimate the total number as being more than 1,000 and the racial proportion as being at least 90% Jewish.

In addition to the immigrant movement a very considerable number of persons have been admitted as non-immigrants for the duration of the war, and a large percentage of these are Jewish refugees. The principal racial exception consists of approximately 500 Polish and a few Czechoslovak nationals belonging to the engineer and skilled worker class who were moved from Unoccupied France, Spain and Portugal to Canada and placed in war production here. This

movement has been controlled by our Department working in co-operation with the Department of Munitions and Supply and the Polish authorities. The practice of admitting refugees as non-immigrants for the duration of war developed because of the difficulties in transportation, the urgency to move people quickly and the fact that many were seeking temporary shelter."

It will be noted from this statement that admission to Canada for permanent residence has been limited to persons falling into three classes —

- (a) farmers with capital;
- (b) those named in Orders-in-Council who are usually close relatives of Canadian residents; and
- (c) a small number of persons with capital to establish new industries in Canada.

It is very unlikely that more than a handful of the refugees now in neutral countries belong to the first class and it seems questionable whether we should continue to grant preferential treatment to agriculturalists seeking admission. It is also questionable whether on the long view the practice of giving preference to close relatives is desirable in dealing with refugees; in the case of Jews this often means that the entry is allowed of Eastern European Jews of not a high standard of education and skill in preference to Jews from Central and Western Europe possessed of greater attainments. This consequence flows from the fact that the great bulk of the Jewish immigration to Canada has come from Eastern Europe.

Two special movements of refugees have been authorized since the war. About two years ago the War Committee approved the temporary admission of 1000 refugees of European origin under a guarantee of maintenance from their own governments; a good many of these were expected to come from the Far East. The full number has never been admitted and the bulk who have entered under this arrangement were Jewish. Recently approval was given for the admission of 1000 Jewish children from Unoccupied France who were separated from their parents, under an arrangement similar to that adopted in 1940 for evacuated children from the United Kingdom. The whole of France, however, was occupied before this movement began.

It will be noted that the British Government considers that the present refugee problem by no means affects only Jews and feels that no preference should be shown in removing Jews to safe destinations. The Director of Immigration considers that if the movement of refugees to Canada is authorized it will be necessary in order to avoid the advantages being used mainly by Jewish refugees to fix some ratio of Jews to non-Jews. The various Jewish organizations have had long experience and have developed great skill in helping their own people and most of the benefit of any assistance would come to Jewish refugees unless some quota system is adopted to give the non-Jewish refugees an equal chance.

There appear to be no statistics of the number of persons who have been granted asylum in Canada for the duration of the war without being admitted for permanent residence. This number includes a large porportion of Jews in addition to the Polish technicians mentioned above. It also includes about eight

or nine hundred persons of Austrian and German citizenship (nearly all of Jewish race) who have been released from refugee camps in Canada after their transfer from the United Kingdom in 1940 as internees.

The Canadian Minister in Washington has been asked to consult the United States authorities on the action which they propose to take in reply to the British proposals. It appears that the British Ambassador brought these proposals to the notice of the Department of State less than a week ago and that they are now receiving preliminary consideration. The United Kingdom High Commissioner on instructions from London enquired on January 16th whether Canada would accept a number of refugees. A reply might be deferred until we know more of the action contemplated by the United States.

H. W[RONG]

502.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, January 27, 1943

...

ADMISSION OF ADDITIONAL REFUGEES FROM EUROPE

1. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that the United Kingdom had raised the question of the admission of additional refugees from Europe.

The British Ambassador had been instructed to make a comprehensive approach to the U.S. government, pointing out that the situation had become so serious that systematic consideration of the whole problem was required on the part of the Allied governments.

The U.K. High Commissioner had asked whether the Canadian government could co-operate by accepting a number of refugees. On two previous occasions since the outbreak of war, Canada had agreed to accept a thousand refugees; under the first of these agreements, some four to five hundred had been received; the total occupation of France had prevented more than a few being sent, under the second.

Further investigation and study was being carried out, in co-operation with the Director of Immigration, and specific proposals would be submitted at a later date.

An explanatory note had been circulated.

(Secretary's memorandum, undated — C.W.C. document 398).¹

2. THE WAR COMMITTEE noted the Under-Secretary's report and, after discussion, agreed that caution should be exercised in working out any scheme for further acceptance of refugees in Canada.

...

503.

DEA/4300-40

*Le sous-secrétaire d'État aux Affaires extérieures au directeur
de l'Immigration, le ministère des Mines et des Ressources*
*Under-Secretary of State for External Affairs to Director of Immigration,
Department of Mines and Resources*

Ottawa, February 9, 1943

I have seen your letter to Mr. Beaudry of February 2nd¹ and the earlier correspondence regarding the conditions under which refugee children may be granted temporary admission to Canada for the duration of the war. As I understand the position, the Government agreed in October last to the admission of up to 1,000 Jewish refugee children, who were then in Unoccupied France, subject to certain conditions which were laid down in your letter of October 2nd to Mr. Saul Hayes. With the severance of diplomatic relations between the United States and Vichy France, and the compulsory withdrawal of American welfare workers from Unoccupied France, the possibility of making direct arrangements for the transfer of refugee children from French territory disappeared. The immediate question seems to be whether the general arrangement approved by the Government last autumn can be regarded as applicable to refugee children in Spain and Portugal. It seems to me clear that it should certainly apply, in the first instance, to children now in Spain or Portugal to whom it would have applied if they had been in Unoccupied France, i.e., to Jewish refugee children who had been orphaned by the war or by the deportation of their parents to the *Gouvernement Général*. From the wording of your letter to Mr. Hayes, I should think it would also apply to refugee children who may have one or conceivably both parents with them in Spain, provided that the conditions laid down in your letter are met, particularly the stipulation that the admission of children under such an arrangement "does not constitute a basis for the admission of parents or other relatives at a later date."

I note that the United States is approving the admission of refugee children subject to this stipulation which is, in their case, secured by an undertaking signed by the parents before the United States Consul to the effect that they are prepared and willing to let their children go to the United States, and that their children's presence in the United States will not be a ground to influence the future possible application of the parents for entry into the United States. I should think that we could afford to adopt the same policy as the United States in this matter while insisting on the same safeguards.

As you know, the Government is being pressed by the United Kingdom Government to cooperate in another general effort to find temporary asylum for refugees now in European neutral countries. It is reluctant to make any commitment in this respect and is waiting to see what response the United States Government makes to a similar appeal which was addressed to it. It seems to me that our position in dealing with the general question of admission of refugees might be stronger if we did all that we could to make a reality of the Government's specific offer of temporary admission to the Jewish child refugees in Western Europe.

N. A. ROBERTSON

504.

DEA/4300-40

*Le directeur de l'Immigration, le ministère des Mines et des Ressources,
au sous-secrétaire d'État aux Affaires extérieures*

*Director of Immigration, Department of Mines and Resources,
to Under-Secretary of State for External Affairs*

Ottawa, February 20, 1943

I am in receipt of yours of the 9th instant regarding the effort to include Jewish children with their parents in Spain and Portugal, in the movement of 1,000 children which was agreed to last autumn. I am afraid you have only got part of the story as the conclusions you have reached are quite erroneous as the following will show.

The proposal as originally made by Mr. Saul Hayes representing the United Jewish Refugee and War Relief Agencies in Montreal, was that an appalling situation had developed in Unoccupied France through the death or deportation of Jewish parents leaving children in dire distress. On the 10th September Mr. Bronfman as President of the Relief Agencies wrote¹ saying, —

“There are approximately 5,000 children aged two to fifteen whose parents have been deported eastward and who are themselves in danger of being deported. . . . The plight of these children who have been separated from their parents, perhaps forever, and who if left in France will become a legion of lost children without proper nourishment or guidance, is too horrible to contemplate. . . . The Agencies is [*sic*] certain that the Canadian Government which has shown its spirit of humanitarianism in admitting refugees, will give practical effect to its sympathetic consideration [of the plight] in which these innocents find themselves and will offer asylum to several hundred.”

As it was indicated that an approach was being made to the U.S. Government and that a group of 5,000 was likely to be admitted there, we asked that an inquiry be sent to Washington. The reply of the 16th September teletype WA-2865²³⁹ quoted confidentially the possibility of accepting 1,000. After we had agreed to admit up to 1,000, dependent on the ability of the Jewish organizations to provide suitable placement, the agencies gave some publicity to the scheme and all their publicity referred to the children whose parents had died or had been deported. When we became aware of the effort to include these children who were with their parents in Spain or Portugal, I wrote Mr. Saul Hayes and asked him how this proposal came to be submitted and he replied that he knew nothing of the parents being in Spain or Portugal and he wired me on the 3rd instant, —

“Children now in Spain and Portugal escapees from France do not come within ambit Government's generous concession of October second.”

More than 20 years ago we adopted the practice of dealing with European families as family units and have refused not once, but hundreds of times to

²³⁹ Document 494.

separate children from their parents. It was our London office which first became aware of the attempt to include these children with the group whose admission had been authorized. There was no misunderstanding on our part and none on the part of the Committee in Montreal.

F. C. BLAIR

505.

DEA/4300-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

[Ottawa,] February 24, 1943

Mr. Blair resolutely sticks to his point that the Jewish children now in Spain and Portugal do not come within the terms of our agreement of last September. He is technically right but his only argument against modifying the terms of the agreement is that it is the settled Canadian policy to deal with European families as family units and not to separate children from their parents. We did exactly this of course in taking British children as "war guests" in 1940 — a scheme parallel to that proposed for the Jewish children, with the important exception that one cannot be certain that these Jewish families could be reunited outside Canada after the war since the parents are themselves refugees.

I doubt that we can do more now unless the matter is raised in the War Committee. If, however, the small group of Jewish children who were reported en route to Canada some time ago in fact arrives in New York, we might try to get them admitted as a special case.

H. W[RONG]

506.

DEA/5127-40

Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures²⁴⁰

Memorandum by Assistant Under-Secretary of State for External Affairs²⁴⁰

[Ottawa,] May 21, 1943

PROPOSALS FOR ASSISTANCE TO REFUGEES

1. In January the British Ambassador in Washington was instructed to approach the Department of State to propose a systematic consideration of joint measures for dealing with the problem of refugees, especially those who had already found temporary asylum in neutral European countries. The British Government suggested that a preliminary understanding should be reached between the United States and the United Kingdom before the problem was broached to other governments of the United Nations. After an exchange of memoranda between the two Governments, an exploratory discussion took place at Bermuda towards the end of April. The report of this meeting recommends measures which fall under two main headings — measures to be taken

²⁴⁰ H. Wrong.

principally at the instigation of the United Kingdom and the United States Governments to provide a haven for certain groups of refugees and measures to be adopted to secure the cooperation of other countries.

2. Under the first heading, the report reviewed the numbers and possible destinations for various groups of refugees. The chief groups are as follows:

(a) Polish civilians in Iran, now numbering some 30,000 to be moved in due course to British East Africa, India, Palestine and possibly Mexico, South Africa and Southern Rhodesia;

(b) Greeks in the Middle East, now mainly in Cyprus, Syria and Egypt, some of whom may be moved to Abyssinia and Cyrenaica;

(c) Spain, where the most urgent situation exists; the recommendation is that 14,000 French should go to North Africa if the Spanish Government will allow them to move, that a small number of men of military age, chiefly Poles, should go [to] the United Kingdom and North Africa for military service and that the remainder, amounting to 6,000 or 8,000, chiefly Jews, should be dispersed, principally among the United States, Palestine, North Africa, Jamaica and, if possible, Angola and American countries;

(d) Jews in Bulgaria, 4,500, chiefly children, to go to Palestine as soon as transport can be found and, if possible, a further 12,500 from Axis territory by July, 1943; this was the only movement recommended which would involve the departure of refugees from Axis territory, except for the removal of Jewish children from France, which is referred to below.

3. For continuing international action, the Bermuda meeting proposed the revival of the International [Intergovernmental?] Committee on Refugees founded at the Evian Conference of 1938, with broader powers, enlarged membership and increased financial support. It was recommended that the Committee should take up the following questions:

(a) arrangements to secure neutral shipping, which represents the only hope at present of moving refugees to overseas destinations;

(b) a further effort to give effect to the arrangements in train last November for the removal to the United States and Canada of Jewish children from France in cooperation with neutral governments;

(c) study of the possibilities of the reception of refugees in British Dominions and in Latin America;

(d) assistance, if necessary, in the removal of French refugees from Spain should the Spanish Government not permit their departure to North Africa; and

(e) the possibilities of large scale removal of Jews from Germany and occupied territories or of feeding them through the blockade; the meeting seems to have agreed that there was little prospect of effective action.

4. The Bermuda meeting also proposed that there should be a joint declaration by the Governments that were parties to the Declaration of December 17th, 1943, protesting against the German treatment of Jews, promising to readmit to their territories nationals displaced by the war and to facilitate the return to their homes of refugees of all nationalities. The parties to this Declaration were

the Allied European Governments; the United Kingdom and the United States; the Canadian Government simultaneously endorsed the Declaration but was not a party to it.

5. On the whole, the recommendations at Bermuda went a long way to give effect to the initial proposals made to the United States by the British Government last January. One of the next steps will presumably be the advancement of suggestions for the revival and reform of the Evian Committee, and a summary of the history of this body may, therefore, be useful.

6. The Intergovernmental Committee on Refugees originated from the Evian Conference of July, 1938, convened on the initiative of President Roosevelt. It is composed of representatives of 32 countries — the United Kingdom, the United States, France, Switzerland, the three Scandinavian countries, Belgium, the Netherlands, the Dominions and nearly all the Latin American states. There is an Executive Committee, made up now of a British Chairman (Earl Winterton) and five Vice-Chairmen from the United States, the Netherlands, France, Brazil and Argentina. There is a permanent Director, with a small clerical staff. The activities of the Intergovernmental Committee were limited to persons still on German territory, including Austria, who would have to emigrate on account of their political opinions, religious beliefs or racial origin, and to persons of this classification who had left German territory without establishing themselves permanently elsewhere. Its operations, apart from the salary of the Director and the small permanent staff, were to be financed by private organizations. The small expenses to be made by Governments were to be borne according to the League scale.

7. The Intergovernmental Committee has met ten times, usually in London, and Canada has been represented at all the meetings except one, which was held in the Dominican Republic, where a small plan for the settlement of Jewish refugees had been put into effect. The present Director, as a result of a decision of the Committee, is also the League High Commissioner for Refugees, Sir Herbert Emerson. The results have been small and the Committee has, in fact, been inactive for more than two years.

8. The report of the Bermuda meeting has proposed that the following changes should be made in the composition and functions of the Intergovernmental Committee:

(a) the mandate of the Committee should be broadened to empower the Executive Committee to negotiate with neutral and Allied countries in connection with refugees from all countries instead of from Greater Germany only, and to receive and disperse for these territories, funds both public and private, rather than only funds provided by private organizations;

(b) membership of the Intergovernmental Committee should be broadened and specifically, the U.S.S.R., Poland, Greece and Yugoslavia are to be invited. The place of France on the Executive Committee would be considered vacant for the present;

(c) The member states would be expected to make contributions either on the League scale as indicated above, or as an alternative, to make voluntary contributions in addition to the funds available from private sources; and

(d) a considerable increase in the staff of the Executive Committee would also be anticipated.

9. If these changes are accepted, their main effect will be to extend the mandate of the Committee to all refugees, to increase its financial resources by providing for contributions from member governments, to add to its membership the U.S.S.R. and three European countries that have many nationals among the refugees and to give it a larger staff.

10. If the recommendations are accepted, the Canadian Government is likely to be concerned in the following matters:

- (a) a greater financial contribution towards the work of the Committee;
- (b) the efforts of the Committee to find asylum for refugees now in Spain, and especially Jewish refugees;
- (c) efforts of the Committee to bring into effect the agreement by the United States and Canada of last autumn to accept Jewish children from France for the duration of the war; and
- (d) the admission of further refugees, both Jewish and non-Jewish, from among those now dispersed in European neutral countries and the Mediterranean area.

11. It is not necessary for decisions to be taken on any of these points at present. It is likely, however, in view particularly of the very acute situation in Spain and the ever-present possibility that the Spanish Government might close the French frontier and even return refugees to Axis territory, that we shall be soon asked to agree to the reconstitution of the Intergovernmental Committee and to be represented at an early meeting of it. It will not be enough to defend our record at such a meeting, although our record in the admission of refugees probably stands up to that of the United States.

507.

DEA/5127-40

*Le directeur de l'Immigration, le ministère des Mines et des Ressources,
au sous-secrétaire d'État aux Affaires extérieures*

*Director of Immigration, Department of Mines and Resources,
to Under-Secretary of State for External Affairs*

Ottawa, June 5, 1943

Dear Mr. Robertson,

I am in receipt of yours of the 31st ultimo[†] with copy of "Memorandum - Proposals for Assistance to Refugees". I would not suggest any changes in this memorandum as I think the matter has been adequately dealt with. I assume that the use of such material as has been drawn from the confidential Bermuda Conference reports is in order.

Yesterday our Minister met two delegations and Mr. Jolliffe and I were present at both meetings. The first was held yesterday morning with representatives of the Canadian Jewish Congress and was headed by Mr. Sam Bronfman, President of the Congress. The first item on the Agenda, and which was stressed

again and again, was that in view of the failure of the Bermuda Conference, Canada now has a wonderful opportunity to give a lead to the rest of the world by offering asylum to refugees. Two reasons were given for this suggestion, the first being that it will result in saving a large number of refugees who would come to Canada, and second, it will by the very boldness of the effort, make other countries ashamed of their negligence and compel them to follow suit. It was quite apparent that the delegation hopes to move Canada into the leading position and give wide publicity to some announcement of a refugee effort on a scale that will make all the other Allies ashamed. Those holding this view have not considered the reaction either on the public of Canada or on our relationship to other parts of the Empire and our Allies, of such a course.

This delegation pressed for the admission of children from Spain and Portugal on the ground that if they were taken out of these countries it would create a vacuum which others would fill. The delegation ignored the problems involved in separating these children from their parents, something that in my opinion should never be agreed to. If we are going to save these children we ought to deal with them as members of the families and save the other family members at the same time. Involved in the plea of the delegation was that Canada should give guarantees to Spain, Portugal and Turkey to accept refugees if they were allowed to move into the countries named.

In the afternoon another delegation met the Minister when Mr. Jolliffe and I were present. That delegation was composed of Senator Wilson, Mr. McIlraith, M.P., Mr. Henderson, M.P., Mrs. Casselman, M.P., Canon Judd of the Church of England Social Service Council in Toronto, who had just returned from England, and Miss Constance Hayward. Canon Judd spoke of conditions in England, his conversations with Sir Herbert Emerson and the belief in London that there are 200,000 refugees around the Mediterranean area who could be saved. I think Senator Wilson holds the same view that is held by the morning delegation, that there is no use waiting for the Bermuda Conference to do anything and that Canada should now make a definite pronouncement on its refugee policy coupled with an announcement that our doors are going to be immediately open for a very considerable influx regardless of what other parts of the Empire or our Allies do. I regard this as a dangerous business and [it] requires very careful handling especially as practically all the refugees we are likely to get will be of Jewish race. I think that before any reply is made to the representations by the two delegations of yesterday, the statement promised by the Prime Minister should be made. There is no use in closing one's eyes to the fact that Jewish interests are now carrying on a propaganda to belittle everything that has been done in the way of efforts to save refugees and to destroy all confidence in the sincerity of those taking part in the Bermuda Conference and in the desire of the Allies to solve the refugee problem. The Press has made this abundantly clear.

Immediately on the appearance of the semi-official statement given out by the Bermuda Conference, Rabbi Goldstein, President of the Synagogue Council of America, declared that the conference was not only a failure but a mockery. He said,—

“Victims are not being rescued because the democracies do not want

them. . . . The job of the Bermuda conference apparently was not to rescue victims of the Nazi terror, but to rescue our State Department and the British Foreign Office from possible embarrassment."

The *New York Times* immediately published a supplement for Canadian distribution in which they demanded a program of action, not pity. In this they said,—

"It is not true that although the British Government wants to help save these people it is in no position to do so. The truth is the dead hand of yesterday's politics is still at the throat of the European Jews. The British Government can save these people but does not yet want to do so. . . . Is it not true that European Jews must be saved by changing the Immigration laws of the United States; or by shipping them thousands of miles overseas to Australia or South America."

I think it is unfortunate that there is a great deal of propaganda carried on in Canada at the present moment, having exactly the background represented by the above quotations, and if care is not taken Canada will find herself pushed into a very awkward position over this whole refugee problem. I cannot see how it is possible to embark on any such enterprise as is being pressed upon us, otherwise than by association with the United Kingdom and the United States and I respectfully suggest that this should be embodied in the Prime Minister's statement as it was in the statement made in answer to a question by Mr. Coldwell on the 5th April last.

Yours very truly,

F. C. BLAIR

508.

DEA/5127-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures*²⁴¹

*Memorandum by Assistant Under-Secretary of State for External Affairs*²⁴¹

[Ottawa,] August 30, 1943

SUGGESTIONS FOR CANADIAN AID TO REFUGEES

Public pressure for action by the Government to adopt new measures to assist European refugees is increasing. There is an insistent demand from Jewish agencies for action to relieve the trials of Jewish people. In so far as this is directed towards the rescue of Jews in German-controlled territory, there is nothing that the Canadian Government can do by itself. In so far as its purpose is to secure the admission to Canada of Jewish refugees who have escaped from Axis territory without finding an asylum in which they can remain until the end of the war, something can be done by admitting further Jewish refugees to Canada. Apart, however, from the Jewish appeals there is wide-spread evidence of an uneasy public conscience over the Canadian record with respect to refugees which has found expression editorially in the *Winnipeg Free Press*, the *Globe and Mail*, *Saturday Night* and many other journals.

²⁴¹ H. Wrong.

Certain suggestions are put forward below for consideration. These suggestions are framed within the limits of the policy set forth in the Prime Minister's speech of July 9th in the House of Commons.²⁴²

I. INTERNATIONAL ACTION.

The Executive Committee of the Intergovernmental Committee on Refugees at a meeting in London on August 4th recommended to Governments belonging to the Committee certain measures for its strengthening. At the Bermuda Conference in April last between United States and United Kingdom officials agreement was reached to press for these measures. It is suggested that the Canadian Government should promptly advise the Executive Committee that they accept the proposals. These are as follows:

(a) The extension of the mandate of the Intergovernmental Committee (previously confined to refugees from Germany and Austria) to include all Europeans who have left or who may have to leave their countries on account of their race, religion or political beliefs.²⁴³

(b) To empower the Executive Committee to negotiate with the Governments or organizations for the maintenance and transportation of refugees and to spend both private and public funds for these purposes.²⁴³

(c) To authorize the Executive Committee in due course to invite Member Governments to contribute public funds for the maintenance and transport of refugees. (Hitherto the Committee's administrative expenses alone have been borne from public funds; United Kingdom and United States Governments have agreed to underwrite for the time being the further expenses of the Committee).²⁴³

(d) To arrange that the International Relief Administration²⁴⁴ should wherever possible bear the expenses of maintaining refugees in countries in which it is operating.²⁴³

(e) To expand the membership of the Intergovernmental Committee (previously limited mainly to American and west-European countries) so as to include all European States (except Germany and her allies), the Middle Eastern States, the U.S.S.R., India and South Africa.²⁴³

(f) To enlarge the permanent staff to enable the Committee to undertake its new responsibilities (a United States citizen has already been appointed as Vice-Director).²⁴³

The purpose of these changes is to make the Intergovernmental Committee a more effective instrument for dealing with the European refugee problem as a

²⁴² Voir Canada, Chambre des Communes, *Débats*, 1943, volume 5, pp. 4688-91.

²⁴³ Note marginale:

O.K. K[ING]

²⁴⁴ Sur cette copie du memorandum, le mot "International" fut remplacé par "United Nations" et les mots "and Rehabilitation" furent ajoutés après "Relief".

²⁴² See Canada, House of Commons, *Debates*, 1943, Volume 5, pp. 4558-61.

²⁴³ Marginal note:

²⁴⁴ On this copy of the memorandum, the word "International" was replaced by "United Nations" and the words "and Rehabilitation" were added after "Relief".

whole. Their adoption is likely to be followed in time by requests to Canada and other Member States for specific assistance to refugees.

2. ADMISSION TO CANADA OF REFUGEES

The refugee problem in its present form mainly concerns the placement for the duration of the war of refugees who have escaped to neutral or Allied territory without as yet finding an asylum in which they can remain until the war is over. There will be further escapes from Axis territory, but it is not likely that the numbers involved will be large. Attention is mainly concentrated on those in Spain and Portugal. It is suggested that the Government should grant admission to an initial movement to Canada of perhaps 200 refugee families from the Iberian Peninsula. It is likely that a guarantee of maintenance of Jewish families so admitted could be secured through the Canadian Jewish Congress if this is thought to be wise.²⁴⁵ It is important, however, that an equal opportunity of coming to Canada should be given to non-Jewish refugees. The number actually able to move will probably be very small because of transport conditions. It is suggested that no limit should be publicly set as any figure that might be mentioned would be regarded as grossly inadequate by some and as excessive by others.²⁴³

3. REOPENING OF LISBON OFFICE.

It is suggested that an Immigration Office should be reopened in Lisbon to facilitate the selection and documentation of refugees seeking admission to Canada. An announcement that the office was being reopened would be welcomed by those who were concerned over the Canadian contribution to the refugee problem.²⁴³

4. REMOVAL OF RESTRICTIONS FROM FORMER INTERNEES IN CANADA.

Some 900 persons of German and Austrian origin who were moved to Canada from the United Kingdom in 1940 have been granted their conditional freedom in Canada. It is suggested that the conditions imposed at the time of their release should be lifted and that they should be free to take employment where they can find it. Another consideration is that these persons cannot be admitted to the United States under United States regulations so long as the present Canadian control over their movements and occupations is maintained. Their release from internment shows that they are not regarded as dangerous and their individual records are well known to the R.C.M.P. and the Immigration authorities. The present restrictions are a constant source of complaint and seem to have a good deal to do with the agitation of humanitarian agencies and the press for further action by the Canadian Government to assist refugees. In selected cases permanent admission might be granted to Canada and in others temporary admission for the duration of the war.²⁴⁶

²⁴⁵ Note marginale:

²⁴⁵ Marginal note:

Yes

²⁴⁶ La note suivante était écrite sur ce mémorandum:

²⁴⁶ The following note was written on the memorandum:

Approved. W. L. M[ACKENZIE] K[ING]

509.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, September 8, 1943

CANADIAN AID TO REFUGEES

34. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted, for consideration, a memorandum containing certain proposals:

(a) The U.S. and U.K. governments, at the Bermuda conference in April, 1943, had agreed to press for strengthening of the powers of the Executive Committee of the Intergovernmental Committee on Refugees. The Canadian government might accept these proposals and so help to make the Committee a more effective instrument for dealing with the European refugee problem as a whole.

(b) The government might grant admission to perhaps 200 refugee families from the Iberian Peninsula, subject to possible guarantees of maintenance. These would probably be largely Jewish, although equal opportunity should be afforded non-Jewish refugees.

(c) In this connection, it would be desirable to reopen the immigration office in Lisbon to facilitate the selection and documentation of refugees seeking admission.

(d) Conditions imposed upon some 900 persons of German and Austrian origin, moved to Canada in 1940 and subsequently granted conditional freedom, should be lifted. These persons were not regarded as dangerous and their individual records were in the hands of Canadian authorities. Present restrictions placed upon them were a constant source of complaint.

(External Affairs memorandum, Aug. 30, 1943).

35. THE PRIME MINISTER observed that the proposals put forward were within the limits of the policy set forth in his speech on July 9th in the House of Commons.

Canada, with her vast area and resources, could not stand aside and, for humanitarian reasons as well as for reasons of international co-operation, should do something to ease the refugee situation.

36. THE WAR COMMITTEE, after discussion, approved in principle the proposals submitted, means for their implementation being referred to the Department of External Affairs and to the Immigration Branch, Department of Mines and Resources.

510.

DEA/5127-A-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

[Ottawa,] November 11, 1943

In conversation with Mr. Jolliffe yesterday he told me that he had just received a cable from Mr. Cormier in Lisbon saying that there were in Portugal several hundred completely destitute Jewish refugees (I think that the figure he mentioned was either 1400 or 1800) most of them without families. He said that in executing the recent decision to admit additional refugees to Canada for the duration of the war they were having difficulty in securing guarantees of employment or maintenance. This seems to imply that the Immigration Branch is continuing its old policy of picking out primarily relatives of persons now in Canada and allowing them in when their connections in Canada will guarantee their support. My conversation with him was casual and only lasted for a minute or two but I am rather doubtful whether this was in fact what the Government intended when it decided to admit further refugees. There was some question at the time of securing a guarantee from Canadian Jewish organizations for the maintenance of Jewish families.

Mr. Jolliffe remarked that there had been no word of any sort from the Canadian organizations interested in refugees about the Government's statement of policy which Mr. Crerar issued a week ago and they were continuing their campaign apparently without relaxation. He proposed himself to issue a further statement (apparently in reply to criticisms that the Government had gone too far) emphasizing that such refugees as were admitted were coming here only for the duration of the war and not for permanent residence. It does seem to me that in present conditions of manpower we might take a chance on allowing in a few hundred healthy but destitute individuals from the Iberian Peninsula without requiring specific guarantees of maintenance especially since they would not be admitted as immigrants for permanent residence.

H. W[RONG]

511.

DEA/5127-A-40

*Le directeur par intérim de l'Immigration, le ministère des Mines et des
Ressources, au sous-secrétaire d'État adjoint aux Affaires extérieures*

*Acting Director of Immigration, Department of Mines and Resources,
to Assistant Under-Secretary of State for External Affairs*

Ottawa, December 28, 1943

Dear Mr. Wrong,

As per our telephone conversation of this morning, I am furnishing you with some general information regarding the refugee situation in Portugal and Spain, as gleaned from the reports¹ so far submitted by our officer at Lisbon.

According to statements made by the various interested organizations in Lisbon there are approximately nine hundred refugees left in Portugal and they are mostly Jewish. Included in these are about eighty-four families, totalling approximately two hundred and ten souls. We think the majority of these families will be eligible for visas to Canada, provided they pass medical inspection. Figures should not be used because there is a question as to the legality of the marriages of approximately five of the couples and as to whether some of the reported childless couples have children whose whereabouts have not been disclosed.

The situation in Spain is not so clear as our officer has not yet proceeded to that country to personally deal with the matter. Mr. Creswell, one of the secretaries at the British Embassy in Madrid, in reply to a written request for information by our Mr. Cormier wrote on November 17th¹ under confidential cover, stating that of the 8,000 French refugees in Spain at the early part of last summer, the great majority have already left, and although there were about 2000 in Miranda it was hoped that the French Mission would get these out before Christmas and reduce the purely French refugee problem to the dimensions of a transit problem only. This statement also applied to the Poles; they got rid of their resident population at Miranda (which at one time numbered about 600 or 700) and now get parties of men out of Spain very nearly as quickly as they come in. Mr. Creswell further stated that the refugees proper, i.e., the stateless, ex-enemy and Jewish refugees generally, are being very well looked after by the Jewish Distribution Committee, that the present intention is to send about 2,000 of these to a camp in North Africa where they will be sorted and a number let out for work in North Africa itself and others be allowed to proceed overseas as opportunities for emigration become available. The two particular opportunities for emigration in mind were Palestine and Jamaica. Mr. Creswell adds that he does not believe that there are more than 1500 of these people now in Spain ready to leave, and it seems probable that all will be absorbed by the North African Camp.

Mr. Cormier in his reports refers to the fact that the Joint Distribution Committee is withholding the selecting of refugees for Canada until such time as the plans for a movement to Palestine have matured, the Palestine movement being handled by the British authorities and the Joint Distribution Committee and covers the permanent settlement of 400 families or single units, i.e., 200 unrestricted certificates for other than French refugees, 150 for applicants between the ages of 18 and 35 years able to do manual labour, and 50 for applicants over 35 years old having skilled occupations. The refugees to whom the certificates will be issued apparently will be drawn from both Portugal and Spain. It is further stated that transport facilities are expected to be available about the end of December. The Joint Distribution Committee are committed to at least 600 passengers in order to get a vessel, and will not divert to Canada anyone already approved for Palestine.

I mentioned this situation to Mr. Saul Hayes, National Executive Director of the United Jewish Refugee and War Relief Agencies, Montreal, when here recently. He thought that refugees who might come to Canada were hesitating

to apply for visas until the Palestine movement was disposed of, they being afraid to withdraw their application for Palestinian visa in favour of a Canadian visa as they might then lose out on both.

Under date of November 30th¹ our officer said he had not had occasion to issue a single visa to any person up to that date and made the following interesting statement,—

“It seems that duration visas have less appeal in refugee circles. The universal sentiment being that the end of the war in Europe is a question of months, the urge no longer exists of going through much trouble and expense to secure temporary admission to a distant land, when the possibility of returning to former places of residence or of emigrating permanently to other countries can be awaited in safety either in Portugal, where anxiety created by the Azores incident has died out, or in North Africa.”

Mr. Hayes informed me recently that Dr. Schwartz of the Joint Distribution Committee, who had been in Portugal for some time, is now in New York and would probably come to Ottawa within the next week or so. If this visit materializes we shall probably get some further definite information on the refugee situation in the Iberian Peninsula.

Yours very truly,

A. L. JOLLIFFE

PARTIE 10/PART 10
TRAITEMENT DES JAPONAIS
TREATMENT OF JAPANESE

512.

DEA/3464-B-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

DESPATCH 59

Ottawa, January 14, 1942

Sir,

I have the honour to refer to the Journal of the Permanent Joint Board on Defence covering the Twenty-Third Meeting of the Board¹ which was held in Montreal on November 10 and 11, and in particular to paragraph 5 in which it was recorded that the Board agreed that it would be desirable that steps should be taken with a view to bringing about a practical coincidence of policy in relation to treatment of persons of Japanese racial origin on the Pacific Coast of Canada and the United States.

As you are probably aware, the Canadian Government has been under considerable pressure from British Columbia, where public opinion has been demanding that more stringent measures than those heretofore contemplated be taken with a view to removing any possibility of the Japanese population of that Province acting as a subversive influence to the disadvantage of the security of the Pacific Coast, in the event of a direct attack by the Japanese forces. As a

result of this pressure, arrangements were made for holding a conference in Ottawa at which the Provincial Government of British Columbia would be represented and in which the Standing Committee on Orientals in British Columbia would participate. This conference opened on Thursday, January 8, and its deliberations were concluded today with the publication of a statement of Government policy, two copies of which are enclosed herewith.[†]

I also enclose for your information two copies of the Agenda[†] which was prepared for the conference, two copies of the list of participants[†] and two copies of the report[†] which was presented to the Government and which forms the substantial basis of the declaration of Government policy referred to above. I also enclose two copies of the Minutes[†] and two copies of a document[†] setting forth figures relating to the Japanese population in Canada.

A copy of the statement issued today will be transmitted to the Secretary of the United States Section of the Permanent Joint Board on Defence, but you may also wish to give a copy to the State Department. I anticipate that the Royal Canadian Mounted Police will also be in touch with the Federal Bureau of Investigation in regard to this matter, pursuant to the arrangements made by Assistant Commissioner Mead and Assistant Attorney-General Shea.

I have etc.

[N. A. ROBERTSON]
for the Secretary of State
for External Affairs

513.

W.L.M.K/Vol. 283

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] September 4, 1943

Attached is a note on some aspects of the Japanese problem in Canada and the United States which I gave you in Quebec in case there might have been an appropriate opportunity for mentioning the matter to President Roosevelt. If you approve of the approach to the question outlined in this memorandum, we might ask Mr. McCarthy to explore it further in Washington.²⁴⁷

N. A. R[OBERTSON]

²⁴⁷ Les notes suivantes étaient écrites sur ce mémorandum:

²⁴⁷ The following notes were written on the memorandum:

Yes, but not necessarily with the President.

W. L. M[ACKENZIE] K[ING]

done: copy attached of letter to Mr. McCarthy.

[PIÈCE JOINTE/ ENCLOSURE]

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

SECRET

August 20, 1943

I think it would be very helpful if you could get some indication from President Roosevelt of how he views the post-war position of persons of Japanese race in the United States.

The policy we have pursued since Pearl Harbor has been largely influenced by what we understood the policy of the United States to be. Both countries moved not only Japanese nationals but their own citizens of Japanese racial origin out of a wide belt along the Pacific Coast and, in general, took more drastic precautionary measures against Japanese residents than with regard to enemy aliens of other nationalities. The United States Government appears, however, to have received a little more cooperation or perhaps less opposition from State Governments than we have met with from the Provincial Governments in relocating persons of Japanese origin outside of Protected Areas. They have modified their policy with regard to the eligibility for military service of American citizens of Japanese origin and are reported to have formed a couple of mechanized fighting units from Japanese volunteers which, some months ago, were said to be ready for use in North Africa. We have exempted Canadian nationals of Japanese origin from the ordinary Selective Service provisions, do not call them up for military service and refuse applications from them for voluntary enlistment in any of the armed forces.

Opportunities for voluntary repatriation to Japan of Japanese men, women and children from Canada and the United States have been, of course, limited by shipping considerations. The second exchange ship to leave for the Far East next month may take 60 or 70 Japanese back from Canada. The first ship took less than a hundred. These numbers are too small to be of any consequence. The Japanese Government has not shown much interest in repatriating its nationals from this continent and not many of the Japanese Canadians have shown any desire to return to Japan.

We are likely, therefore, to be faced, at the close of the war, with the problem of some 25,000 residents of Canada of Japanese origin, less than a third of whom are Japanese nationals, the balance being British subjects and Canadian citizens. Most of them will then be resident in the interior valleys of British Columbia and in Alberta, where they were moved for safekeeping, and where most of them have found useful employment. The communities into which the Japanese moved accepted them with more or less grace, on the understanding that their placement was an emergency wartime measure. The communities from which the Japanese were evacuated are confident that they have gone for good and will probably resist their return. I imagine the problems of the United States in this field are very similar to those which we will have to meet.

I think we should be looking ahead to the situation with which we will be confronted when the war against Japan ends, so that we can be sure our policy with regard to the position of Japanese residents is pretty closely concerted with that of the United States. My own preliminary feeling is that we should

(1) afford every facility, including free transportation and permission to transfer funds and furniture, for the voluntary repatriation from Canada of all persons of Japanese race, regardless of nationality, who wish to return to Japan;²⁴⁸

(2) deport Japanese nationals whose behaviour during wartime made their internment necessary;²⁴⁸

(3) revoke the naturalization certificates of naturalized British subjects of Japanese origin and cancel the national status of natural-born British subjects of Japanese origin who either had to be interned under the Defence of Canada Regulations or put themselves under the protection of the Protecting Power for Japanese Interests. Such persons would then become liable to the deportation recommended under (2);²⁴⁸

(4) permit the residual population of Japanese racial origin, who would be predominantly British subjects and Canadian nationals to reside in Canada where they should not be subject to any special or peculiar disabilities with respect to place of residence, employment, civil obligations or educational opportunities; and²⁴⁹

(5) stop immigration for permanent settlement.²⁴⁸

These headings outline, I think, the main elements of a possible policy for dealing with our Japanese problem. If the United States authorities contemplate more drastic measures — and I should be very surprised if they did — to deal with their Japanese problem, pressure of public opinion would probably compel us to go along with them. In any case, it would be very helpful for us to know how their minds are moving so that consideration could be given in good time to the formulation of parallel policies and conceivably of a joint policy. The question is clearly one of joint interest, in which a joint declaration of policy might have advantages, not only with regard to a general Pacific settlement, but also in its stabilizing effect on internal political opinion in both countries.

N. A. R[OBERTSON]

514.

DEA/104s

Le sous-secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Under-Secretary of State for External Affairs to Minister in United States

Ottawa, October 11, 1943

SECRET

Dear Mr. McCarthy,

I am enclosing copy of a memorandum on some aspects of the Japanese

²⁴⁸ Note marginale:

²⁴⁸ Marginal note:

I agree.

²⁴⁹ Note marginale:

²⁴⁹ Marginal note:

needs consideration

problem in Canada and the United States which I gave the Prime Minister in Quebec in the hope that he might find a convenient opportunity for mentioning the matter to President Roosevelt. In the event, the question did not come up during their conversations there. I have now had a note¹ back from the Prime Minister, who thinks you might explore, informally in Washington, the United States attitude toward the questions touched on in my note.

Mr. King is in general agreement with the argument advanced in this memorandum, though he feels that sub-paragraph (4) on page 2 would require a good deal of consideration.

As I said, my memorandum was originally prepared with a view to the Prime Minister discussing its contents with the President. It does not, however, follow that you should try to secure any expression of the President's views. At this stage it would be enough to find out how responsible opinion in Washington is viewing the large and difficult questions of policy presented by the presence in the continental United States of the sizeable population of Japanese origin.

Yours sincerely,

N. A. ROBERTSON

CHAPITRE III/CHAPTER III

PRÉPARATIONS POUR L'APRÈS-GUERRE
POST-WAR PLANNING

PARTIE I/PART I
RÈGLEMENT DE LA PAIX
PEACE SETTLEMENT

515.

W.L.M.K./Vol. 350

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 364

London, June 19, 1943

IMPORTANT. MOST SECRET. My telegram of December 4th, 1942¹. (To Canada No. 5) (To Australia, New Zealand No. 1) Saving. Following for Prime Minister, Begins: War Cabinet have decided that consideration should now be begun of problems connected with cessation of hostilities with enemy powers in Europe. These problems will concern:

1. Form of arrangements to be made for cessation of hostilities.
2. Means of giving effect to armistices or similar instruments.
3. Best system for coordinating activities of United Nations authorities, military and civil, and for maintaining order in Europe generally in period immediately following end of hostilities.
4. Prior agreement with United States and U.S.S.R. is essential if confusion is to be avoided, and Foreign Secretary has been provisionally authorised to make informal approach to United States and Soviet Ambassadors on basis of principles contained in my immediately following telegram.
5. Drafts¹ connected with cessation of hostilities with Italy have recently been communicated to your representatives who are in touch with Military sub-Committee¹, and to Combined Chiefs of Staff in Washington. These drafts are consistent with principles embodied in my immediately following telegram, but will require detailed study and will have eventually to be communicated to Russians; and subsequently to all members of United Nations at war with Italy for their concurrence. It seems likely that United States Government may object

¹ Un sous-comité du Comité ministériel de Grande-Bretagne sur les problèmes de la reconstruction dont le président était Sir William Jowitt, ministre sans portefeuille, de Grande-Bretagne. Des observateurs canadiens faisaient partie du sous-comité militaire.

¹ A subcommittee of the Ministerial Committee of Great Britain on Reconstruction Problems, of which the Chairman was Sir William Jowitt, Minister without Portfolio of Great Britain. Canadian observers were on the military subcommittee.

to use of word "Armistice" and if "Armistice" is not employed then we shall have to use some such term as "Articles of Surrender".

6. I should be glad to receive, as soon as possible, your general views on proposals now made, and in particular on question of your participation in proposed United Nations Commission for Europe and in European policing system (see paragraph J of my immediately following telegram). Ends.

516.

W.L.M.K./Vol. 350

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 365

London, June 19, 1943

IMPORTANT. MOST SECRET. My immediately preceding telegram. Text of Principles, Begins:

(a) The terms to be imposed on any European member of the Axis should be presented as one comprehensive document covering all United Nations at war with that member, and embodying principle of unconditional surrender.

(b) If there exists a central enemy Government with which we are prepared to treat peremptorily, a fully accredited representative of that Government should be associated with its Commander-in-Chief for purposes of signature; or alternatively observance should not come into force until confirmed by that Government.

(c) If there is no such Government, the Armistice should be signed by the enemy Commander-in-Chief only. In that case provisions, which enemy Commander-in-Chief lacks authority to execute, would have to be omitted from the Armistice, which would thus be primarily a military document. Non-military provisions should, so far as necessary, be embodied in a Declaration or Proclamation issued by the United Nations.

(d) If there is neither an enemy Government nor Commander-in-Chief with whom we can or are prepared to treat, military resistance would presumably be brought to an end by a series of local capitulations. It would, however, probably be desirable that United Nations should issue a Declaration stating their intentions in respect of defeated power. This would be followed by a series of Proclamations issued by the Allied Commander-in-Chief, particularly instructions to the local authorities and population.

(e) The administration of any Armistice should be placed in the hands of an Inter-Allied Armistice Commission, the President to be alternately representative of the United States, U.S.S.R. and United Kingdom. The Commission would establish its headquarters in Axis country concerned, and would be responsible for controlling execution of Armistice terms; in the first place, the disarmament and demobilization of enemy armed forces, the collection and disposal of surrendered war material and other mobile property and the handing over of fortifications and other fixed property. Representatives of Armistice Commission would be despatched to liberated Allied territory to perform a

similar task in respect of enemy troops there located, and to regulate their evacuation or internment.

(f) In the absence of an Armistice (see paragraph (d)), a Control Commission should administer appropriate portions of Declaration.

(g) Any Armistice or Declaration would presumably provide occupation, whether total or partial, of countries concerned. In case of Germany, exact method of organizing such occupation should be subject of technical discussions between military advisers of the United Kingdom, United States and the U.S.S.R. in the first instance.

(h) The United Nations Commander-in-Chief in any occupied country should be completely responsible for maintenance of law and order.

(j) [sic] There should be established a supervisory body entitled "United Nations Commission for Europe", composed of high-ranking political representatives of the United Kingdom, United States and the U.S.S.R., of France and any other European Allies, and if so desired of any Dominion prepared to contribute to policing of Europe. The Commission should be situated at some convenient point on the Continent. The Commission would act as supreme United Nations authority in Europe to direct and coordinate the activities of several Armistice Commissions, the Allied Commander-in-Chief and any United Nations civilian authorities that may be established; and to deal with current problems, military, political, and economic, connected with maintenance of order. A "Steering Committee", consisting of representatives of the United Kingdom, United States and the U.S.S.R. and of France, if she recovers her greatness, should be established as Directing body of the Commission. In "Steering Committee" the unanimity rule should apply.

(k) It is likely that a number of civilian authorities will be set up by agreement between the United Nations, some on a world and others on a European basis. Apart from United Nations Relief and Rehabilitation Administration, and Intergovernmental Committee which may emerge from Bermuda Conference², the establishment of a United Nations Shipping Authority and a United Nations Inland Transport Authority for Europe has been suggested. Analogous bodies may well be required to control telecommunications and propaganda, and to handle reparation and restitution and other economic problems. These Authorities might, in respect of their European activities, establish their headquarters in the same city as the United Nations Commission for Europe, to whom they would be responsible and provide the necessary technical advice.
Ends.

² Conférence anglo-américaine sur le problème des réfugiés du 19 au 29 avril 1943. ² Anglo-American Conference on the Refugee Problem, April 19-29, 1943.

517:

DEA/7-ABs

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

MOST SECRET

[Ottawa,] July 5, 1943

Consideration should be given without delay to the proposals of the United Kingdom Government in Circular telegrams D.364 and D.365 relating to the procedure to be adopted at the end of hostilities in Europe and the methods of maintaining the control of the United Nations in Europe during the Armistice period.

I attach a memorandum prepared by Mr. Glazebrook and Mr. Holmes outlining the proposals made in these telegrams and giving supplementary information based on further reports received from the Government of the United Kingdom. There is no doubt whatever that these proposals if they are adopted will have important political and economic effects. The longer the Armistice the more important will these effects be and it is by no means unlikely that the suggested United Nations Commission for Europe might become the actual machinery for framing the European peace settlement. Commonwealth Governments are requested in telegram D.364 to give the United Kingdom Government their general views on the proposals and to indicate in particular whether they would wish to participate in the United Nations Commission for Europe and in the European policing system. Under the proposals (paragraph (j) of telegram D.365) only those non-European countries which were prepared to contribute to the policing of Europe would be invited to join the Commission.

The question of Canadian participation may well involve a preliminary decision on our readiness to play an active part in a new world security system. Our armies are in the European theatre and so is the bulk of our operational air force. A commitment to contribute to the policing of Europe would presumably in the main involve an undertaking to participate to some degree in providing the necessary armies of occupation. The United States and Canada may be the only overseas countries with substantial military forces in the European theatre although other Commonwealth Governments might possibly be able to contribute air forces to some degree.

The reply to be given to the United Kingdom suggestions involves consideration of large questions of political, military and economic importance. These questions cannot be answered without further knowledge of the application of the British proposals and without information on the views of the U.S.S.R. and especially of the United States. It seems to me that all we can do immediately is to send an interim reply to London showing that we fully appreciate the importance of the issues and asking for further information on some points. Telegram D.364 says that the Foreign Secretary has been provisionally authorized to make known the proposals informally to the United States and Soviet Ambassadors but we do not yet know whether this has been done.

If an answer is sent to London on the lines of the attached draft¹, I think that the further steps proposed on page 4 of the memorandum should also be taken at this time. Up to the present the telegrams containing the British proposals have only been transmitted to the Prime Minister and Mr. Heeney. Their military and economic implications require study by the Departments concerned and this study should be initiated without delay. It seems desirable that the whole question should be discussed in the War Committee at an early date.

H. W[RONG]

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum

Memorandum

MOST SECRET

[Ottawa,] July 5, 1943

PROPOSALS CONCERNING POST-HOSTILITY PERIOD

The United Kingdom Government have submitted draft plans for armistices, and for the machinery of control of enemy countries in the period immediately following the armistices. The plans will also be discussed informally with representatives of the United States and the U.S.S.R.

The general plan is outlined in two telegrams from the Dominions Office. Additional, and earlier, material describes the draft heads of armistices. These latter documents have been prepared by the Military Sub-Committee of Sir William Jowitt's committee.³

MACHINERY OF CONTROL

The principal feature of the proposed machinery is the provision for a single authority, with subordinate agencies for specified functions:

1. *A United Nations Commission for Europe*. The supreme authority, to be composed of representatives of the United Kingdom, United States, U.S.S.R., of France, and of any other European allies, and of any Dominion prepared to contribute to the policing of Europe. This larger body would have a Steering Committee consisting of representatives of the United Kingdom, United States, U.S.S.R. and of France "if she recovers her greatness". The rule of unanimity would apply to its decisions. This Commission and bodies subordinate to it would be established at some one convenient point on the Continent.
2. *Bodies Responsible to the United Nations Commission for Europe*
 - (a) *Inter-Allied Armistice Commissions*, one of which would be established in each enemy country to control the execution of disarmament as defined in the Armistice terms. The president of each Armistice Commission would be alternately a representative of the United States, U.S.S.R., or United Kingdom. (In the absence of an armistice a Control Commission would act).
 - (b) *The United Nations Commanders-in-Chief*, under whom would be the armies of occupation.

¹Voir la note 1.

³See footnote 1.

(c) *Civilian Authorities*, such as the United Nations Relief and Rehabilitation Administration and others which may be set up to deal with economic, military and political problems such as shipping, inland transport, telecommunications, propaganda, reparation and restitution. If these authorities are established on a world basis, they would be related to the Commission only in respect of their European activities.

PRINCIPAL FEATURES OF THE ARMISTICE PROPOSALS

1. It is evident that in conformity with the Casablanca demand of unconditional surrender, the terms of armistice or surrender will be laid down by the United Nations and will therefore not involve any contractual obligations on the part of the United Nations.

2. The terms to be imposed on any European member of the Axis are to be presented as one comprehensive document covering all United Nations at war with that member.

3. If a central enemy government exists with which the United Nations are prepared to treat at the time, they will insist that a fully accredited representative of that government be associated with the Commander-in-Chief for purposes of signature before the armistice comes into force. If no such government exists, non-military provisions will be included, not in the armistice, but in a Declaration or Proclamation of intention issued by the United Nations. If there is neither a single Commander-in-Chief nor a central government with whom to treat, the United Nations will probably state their intention in a Declaration, followed by instructions from the local Commander-in-Chief.

4. Two sets of armistice terms for Italy have been drafted, one to be used if Italy capitulates before Germany, the other to be used if capitulation takes place at the same time in both countries. Both drafts provide for slightly less drastic terms for Italy than for Germany, the principal difference being that Italy would be allowed some small armed forces to maintain internal order.

QUESTIONS FOR DECISION

The Canadian Government has been asked to:

- (1) submit its general views on the proposals;
- (2) inform the United Kingdom Government whether Canada desires to be represented on the United Nations Commission for Europe.

It should be noted that a Dominion so represented would be expected to contribute to the policing of Europe.

RECOMMENDED ACTION

In view of the importance of the United Nations Commission for Europe, and of the fact that its membership will in any case include the United States, the relation of Canada to the Commission requires full consideration. It may be assumed that the Commission will play the dominating part in the conclusion of the war in Europe and the period of immediate settlement. Whatever may prove to be the mechanism for arriving at the final terms of peace, the Commission will be in control during the critical period.

It is therefore recommended that the Canadian Government should communicate to the United Kingdom Government its interest in the matter, and its

desire for further information, particularly on certain specific points. These are (1) the relation of the Steering Committee to the Commission, (2) what tentative plans have been drawn up for "policing Europe", (3) the state of conversation with the United States and the U.S.S.R.

It is further suggested:

- (1) That the relevant departments of Government should further study the questions raised.
- (2) That the High Commissioner be instructed to discuss the whole question informally with the United Kingdom authorities.
- (3) That a political officer attend, when necessary, any further meetings of the Military Sub-Committee. (Representatives of the three Services have already attended meetings).⁴

518.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 15, 1943

PREPARATIONS FOR CESSATIONS OF HOSTILITIES

21. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that preliminary proposals had been received from the U.K. government regarding the procedure to be adopted at the end of hostilities in Europe, with regard to the many administrative problems which would arise at the time for which preparation should be made.

It was recommended that authority be given for officials of departments concerned to examine these proposals in detail with appropriate Staff Officers, with a view to the preparation of a report for submission to the government.

(External Affairs memorandum, July 5, 1943, and attached documents).

22. THE WAR COMMITTEE approved the examination of the U.K. government's proposals as recommended by the Under-Secretary.

⁴ Un officier politique (George Ignatieff) avait assisté à au moins une réunion. Voir la dépêche A. 194 du 30 juin 1943 du haut commissaire en Grande-Bretagne au secrétaire d'État aux Affaires extérieures dans DEA/AHs.

⁴ A political officer (George Ignatieff) had attended at least one meeting. See Despatch A. 194 from High Commissioner in Great Britain to Secretary of State for External Affairs, June 30, 1943, in DEA/AHs.

519.

DEA/7-ADs

Procès-verbal d'une réunion
Minutes of a Meeting

MOST SECRET

Ottawa, July 22, 1943

A meeting to consider post-hostilities problems was held in Room 123, East Block on Thursday, July 22, 1943. The following were present:

Admiral P. W. Nelles, Chief of the Naval Staff.
Air Marshal L. S. Breadner, Chief of the Air Staff.
Brigadier P. Earnshaw, Deputy-Chief of the General Staff (Army).
Colonel J. H. Jenkins, Director of Military Operations and Planning (Army).
Air Commodore K. M. Guthrie, Deputy Air Member for Air Staff (Plans).
Paymaster Lieutenant-Commander G. F. Todd, Secretary, Plans Division, Navy.
A. D. P. Heeney, Clerk, Privy Council.
N. A. Robertson, Under-Secretary of State for External Affairs.
H. H. Wrong, Assistant Under-Secretary of State for External Affairs.
G. de T. Glazebrook, Department of External Affairs.
J. W. Holmes, Department of External Affairs.

Mr. Wrong acted as Chairman.

Mr. Holmes acted as Secretary.

1. *Proposals from the United Kingdom:*

Mr. Wrong outlined the development of the Military Sub-Committee in the United Kingdom and the proposals made by the High Commissioner for Canada in London⁵. He said that these informal proposals had become a matter of intergovernmental concern because of the adoption by the United Kingdom War Cabinet of the recommendations contained in Circular Telegrams D.364 of June 19 and D.365 of June 19 from the Dominions Office, copies of which had been forwarded to the Chiefs of Staff. Mr. Wrong said that the Department of External Affairs considered these proposals a reasonable basis of discussion.

2. *Consideration of Draft Telegram to the Dominions Office:*

The meeting considered the draft telegram to the Dominions Office which it was proposed to submit to the War Committee for approval. Air Marshal Breadner stated that he was surprised to find the telegram lukewarm on Canada's taking part in post-war policing. Canada had insisted on being taken into consideration and she could not afford to withdraw from such commitments if

⁵ Le haut commissaire avait indiqué que des représentants du haut commissariat pourraient assurer la liaison entre le sous-comité militaire et toute organisation canadienne semblable qui pourrait être établie. Voir CH/Vol. 2103.

⁶ Voir le document suivant pour le texte définitif de ce télégramme.

⁵ The High Commissioner had proposed that representatives of the High Commission might act in a liaison capacity between the Military Subcommittee and any similar Canadian organization which might be set up. See CH/Vol. 2103.

⁶ See following document for definitive text of the telegram.

she wished to obtain any national status. He would like the Government to say now that Canada would take part in post-war policing, the extent of this participation to be decided later. Admiral Nelles agreed with the view of Air Marshal Breadner.

Mr. Wrong said that there were certain matters which should be taken into consideration in deciding whether it was reasonable to limit participation in the proposed United Nations Commission for Europe, to Dominions which took part in the policing of Europe. In the first place, the end of hostilities in the European theatre might find Canadian forces engaged elsewhere. Secondly, the Commission would have authority over relief, and Canada would undoubtedly play a large part in this branch of its activities. Mr. Heeney raised the question as to whether Canada would not have a right to a voice if she contributed heavily to the relief programme, even though her forces did not take part in the policing. Particularly if the measure of a nation's influence in the work of the Commission should be the extent of its contribution, influence should not be solely judged by the contribution to policing. Mr. Robertson suggested that the telegram might be revised to include some positive comment along the lines suggested by Mr. Heeney. The problem of demilitarization and demobilization of the enemy might be over in a short time, and then the biggest problem would be that of economic relief and rehabilitation. The United Kingdom Government might therefore be asked for an explanation as to what was meant by "policing" and whether this was really the word they had in mind. Brigadier Earnshaw said that if policing and other matters could be bracketed together, the proposals would be satisfactory.

Mr. Robertson said it should be remembered that at the conclusion of a successful European campaign, Canadian soldiers would have been away from home longer than the soldiers of any other United Nation. Brigadier Earnshaw said that it would be possible to break up army formations and use volunteers and new troops for policing. Mr. Wrong thought that troops for this purpose would certainly be chosen on a basis of length of service.

Mr. Robertson suggested that in placing the proposals before the War Committee they should be put in perspective by pointing out that this was the first instalment in the plans for post-war world order and that a refusal by Canada to take part would mean a reversion to isolationism. He suggested that a note to this effect should be circulated to members of the War Committee along with the proposals. Mr. Robertson also asked whether the "functional principle" advocated by the Canadian Government did not mean that Canada should not demand a place on the Steering Committee of the United Nations Commission for Europe, which, according to the proposals, was to be composed of representatives of the United Kingdom, the Soviet Union, the United States, and France "if she recovers her greatness". If this were so, Canada might prove that the principle works both ways by pointing out that she does not expect membership on the Steering Committee.

3. *Cooperation with the United Kingdom Military Sub-Committee.*

Mr. Wrong referred to the documents¹ which had been received from the Military Sub-Committee in London. The representatives of the services said

that they had not received copies of these documents from their representatives who had met in London with the Sub-Committee. Admiral Nelles produced a letter from Commander Price,[†] Canadian naval representative, who said that he had received copies but had not considered them of sufficient interest to the Naval Staff in Ottawa to warrant sending them. It was agreed that a set of documents would be provided by the Department of External Affairs to the Secretary of the Chiefs of Staff Committee who would see that copies were available to the services.

Mr. Wrong said that it seemed desirable to have members of the Services and representatives of the Department of External Affairs in London meet with the Military Sub-Committee. Mr. Massey had also asked for some guidance as to the views of the Canadian Government on the matters under consideration. The proposed telegram would give some guidance, but it might be desirable to have an organization in Ottawa, to study the plans drafted by the Sub-Committee. Mr. Heeney thought it would be sufficient to have the three Services designate officers with whom representatives of External Affairs and other departments concerned could confer. Air Marshal Breadner nominated Group Captain Hanna to act for the Air Force, and Admiral Nelles nominated Paymaster Lieut-Comm. G. F. Todd to act for the Navy. (Since the meeting, Major H. C. Grant has been nominated to act for the Army.) Consideration was given to the advisability of including persons working on problems of economic reconstruction and of demobilization and rehabilitation. The function of the working committee was to consider the documents received from London and advise the Chiefs of Staff and the Government. If important decisions were to be taken, those attending the present meeting could reassemble to consider them. Mr. Holmes was to act as secretary and look after the circulation of papers received.

Mr. Robertson suggested that it would be useful to have from the Army a note on the participation of the Canadian forces in the occupation of Germany after the last war with particular reference to the intergovernmental negotiations concerning occupation.

The meeting adjourned at 4.55 p.m.

520.

DEA/7-CBs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions⁷

Secretary of State for External Affairs to Dominions Secretary⁷

TELEGRAM 130

Ottawa, July 30, 1943

IMPORTANT. MOST SECRET. Repeated to Australia No. 7, New Zealand No. 7, South Africa No. 5.

1. Your telegrams Circulars D.364 and 365 of June 19th. We have given preliminary consideration to the important proposals contained in these tele-

⁷ Le texte de ce télégramme fut approuvé par le Comité de guerre du Cabinet le 28 juillet.

⁷ The text of this telegram was approved by the Cabinet War Committee on July 28.

grams. We see no objection on our part to the adoption of the principles set forth in paragraphs (a) to (h) of telegram D.365 as a satisfactory method of procedure in bringing about the cessation of hostilities and we realize that the situation in Italy gives urgency to reaching agreement on these matters.

2. The observations which follow relate to paragraphs (j) and (k) of that telegram. In all probability the proposed United Nations Commission for Europe not only would play a dominating part in the immediate arrangements required on the cessation of hostilities, but also would affect the shaping of the terms of the European settlement and determine in large measure the pattern of international political collaboration. Canadian Government, therefore, cannot fail to be greatly interested and concerned in the proposed Commission.

3. In view of the concentration in the European theatre of war of the bulk of the Canadian army and air force, it is to be expected that Canada will contribute substantially to the pacification of Europe. The Canadian Government also assumes that its participation in relief and other civil international activities proposed to come under the direction of the United Nations Commission, taken in conjunction with the Canadian military effort, would make desirable its membership on the Commission. The nature and extent of the Canadian contribution to the "policing of Europe" would depend on the circumstances of the time and on the definition of that phrase.

4. Further information would be welcomed on (a) the tentative plans prepared for the "European policing system" and the nature and extent of the Canadian "contribution" that might be expected, (b) the formula proposed to govern the relationship of the Steering Committee to the Commission for Europe, and (c) the replies received from the United States and the Soviet Governments on the suggested arrangements.

521.

W.L.M.K./Vol. 360

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] September 10, 1943

CANADIAN REPRESENTATION ON QUESTIONS CONCERNING ITALY

The British outline of the functions and organization of a Control Commission charged with regulating and executing the instrument of surrender was given us in telegram [Circular] D. 620 of September 3rd.¹ This was to be submitted to the United States Service authorities through the British Joint Staff Mission in Washington. We were informed by telegram D. 632 of September 7th¹ that the Combined Chiefs of Staff had approved and sent to General Eisenhower for his guidance an outline plan of organization similar to that given in telegram D. 620.

Reference to Canadian participation was made at two points in the original proposals—first, by Canadian representation on a “United Nations Advisory Council” consisting apparently of civilian representatives as the British representative was to be Mr. Macmillan and, secondly, through the provision of suitable personnel to fill some of the British share of posts on the staff of the Control Commission. We have no further information on the second point.

We do not know whether General Eisenhower has taken steps to set up the Control Commission to supervise the execution of the Armistice in those parts of Italian territory now under Allied control. The suggestion for a United Nations Advisory Council has been deferred for the time being and Eisenhower has merely been advised that it is contemplated “that provision will be made for representation of the interested United Nations at the headquarters of the Control Commission” (telegram D.632).

One reason for this change is probably the Soviet proposal for establishing a tripartite military-political commission “to consider questions concerning relations with Governments disassociating themselves from Germany”. This proposal and the British and American views thereon are described in telegram D. 625 of September 6th.⁷ Such a commission would not exercise the functions of the Control Commission but there would seem to be a real possibility that if it is established it would overlap with the Advisory Council which the British suggested should be attached to the Control Commission. Mr. Churchill has notified Stalin that he thinks that the members of the Commission would be political representatives acting in an advisory capacity and that a French member should be added while the Greeks and Yugoslavs should be consulted on questions of concern to them. The President has proposed as an alternative that a Russian Staff Officer should be sent to Eisenhower’s headquarters and he seems to be anxious that the French should take no part. We have received no suggestion that Canada would participate in any way in the Commission promoted by Stalin.

With a substantial number of Canadian troops in the Italian theatre we have good reason for pressing for Canadian participation in the Control Commission in some form on this ground alone, quite apart from other considerations. Perhaps, however, it is better to await the results of the negotiations on Stalin’s proposal before advancing our case.⁸ Certainly such questions would be easier to handle with despatch if we had a suitable Canadian representative in Algiers.⁹

N. A. R[OBERTSON]

⁷ Note marginale:

⁸ Marginal note:

I agree.

⁹ La note suivante était écrite sur ce mémorandum:

⁹ The following note was written on the memorandum:

Am prepared to approve at once. W. L. M[ACKENZIE] K[ING]

522.

DEA/7-U

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 848

London, October 25, 1943

MOST SECRET. Following for the Prime Minister, Begins: My telegram October 18th Circular D. 815^t, and my telegram October 25th Circular D. 846^t. Politico-Military Commission. Foreign Secretary has reported that when Moscow Conference discussed Politico-Military Commission he suggested that arrangements now proposed for control in Italy would made it preferable to leave day-to-day Italian affairs to be dealt with locally by the Advisory Council for Italy and to make the Politico-Military Commission into an advisory body with wide terms of reference to deal with any European (including Italian) questions (other than operational questions) which the United Kingdom, United States or U.S.S.R. might agree to refer to it. This Commission to be set up forthwith in London.

2. After an interval for consideration, M. Molotov said that Soviet Government agreed in principle to establishment of the Commission in London and wished to base it, with certain amendments, on proposals communicated to you in my telegram June 19th Circular D. 365 regarding principles to govern conclusion of hostilities with European members of Axis. This Commission would be supplemented by periodical ad hoc conferences of the Three Powers. Mr. Hull agreed generally. Foreign Secretary observed that June principles should not be taken as an exclusive basis since it seemed important that this Commission should be empowered to discuss current questions as well as problems of armistice period.

3. In light of above, Mr. Eden has since telegraphed draft terms of reference which he proposes to submit to Drafting Committee of Conference. Text in my immediately following telegram. Ends.

523.

DEA/7-U

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 849

London, October 25, 1943

MOST SECRET. My immediately preceding telegram, draft terms of reference for Advisory Commission for Europe, Begins:

1. An Advisory Commission for Europe will be established composed in the first instance of representatives of the United Kingdom, United States and

Union of Soviet Socialist Republics. Those representatives of (corrupt groups)¹⁰ where necessary by military advisers. The Commission will meet as soon as possible in London.

2. The Commission will take into consideration any European questions, other than military operational questions, which the United Kingdom, United States and Union of Soviet Socialist Republics agree to refer to it.

3. It will, in particular, as a first task, establish principles which should govern the conclusion of hostilities with European members of the Axis and work up practical application of those principles. It will take as a basis for its work on this subject draft statement for (corrupt groups) shown in Annex¹. This draft will naturally be open to amendment by Commission in light of experience or further study.

4. The members of the Commission will be supplied by their Governments with all relevant information on political and military developments affecting their work. They will make joint or several recommendations to their Governments but will not have power to take final decisions.

5. Other members of the United Nations will, at the discretion of the Three Powers, be represented on Commission when matters especially affecting their interests are under discussion.

6. The establishment of the Commission will not preclude other methods of consultation among the three Governments on current issues. There may, for example, be questions calling for special consideration which may be more conveniently handled by tripartite discussion in one or other of the three capitals between responsible head of Foreign Office and permanent diplomatic representatives of other two Governments. There may also be questions calling for international or special tripartite conferences. Ends.

524.

DEA/7-U8

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 170

Ottawa, October 30, 1943

IMPORTANT. MOST SECRET. Addressed London No. 170 repeated Australia No. 12 New Zealand No. 13 South Africa No. 10.

Your telegrams D.848 and 849 of October 25. Advisory Commission for Europe.

1. We have been anxious to do nothing which would make more difficult the establishment of satisfactory working arrangements between the Governments of the Soviet Union, United States and United Kingdom. We have therefore

¹⁰La note suivante était écrite sur cette copie du télégramme:

¹⁰The following note was written on this copy of the telegram:

Note: The two insertions "(corrupt groups)" above, given by Dominions Office. Code and Cypher Division, External Affairs.

refrained hitherto from commenting on the proposals for setting up a Mediterranean Commission which has now evolved into an Advisory Commission for Europe.

2. In your telegrams D.364 and 365 of June 19th you consulted us about your suggestions for a United Nations Commission for Europe as the supervisory body for coordinating the activities of United Nations authorities in Europe on the conclusion of hostilities. In our reply No. 130 of July 30th we informed you of our preliminary views, stating that we felt that Canadian membership on the Commission would be desirable. We assume that the proposal now before the Moscow Conference for a tripartite Advisory Commission for Europe replaces your earlier suggestion for a United Nations body of a more representative character.

3. Paragraph 5 of the draft terms of reference given in your telegram D.849 restricts participation in the Advisory Commission of other United Nations to their representation at the discretion of the Three Powers "when matters especially affecting their interests are under discussion". This would probably exclude entirely the participation of all extra-European countries except the United States. The Canadian interest in the matters to be considered by the Commission is general rather than special. Canadian forces, however, will be operating in Europe in substantial numbers at the end of the war and Canadian supplies will be desired in great volume for relief purposes.

4. While the Commission will be an advisory body, if it succeeds it will become an agency of great importance. As we said in our telegram No. 130, such a Commission "would not only play a dominating part in the immediate arrangements required on the cessation of hostilities, but also would affect the shaping of the terms of the European settlement and determine in large measure the pattern of international political cooperation". The more important the work of the Commission becomes, the more desirable will it be that it should enlist in its work the support of other governments. Should it evolve into a sort of Supreme Council for Europe, the three-power pattern of representation will make more difficult the full cooperation of other countries especially extra-European countries, in the liberation and pacification of Europe.

5. We are also concerned over the exclusion of our European Allies and especially of the French. None of the United Nations outside the area of German conquest will be so immediately and vitally affected by the recommendations of the Commission as those whose territory is still to be liberated.

6. We wish to urge that these points should constantly be borne in mind in developing the plans for the Commission, and that in public statements its temporary character and restricted authority should be emphasized.¹¹

¹¹ La note suivante était écrite sur cette copie du télégramme:

¹¹ The following note was written on this copy of the telegram:

Please repeat to Can[adian] Minister Moscow. R[OBERTSON]

525.

W.L.M.K./Vol. 351

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures**Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM CIRCULAR D. 885

London, November 1, 1943

MOST SECRET. My telegram of October 25th, Circular D. 848. Terms of reference for European Advisory Commission as finally agreed at Moscow Conference, Begins: The Governments of the United Kingdom, United States and Soviet Union agree to establish a European Advisory Commission composed of representatives of the three Powers. The Commission will have its seat in London and will meet in concert. The Presidency will be held in rotation by representatives of the three Powers. A Joint Secretariat will be established. The representatives may be assisted, where necessary, by technical advisers, civilian and military.

2. The Commission will study and make joint recommendations to the three Governments upon European questions connected with the termination of hostilities which the three Governments may consider appropriate to refer to it. For this purpose members of the Commission will be supplied by their Governments with all relevant information on political and military developments affecting their work.

3. As one of the Commission's first tasks, the three Governments desire it shall, as soon as possible, make detailed recommendations to them upon the terms of the surrender to be imposed upon each of the European States with which any of the three Powers are at war and upon machinery to ensure fulfilment of those terms. The Commission will take into account memorandum of July 1st¹² circulated by the United Kingdom Government to the Governments of the United States and the Soviet Union regarding principles which should govern the conclusion of hostilities with European enemy States. The Commission will also take account of experience already gained in imposition and enforcement of unconditional surrender upon Italy.

4. Representatives of the Governments of the United Nations will, at the discretion of the Commission, be invited to take part in the meeting of the Commission when matters especially affecting their interests are under discussion.

5. The foregoing terms of reference will be subject to review by the three Governments, if circumstances should arise which call for an extension of membership and competence to the Commission.

6. The establishment of the Commission will not preclude other methods of consultation on current or other issues which the three Governments think it desirable to discuss. There may, for example, be questions calling for special consideration. These questions may be handled by tripartite discussions in one or other of the three capitals (Washington, London, or Moscow as may be found most convenient) between the head of the Ministry of Foreign Affairs and permanent diplomatic representatives of the other two Governments.

¹² Voir le document 516.

¹² See Document 516.

7. There may also be questions calling for international or special tripartite conference from time to time. Ends.

526.

DEA/7-U

*Le ministre en Union soviétique au secrétaire d'État
aux Affaires extérieures*

Minister in Soviet Union to Secretary of State for External Affairs

TELEGRAM 252

Moscow, November 2, 1943

MOST IMMEDIATE. MOST SECRET. Your telegram No. 153 of October 31st¹. Saw Eden yesterday and mentioned to him that you had telegraphed London about Advisory Commission for Europe. He explained that the Three Great Powers had to have machinery for consultation. London Commission would be advisory and would frame proposals for submission to the three Governments. He was very emphatic in stating that they could not indicate at this stage the possibility of the Commission being enlarged, as this would lead to scramble for places. Moreover too large a body would be unworkable. French Committee had already protested against their exclusion from London Commission, but he did not consider France yet qualified for membership. Three Powers provide the right to set up machinery for closer collaboration just as they had the right to meet in conference at Moscow. He said if Commission should grow in importance and develop into executive body for United Nations, consideration would be given to increase in membership.

2. Saw Strang today who explained the position more fully. He said London Commission was not to be confused with proposal for United Nations Commission for Europe referred to in paragraph 2 of your telegram No. 154.¹³ Soviet Government had been under the same misapprehension and this explains their attitude in Drafting Committee as mentioned in paragraph 2 of my telegram No. 248¹. London Commission would be essentially a planning and not an executive body. They could, for instance, work out plan for United Nations Commission for Europe. Each plan would have to be referred to the three Governments for approval and other United Nations would frequently be consulted.

3. You no doubt have received text of Declaration on London Commission as approved by the Conference. General terms of reference are confined to "European questions connected with termination of hostilities". This limitation inserted to meet Soviet wishes and desire not to confuse Commission with former proposal for United Nations Commission. Particular terms of reference are terms of surrender of enemy countries and machinery for ensuring fulfilment of these terms. For this purpose United Kingdom "instruments of surrender" and experience with Italy will be taken as basis. Declaration contains provisions for consulting with other United Nations when matters affecting

¹³ Voir le document 524.

¹³ See Document 524.

them are concerned and also for changing terms of reference if membership on Commission is enlarged or its competence changed.

4. In other words London Commission is of limited scope and question of Canadian representation on United Nations organisation to be established after termination of hostilities, is still open. Matters, however, should continue to be pressed in all three capitals as opportunity arises. I shall endeavour to ascertain more precisely Soviet views, because it is of interest that they appear to favour broader representation. I shall refrain, however, from formal presentation of our views unless you send specific instructions. United Kingdom Government likely to be satisfied with present arrangement whereby they represent whole of the British Empire. When consulted by them therefore we should try to make our views known not only to London but also to Washington and Moscow. Ends.

527.

W.L.M.K./Vol. 351

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 907

London, November 3, 1943

MOST SECRET. Addressed to Canada, repeated to Australia, New Zealand and South Africa. Your telegram No. 170 of October 30th. European Advisory Commission.

As regards constitution of Commission you will have seen from my telegram Circular D. 885 of November 1st that the Terms of Reference for Commission as finally agreed contain a new paragraph 5 which contemplates possibility of extension of membership of Commission if circumstances should arise. We hope that this will meet the point made in paragraph 6 of your telegram. Meanwhile so long as membership is confined to three we think that location of Commission in London will make it easier for us to ensure that interests of Canada and other Dominions are fully borne in mind in matters which come before the Commission, and we shall hope to keep in fullest touch with Dominion Governments on all such questions.

2. Paragraph 4 of Terms of Reference were [*sic*] settled with particular eye to the interests of European Allies. Nevertheless, Netherlands Government who (in connection with former proposal for Mediterranean Commission) appear to have had the impression that European Allies would be asked to attend Commission only in order to receive decisions already taken, have suggested that there should be permanent participation by the smaller Powers one or more at a time sitting perhaps by rotation. It has been explained in reply that while present idea is to confine membership to United Kingdom, United States and U.S.S.R., all three Governments are impressed with the desirability that smaller countries should play their part in ordering of European affairs. French Committee of National Liberation have also made representations. Their position is, however, somewhat different in that while we share their hopes for the early

restoration of France to the councils of the nations, French Committee does not rank as a Government and process of restoration is bound to be a gradual one. In this connection it will have been noted that a French representative is to be included from outset in the Advisory Council for Italy (Circular D. 886).

3. As regards your reference to our suggestions for a United Nations Commission for Europe (my telegrams Circular D. 364 and Circular D. 365 of June 19th) position is that these proposals were mentioned at Moscow and were welcomed by both the United States and Soviet delegations. It will be seen from paragraph 3 of Terms of Reference as finally approved (my telegram Circular D. 885) that Commission is to take into account United Kingdom memorandum of July 1st which was identical with my telegram of June 19th Circular D. 365. We do not therefore regard European Advisory Commission as superseding proposal in that memorandum for United Nations Commission for Europe. On the contrary, the E.A.C. may well elaborate plans for the constitution of the U.N.C. Ends.

528.

DEA/7-U8

Le haut commissaire d'Australie au Premier ministre
High Commissioner of Australia to Prime Minister

Ottawa, November 13, 1943

Sir,

I have the honour to convey to you the following personal message from Dr. H. V. Evatt, Attorney-General and Minister for External Affairs of the Commonwealth of Australia:

"I note the Dominions Office reply to your representations regarding Canadian participation in the London Commission. Personally I think that both Canada and Australia should have representation. I would be glad to have your views as to whether we cannot take joint action to be represented on these bodies. Best wishes. Evatt".

I have etc.

T. W. GLASGOW

529.

DEA/7-U8

Le Premier ministre au haut commissaire d'Australie
Prime Minister to High Commissioner of Australia

Ottawa, November 15, 1943

Dear Sir William [Glasgow],

I was glad to receive the personal message from Dr. H. V. Evatt which you communicated to me in your note of November 13th. Would you send to Dr. Evatt the following reply:

"In view of the information given by the Dominions Office and reports to the same effect from the Canadian Minister in Moscow, I feel that we should not press at present for representation on the European Advisory Commission in London. My hope is that this body will provide a method for continuous political consultation of the United Kingdom and United States Governments with the Soviet Government. They do not seem to have been able to achieve this through normal diplomatic channels. So long as the creation of the Advisory Commission does not prejudice the proposal for a United Nations Commission for Europe, I think we should hold our hand. It is certainly difficult for us to plead greater concern in the work of the European Advisory Commission than the French Committee and Allied European Governments. I am inclined, therefore, to concentrate in this connection on seeking to ensure a proper place for Canada in the post-war arrangements."

Yours sincerely,

W. L. MACKENZIE KING

530.

DEA/7-ABs

*Mémoire du ministère des Affaires extérieures
au Comité de guerre du Cabinet*

Memorandum from Department of External Affairs to Cabinet War Committee

MOST SECRET

[Ottawa,] November 24, 1943

RE: POST-HOSTILITIES PROBLEMS

1. On July 22nd the Chiefs of Staff met with the Secretary of the Cabinet and the Under-Secretary of State for External Affairs to consider questions raised by the United Kingdom authorities concerning Canadian activities directed to the pacification of Europe at the end of the war.¹⁴ An informal Working Committee was established for the purpose of making further studies on which were representatives of the three Services, External Affairs and the Privy Council Office. The Working Committee has reported its view that the surrender of Italy and the possibility that the surrender of Germany might take place unexpectedly have made it urgent that the Canadian Government should consider problems which will arise during and after the conclusion of hostilities in Europe. Aside from Canada's general interest in bringing about a satisfactory European settlement, this country cannot fail to be directly involved in certain activities of the post-hostilities period in Europe.

2. In the first place Canada will be an important source of supply for relief, especially of food. The extent of the demand cannot be determined until the organization of the United Nations Relief and Rehabilitation Administration has been completed, but this may prove to be the principal Canadian contribution to the tranquilization of Europe.

3. Secondly, Canada will almost certainly be asked to contribute air, land, and naval forces for occupation duty in Germany. According to tentative plans

¹⁴Voir le document 519.

¹⁴See Document 519.

drawn up by the Post-Hostilities Planning Sub-Committee in the United Kingdom, Germany would be divided for purposes of occupation into three zones, in which predominant military control would be exercised by the forces of the Soviet Union, the United States, and the British Commonwealth respectively. It is expected that sufficient forces will be available in Europe immediately after the cessation of hostilities to handle the initial problems of occupation. For the period during which the disarmament of Germany is being carried on, (ending when Germany has been deprived of the capacity for effective military action, perhaps two years after the surrender of Germany) it is estimated that approximately twelve army divisions, twenty-eight air squadrons and a naval squadron and shore-based naval personnel will be needed in the British Commonwealth zone. During the final stage of occupation of indeterminate length the land forces might be further reduced, the naval forces withdrawn, and control exercised chiefly by air forces. If the recommendations of the London Committee which are outlined above are accepted, the use of Canadian forces, land, sea and air, during the initial and main periods of occupation is likely to be sought. Their availability will depend in part on operations still continuing in the Far East, but the main practical considerations will arise from the expected desire of the forces to return to Canada and of the Canadian people to bring them back.

4. Thirdly, it is expected that Canada will be invited to assist in the elimination of dangerous areas in Europe to the extent of contributing to the removal of allied and enemy mines laid in European waters.

5. In the fourth place, Canada will have a national interest in taking part in the inter-allied machinery in Europe during the post-hostilities period. The Canadian Government has not pressed for membership in the Advisory Council for Italy and the European Advisory Commission in London which were established at the Moscow Conference. Canadian representation, however, would be desirable in the United Nations Commission for Europe which it has been proposed to set up to regulate inter-allied post-hostilities activities in Europe, including relief. It was intimated in the original United Kingdom proposals for this Commission¹⁵ that membership would be open to any Dominion "prepared to participate in the policing of Europe." In evaluating the extent of Canada's right to participation in this Commission, consideration should be given not only to whatever part Canadian forces might play in the occupation of Germany but also to the Canadian contribution to relief and rehabilitation and the role played by Canadian forces in the defeat of the enemy.

6. In the fifth place, Canada is directly concerned in the planning and execution of measures for the liberation and repatriation of Canadian prisoners-of-war and for providing for the needs of Canadian civilians in liberated and enemy countries.

7. On November 9th, the Chiefs of Staff, the Secretary of the Cabinet and the Under-Secretary of State for External Affairs held a further meeting with the Working Committee to consider a report on post-hostilities problems which had been presented to them by the Working Committee.

¹⁵ Voir le document 516.

¹⁵ See Document 516.

8. This meeting expressed the views that:

(1) participation of the Canadian Government in any inter-allied machinery of control should continue to be pressed, as an essential condition of a Canadian contribution to the "policing of Europe" on the end of hostilities;

(2) although grave problems would arise in providing large numbers of men for occupation duties on a long-term basis, Canada should be ready to furnish at least a small occupation force;

(3) in view of the necessity for gradual repatriation and demobilization, arrangements might be made for the short-term use as occupation troops of more substantial Canadian forces as part of an orderly programme of demobilization;

(4) the extent of such participation would depend, however, on the nature and extent of Canadian forces assigned for duty in the Far East;

(5) no commitment to provide occupation troops on other than a short-term basis could be reached except in relation to the permanent establishments to be authorized for the three Services after the war; and

(6) consideration should be given by the responsible Allied authorities to contributions of occupation troops from European allies, at least at a later stage, on a larger scale than envisaged in the proposals received from London.

9. To facilitate further consideration of these problems, it was the view of the meeting that the War Committee should authorize the following arrangements:

(a) the creation of a Post-Hostilities Advisory Committee composed of the Under-Secretary of State for External Affairs, the Chiefs of Staff, and the Secretary of the Cabinet with the Under-Secretary of State for External Affairs as Chairman, to give direction and guidance to a Working Committee, to refer to it matters requiring detailed study, and to submit to the Cabinet War Committee recommendations on post-hostilities problems as occasion may arise; and

(b) the creation of a Working Committee on Post-Hostilities Problems, with the same membership as the present informal body, constituted as a sub-committee of the foregoing Committee, to keep the latter currently informed on post-hostilities matters, and to prepare studies or arrange for the preparation of studies which it considers necessary or which have been assigned to it by the Post-Hostilities Advisory Committee.

10. It is requested that the Cabinet War Committee should:

(a) approve the establishment of the committees proposed in paragraph 9; and

(b) give general guidance to the further studies by indicating their attitude towards the views put forward in paragraph 8.

531.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, November 24, 1943

CANADA'S POSITION IN RELATION TO POST-HOSTILITIES PROBLEMS

19. THE SECRETARY submitted a memorandum prepared by the Department of External Affairs after consultation with the Chiefs of Staff. Copies of the memorandum had been circulated.

The memorandum set out certain of the problems of the post-hostilities period which would directly affect Canada;

Canada would be an important source of supply for relief, especially food; Canada would almost certainly be asked to contribute forces for occupation duty in Germany; Canada would have a national interest in taking part in inter-allied machinery in Europe; Canada would be directly concerned in measures for the liberation and repatriation of Canadian prisoners of war and in assistance to Canadian civilians in liberated and enemy countries.

An informal working committee, composed of representatives of the three Services, External Affairs and the Privy Council Office had, in accordance with the decision of War Committee on July 15th, 1943¹, studied preliminary U.K. proposals for dealing with these and similar problems of the post-hostilities period.

After considering a report from this working committee a meeting of the Chiefs of Staff, the Under-Secretary of State for External Affairs and the Secretary to the Cabinet submitted, for consideration by the government, certain preliminary views:

Canadian participation in inter-allied machinery of control should be an essential condition of any Canadian contribution to the "policing" of Europe;

limited Canadian forces might be used for occupation duties;

the extent of Canadian participation would depend on Canadian activities in the Far Eastern theatre and the post-war establishments of the Services;

consideration should be given to use of occupation troops from European allies on a more extensive scale than envisaged in the U.K. proposals.

It was recommended in the memorandum that, to facilitate further consideration of these problems:

(a) a Post-Hostilities Advisory Committee, composed of the Under-Secretary of State for External Affairs (chairman), the Chiefs of Staff and the Secretary to the Cabinet be established to submit to the War Committee recommendations as occasion might arise; and,

(b) that a Working Committee on Post-Hostilities Problems be established, as a sub-committee of the above Committee, with the same membership as the present informal committee, to carry on such work as might be assigned to it.

It was also recommended that the War Committee give general guidance with regard to the suggestions put forward in the memorandum.

(External Affairs memorandum, Nov. 24, 1943—C.W.C. document 659).

20. THE PRIME MINISTER expressed the view that it was important to avoid commitments which would involve the use of extensive Canadian forces in Europe after the cessation of hostilities.

After the long strains of war, the Canadian people would not be inclined to accept further heavy financial burdens for such purposes. The attitude of the Great Powers had already indicated that Canada would gain little credit by undertaking such additional commitments and would not be granted an adequate voice in important decisions of policy.

Further, the Canadian people would not be prepared to maintain large military establishments after the war.

It would be desirable to enlarge the proposed Advisory Committee to include the Deputy Minister of Finance and another senior civilian official, who should be a French Canadian.

21. THE MINISTER OF NATIONAL DEFENCE FOR AIR suggested that an important element in the situation would be the strong desire on the part of Canadian forces to return to Canada and be demobilized immediately. Canada should be prepared to participate in the occupation of Germany, at least to the extent that demobilization policy permitted.

22. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES expressed the opinion that Canada could not avoid taking some share in the measures required for the pacification of Europe after the war.

23. THE WAR COMMITTEE, after further discussion,

(a) approved the establishment of an Advisory Committee and a Working Committee, as recommended in the memorandum submitted, and agreed that the former be enlarged to include the Deputy Minister of Finance and another senior civilian official, and that it report direct to the War Committee; and,

(b) deferred further consideration of the specific problems raised in the memorandum.

...

532.

DEA/7-Ls

*Le ministre en Union soviétique au secrétaire d'État
aux Affaires extérieures*

Minister in Soviet Union to Secretary of State for External Affairs

TELEGRAM 279

Moscow, November 25, 1943

MOST SECRET. Your telegrams No. 153[†] and No. 154[†] and my telegram No. 252¹⁶ regarding Canadian participation in United Nations technical organizations.

¹⁶ Document 526.

1. Formation of Canadian Army Corps in Italy offers opportunity for us to present with dignity request for membership on Advisory Council for Italy. In my opinion such request should be submitted to each of the three Governments responsible for the creation of the Council.

2. Since the end of the Moscow Conference it has become clear that the Advisory Council for Italy is, for the near future, a more important body than the European Advisory Commission in London. It is to deal with current political problems relating to Italy and on termination of military control will assume executive direction of control machinery. It will be the testing ground for application of principles and experience gained will later be applied to other enemy countries. Members of the Council, therefore, will acquire invaluable experience and will have important influence in shaping future policy.

3. Until membership and competence is enlarged, European Advisory Commission is sort of continuing Committee to Moscow Conference. It is consultative and planning body without executive functions. Soviet Government have described it as supplementing diplomatic channels of consultation. Appointment of Gousev to London Commission and of Vyshinsky to Algiers Council indicates clearly relative importance they attach to the two organizations. This is contrary to original intentions of the United Kingdom Government who in this respect have been out-manoeuvred by the Soviet Government.

Canadian membership on Council for Italy would help to assure membership on European Commission when its membership and competence is enlarged.¹⁷

533.

DEA/7-Ls

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

MOST SECRET

[Ottawa,] December 4, 1943

I have circulated for comment Wilgress' telegram No. 279 of November 25th urging that Canada should seek membership on the Advisory Council for Italy. You will find attached to it comments from Read, Keenleyside, Glazebrook and Holmes[†]. There is general agreement that we should not press for membership. Keenleyside suggests that we should reserve our position by informing the United Kingdom, United States and U.S.S.R. that we consider that we are entitled to representation. Holmes suggests that we should express our interest in the work of the Council.

I doubt that this is a good case for us to take up in all the capitals concerned. I think that the most that we might do is to tell London that we are interested in the work of the Council but do not feel that the presence of a Canadian Corps in

¹⁷ La note suivante était écrite sur cette copie du
télégramme:

¹⁷ The following note was written on this copy
of the telegram:

Robertson. Please speak to me of. K[ING]

Italy is in itself sufficient reason for us seeking membership. We might say however that we should like to receive reports of the proceedings of the Council and that our acquiescence in its present position does not mean that we are prepared to stand aside in a case of similar bodies which may be established elsewhere.¹⁸

This would leave it to London to protect our interests. I doubt that it would do any good to make a similar communication in Washington and Moscow unless we were really prepared to assume fairly general responsibilities in Europe.¹⁹

H: W[RONG]

PARTIE 2/PART 2
CRIMES DE GUERRE
WAR CRIMES

534.

DEA/4060-40

Mémorandum du conseiller juridique au Premier ministre

Memorandum from Legal Adviser to Prime Minister

[Ottawa,] October 5, 1942

PROPOSED ATROCITIES COMMISSION

1. The United Kingdom Government is taking the lead in a proposal to establish a fact-finding commission recruited from nationals of the United Nations with suitable qualifications. The Commission's task would be to investigate atrocities committed against nationals of the United Nations and to report from time to time to the Government of these nations any cases where the Commission is satisfied that an atrocity has been committed.

2. It is proposed that each Allied Government, at the present stage, should draw up lists of criminals against whom it wishes to proceed and prepare evidence against them.

3. It is proposed that provisions should be included in armistice terms for immediate capture or surrender of wanted criminals. This would be limited to enemy war criminals, but would not include Quislings, who would be dealt with by the Allied Governments concerned.

4. It is not clear from the telegrams whether the Commission is to be set up before the end of the war, but I am inclined to think that it will not be established until the conclusion of hostilities. At the present time the British proposals are being submitted to President Roosevelt, and the British Government's policy is to be announced in the House of Lords on October 7.

¹⁸ Note marginale:

We might prepare a draft in this sense for P[rime] M[inister]'s approval. R[OBERTSON]

¹⁸ Marginal note:

¹⁹ Note marginale:

I agree. R[OBERTSON]

¹⁹ Marginal note:

5. It is suggested that the Dominion governments might be prepared to associate themselves with the proposed policy. The United States, Soviet, and Chinese governments, the Allied governments in London, and the French National Committee, are also being consulted.

6. This proposal raises the question as to the basic principles which should underlie the peace settlement. It will be remembered that, at the close of the last war, the prelude to the peace was the "Hang the Kaiser Election". Then the Kaiser was not hanged, and the Versailles settlement and post-Versailles period were confused by the clash of conflicting views. On the one hand was the view that the post-war settlement should be based upon extreme repression, and, on the other hand was the view that it should be based upon the emergence of a democratic Germany. This post-war confusion had a lot to do with the situation in which Hitler and the Nazi movement emerged. It is not fair to attribute that catastrophe to the confusion alone, because there was no similar confusion in Italy, where Mussolini and the Fascist movement developed. It is, however, not improbable that the confusion was a contributing factor to the rise of Hitler.

7. The present situation does not present a true parallel. The "Hang the Kaiser Movement" developed with victory and was spontaneous. The atrocities of the last war were relatively insignificant when compared with the atrocities of the present war. The present movement is at a much earlier stage in the war. It might be said, on the one hand, that it was too early to talk about war guilt when the capture of the criminals was in the dim and distant future. On the other hand, it might be said that a warning now would be in time to have some deterrent effect upon future atrocities.

8. If it is thought that it is undesirable to launch a war guilt "Hang Hitler" program, it would be necessary to send an immediate telegram protesting against the course which the British Government is proposing to pursue on Wednesday.

If on the other hand it is thought that the course is a prudent one, it may be desirable to associate the Canadian Government.

A third possible course would be to take no action, leaving the Canadian Government free to act, if it appeared to be advisable, at a later stage, to propose a peace program based upon goodwill and generous treatment of a defeated enemy.

535.

DEA/4060-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 235

Ottawa, October 30, 1942

IMPORTANT. SECRET. With further reference to your Circular D.399 of October 3rd, War Criminals.

The policy involved in your proposed announcement²⁰ with regard to punishment of war criminals has been considered by the Canadian Government.

The Canadian Government concurs in your Government's proposals regarding the policy governing the punishment of war criminals and the setting up of a United Nations Commission for investigation of war crimes.

536.

DEA/4060-40

*Mémorandum de l'adjoint spécial en temps de guerre
au sous-secrétaire d'État aux Affaires extérieures*
*Memorandum from Special Wartime Assistant to
Under-Secretary of State for External Affairs*

[Ottawa,] March 11, 1943

WAR CRIMINALS

I suggest that an early decision should be made on whether or not Canada is to take part in the proposed "United Nations Commission for the investigation of War Criminals". The latest telegram from the Dominions Office D. 130¹ does not directly ask us whether or not we will participate, but we were previously asked this question in D. 399 of October 3rd, 1942¹. That earlier telegram was answered by our No. 235, October 30th, which supported the policy but made no reference to Canadian participation. A draft telegram of November 30th¹ refusing representation was not sent.

I feel that this question has some significance as part of the general problem of Canadian representation in matters related to the peace settlement and post-war arrangements, and it may be that refusal to participate in some organizations may lead to our not being invited to participate in others.

The subject itself in this case is bound to be a difficult one to deal with. There is and will be an argument as to the legal aspect and probably a much more general argument on the practicability of any means of judging and punishing persons accused of crimes committed during the war. The fact, however, that it is a difficult question does not seem to be an argument for Canada abstaining. We have taken no stand against an investigation of war criminals but rather on the contrary we have so far given our approval. The more that the Commission is made up of countries with most cause for seeking revenge, the less likelihood there is of any kind of reasonable process being adopted.

In all subjects such as war criminals, reparations, penalties, unilateral disarmament and economic discrimination there will be an argument drawn from the Paris Conference. Nevertheless these subjects are bound to come up and most of them will have to be dealt with. The fact that mistakes were made on a

²⁰ Le Lord Chancellor avait fait cette annonce le 7 octobre. Voir Grande-Bretagne, Chambre des Lords, *Debates*, cinquième série, volume 124, colonnes 577-87.

²⁰ The announcement had been made by the Lord Chancellor on October 7. See Great Britain, House of Lords, *Debates*, Fifth series, Volume 124, columns 577-87.

previous occasion does not preclude the possibility of better settlement this time. Perhaps new names will be found for such processes as the demanding of reparations, but the reality will be much the same as at the end of the last war. If the Canadian Government is to abstain from all these controversial and difficult subjects it can have little influence in a peace settlement.

I very much question whether we can choose to take part only in the more pleasant aspects of settlement and reconstruction. I would not argue that it is, therefore, impossible to keep aloof from this or any other individual aspect, but I do think that this particular one and others which will follow, must be examined with such general considerations in mind. In view of the fact that Canadian troops may be expected to be operating on the Continent of Europe as now Canadian airmen are operating and Canadian sailors on the High Seas, we shall not be disinterested in respect of war crimes.

G. DE T. G.[LAZEBROOK]

537.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 17, 1943

...
UNITED NATIONS COMMISSION FOR INVESTIGATION OF WAR CRIMINALS

4. THE SECRETARY reported that, on October 7th last, the War Committee had approved concurrence by the Canadian government in U.K. government proposals for the establishment of a United Nations Commission. Since that time, the concurrence of other governments had been obtained, and it was now intended to call a meeting in London of national representatives to make formal arrangements for setting up the Commission.

Decision was required as to whether Canada should be represented at the proposed meeting and, if so, whether we would be willing to accept membership on the proposed Commission.

An explanatory document had been circulated.

(Secretary's memorandum, Mar. 16, 1943—C.W.C. document 444[†]).

5. THE PRIME MINISTER expressed the opinion that Canada should be a member of the proposed Commission. The treatment of Canadian prisoners of war in the Far East and in Europe were examples of direct Canadian interests in the work of the Commission. Certainly we were concerned in the subject matter of the proposed meeting and the government should be represented.

6. THE WAR COMMITTEE, after further discussion, agreed that Canada be represented at the proposed London meeting; decision as to Canadian membership on the Commission to stand for the present.

538.

DEA/4060-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 451

Ottawa, March 20, 1943

SECRET. Canadian Government has decided that Canada should be represented at the meeting of Allied Governments on war criminals which Dominions Office Circular D. 130 of March 5th[†] informs us will be called shortly. No final decision has been made as to whether Canada should accept membership on the Commission to be set up, but it is likely that we shall wish to appoint a Canadian member. Dominions Office telegram D.399 of October 3rd, 1942[†] asked us if we would associate ourselves with the policy of establishing a Fact-Finding Commission and we replied in No. 235 of October 30th, 1942, concurring in the policy of setting up a Commission.

Please convey to the United Kingdom authorities our intention to be represented at the meeting, explaining that the question of participation in the Commission is left open.

I should be glad to be informed of probable date of the meeting and also of countries represented and type of representation.

539.

DEA/4060-40

*Mémorandum du troisième secrétaire au sous-secrétaire d'État
aux Affaires extérieures*

*Memorandum from Third Secretary to Under-Secretary of State
for External Affairs*

[Ottawa,] August 7, 1943

CANADA AND THE "UNITED NATIONS COMMISSION
FOR THE PUNISHMENT OF WAR CRIMES"

1. The purpose of this memorandum is to state concisely the present position of Canada in regard to the projected "United Nations Commission for the Punishment of War Crimes."

2. The question of the Canadian attitude concerning punishment of war criminals, and the proposed Commission were first considered by Cabinet War Committee on October 7, 1942. At that time War Committee approved concurrence of the Canadian Government in the proposals of the United Kingdom. These proposals in essence were:

(a) The setting up of a "United Nations Commission for the Investigation of Crimes"—this Commission "... to be a fact-finding body to investigate atrocities committed against nationals of the United Nations and to report from

time to time to Governments of these nations any case where they are satisfied an atrocity has been committed . . . ”;

(b) provision in the Armistice terms for immediate surrender of wanted criminals;

(c) agreement that wholesale executions were not intended, but that there would be punishment of those whose guilt violated “every tenet of humanity”. (See D.O. telegrams 359, of August 6, 1942¹, 399 of October 3, 1942,¹ and 401 of October 6, 1942¹).

3. On 26th November, 1942, the Canadian Government was asked whether representation was desired on the United Nations Commission (see D.O. telegram No. 243¹). The question was discussed at a meeting of War Committee in mid-March²¹ at which time it was decided Canada should be represented at the preliminary meeting of representatives of all the Allied Governments to discuss formal arrangements for the establishment of the Commission, its constitution and functions, (see D.O. telegram D.130 of 5th March, 1943¹)—the question of Canadian membership on the Commission to be left open. It was indicated, however, in our telegram No. 451 of March 20, 1943, to Mr. Massey, that Canada would likely wish to appoint a Canadian member. Deferment of a final decision seems to have been made on the ground that the conclusions reached at the preliminary meeting would provide a clearer indication what participation in the work of the Commission would mean in terms of Canadian external policy.

4. The foregoing preliminary meeting has still not been held. In the interim, however, the names of both the United States and United Kingdom representatives on the Commission have been publicly announced.

5. The present position is that because final replies have not yet been received from the Russian and Chinese Governments concerning the detailed proposals placed before them, the U.K. “cannot be certain that it will be possible for the inaugural meeting (i.e. preliminary meeting) to take place or for the Commission to be established in the near future”. (See telegram No. 1668 of July 21, 1943, from Mr. Massey¹). The present proposal is, however, that representatives at this meeting should be of the standing of heads of Diplomatic Missions.

6. The question of appointment of a Canadian representative to the Committee is closely related to the general problem of Canadian representation on other bodies having to do with the peace settlement and post-war arrangements. If we fail to assert our right and duty to sit on international bodies of this kind, exclusion from similar bodies in the future is possible. Moreover, as Canadian forces progressively come into contact with the enemy, Canada acquires a personal interest in war crimes, that heretofore has been largely absent.

A. B[ELL]

²¹ Document 537.

540.

DEA/5842-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 543

London, August 13, 1943

IMPORTANT. SECRET. Following for the Prime Minister, Begins: My telegram Circular D. 410 of the 10th July¹. War Crimes Commission. Replies have now been received from all Allied Governments concerned. These indicate that a sufficient basis of agreement exists to enable further progress to be made, but certain questions have been raised in reply from Soviet Embassy, text of which is given in my immediately following telegram.

2. We would propose to reply to paragraphs 2 and 3 of the Soviet Embassy's note as in draft contained in my second immediately following telegram. If Dominion Governments have any observations, we should be glad to receive these at a very early date. We believe that Soviet Government are more concerned with the possibility of being out-voted on the Commission than with the constitutional position. Our reply is, therefore, designed to allay Soviet fears on this point whilst preserving international position of Dominion Governments. It will be appreciated that Soviet Government are not generally disposed to be very accommodating in negotiation and that it is desirable to go as far as possible to meet their fears.

3. In addition to sending reply to Soviet Embassy on the above lines, we propose to address note to diplomatic representatives of all United Nations in London inviting them or persons nominated by their Governments to attend an inaugural meeting in London about the middle of September, in order to take the necessary steps for the setting up of the Commission and to settle its constitution and functions. A similar invitation will simultaneously be sent to Dominion Governments. Ends.

541.

DEA/5842-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 544

London, August 14, 1943

IMPORTANT. SECRET. Following for the Prime Minister, Begins: My telegram Circular D. 543 of August 13th. War Criminals Commission. Following is text of question received from Soviet Embassy referred to in paragraph 1 of my telegram under reference:

1. The Soviet Government agrees that the headquarters of the Commission shall be situated in London.

2. The Soviet Government considers the question of creation in Washington and Chungking, of the panels (or sub-committees) of the Commission of the United Nations for investigation of war criminals, should be decided upon in

agreement with interested Governments, the United States and China. The question of participation in these panels of Powers who are members of the Commission should be decided at their discretion. The circumstances do not call for creation of such a panel in the U.S.S.R. The existing Extraordinary State Commission for Investigation of War Crimes in the Soviet Union is ready to present to the Commission of the United Nations all appropriate material, as the British Government was informed on November 4th, 1942.

3. Concerning participation in United Nations Commission for investigation of war crimes of British Dominions, India and Burma, the Soviet Union is ready to meet the wishes of the British Government in this connection on the condition that participation in work of Commission will be secured for Federated Republics of the U.S.S.R., namely the Ukrainian, Byelorussian, Moldavian, Lithuanian, Latvian, Esthonian and Karelo-Finski, all of which have been subjected to German occupation and have suffered horrors of Hitlerite terror, and whose populations for two years have been mobilized and are fighting in the ranks of the Soviet armies for the Allied common cause—for cause of liberation from the horrors from Hitlerite tyranny.

4. The Soviet Government consider it to be more correct to furnish, instead of one, additional four representatives at head of the Commission, namely, representatives of Great Britain, the United States of America, China and the U.S.S.R. This will enable sitting in connection with the Commission to be held under alternative chairmanship of each of the four representatives.

5. In regard to the appointment of the Soviet representative to the Commission, the decision of the Soviet Government will be communicated after the question of composition and order of work of Commission will have been settled. Ends.

542.

DEA/5842-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 545

London, August 14, 1943

IMPORTANT. SECRET. Following for the Prime Minister, Begins: My telegram Circular D. 543 of August 13th. War Criminals Commission.

Following is draft reply referred to in paragraph 2 of my telegram under reference to paragraphs two and three of Soviet Embassy's note:

1. His Majesty's Government in the United Kingdom share the view of the Soviet Government that question of creation of panels of Commission in places other than London should be decided in agreement with interested Governments, and that question of participation in such panels of Governments who are members of the Commission should be decided at their discretion. They note in this connection that the Soviet Government consider that circumstances do not call for creation of such a panel in the U.S.S.R. and that existing Extraordinary State Commission for investigation of war crimes in the Union is ready to present to the United Nations Commission all appropriate material.

2. His Majesty's Government regards the constitutional position of member States of the British Commonwealth of Nations as being entirely different from that of the Federated Republics of the U.S.S.R. His Majesty's Government fully recognise the unparalleled sufferings to which inhabitants of occupied territories of the Soviet Union have been subjected by the German and the magnificent contribution which they have rendered in the common struggle. Nevertheless, they feel bound to point out that under Soviet Constitution of 1936, the Soviet Union alone is empowered to represent its Federated Republics in international relations. The Federated Republics thus have no individual international status. In these circumstances, it could not be expected that His Majesty's Government, or indeed any other Government, would recognise these Republics as qualified to have separate representation upon an inter-Governmental Commission.

3. On the other hand, the Dominions and India have long enjoyed their own individual international status. The Dominion Governments all have power to make treaties with other states while India is recognised as an individual unit for treaty-making purposes. The Dominions and India were all separately represented on the League of Nations and have long participated on a basis of equality with other Sovereign Powers in international conferences and in work of international organisations such as the International Labour Organisation. Moreover, in the present war they have all made important contributions in men and materials to the common struggle in theatres far removed from their own territories, and in all cases their soldiers and citizens have been the victims of enemy war criminals. For these reasons they attach importance to having their own separate representation upon proposed Commission and upon those of Commission's panels dealing with areas with which they are directly concerned. In the circumstances, the claim of the Dominion Governments and Government of India that they have in principle a right to representation is a question which His Majesty's Government in the United Kingdom regard as fully established, and it is regretted that it is not possible to arrange for them to be represented by the United Kingdom representative. On the other hand, His Majesty's Government in the United Kingdom have reason to believe that the Dominion Governments and the Government of India will only wish to participate in deliberations of the Commission or its panels when cases directly concerning their countries are under discussion, and that they would be willing to make declarations to this effect at inaugural meeting. In that event, the representatives of the Dominions and India would, in the main, not take any part in examination of war crimes committed in occupied Europe including the occupied territories of the U.S.S.R.

4. The position set forth above is as that of the Dominions and India.²² The Government of Burma do not desire to be separately represented upon Commission, and His Majesty's Government do not claim the right of separate representation on Burma's behalf. They would propose that Burma's interests

²² Le 16 août, une correction de service signala que cette phrase devait se lire ainsi:

The position of Burma is not the same as that of the Dominions and India.

²² A service correction on August 16 indicated that this sentence should read as follows:

should be represented on the Commission and its panels by United Kingdom representative. In view, however, of the fact that the population of Burma, through occupation of the whole country by the Japanese, has been particularly exposed to war criminals, His Majesty's Government consider that a representative of the Government of Burma should be allowed, at the meetings of the Commission or its panels at which war crimes committed against Burmans or on Burmese territory are under consideration, to attend with United Kingdom representative as his advisor, though without any separate voice or status. 5. Subject to views of other Allied Governments concerned, His Majesty's Government in the United Kingdom would see no objections to Soviet member of the Commission being accompanied by persons specially informed in respect of relevant (constituency of?) Republics of the Soviet Union when cases of direct interest to those Republics are under discussion. Ends.

543.

DEA/5842-40

*Le sous-secrétaire d'État aux Affaires extérieures
au ministère des Affaires extérieures²³*

*Under-Secretary of State for External Affairs
to Department of External Affairs²³*

TELEGRAM H-43 .

Quebec, August 15, 1943

MOST SECRET. Following for Wrong from Robertson, Begins: I should be glad to have your views and John Read's on questions raised in Dominions Office telegrams Circular D. 543, D. 544 and D. 545 re constitution of United Nations Commission for investigation of war crimes and to receive for reference purposes copies of recent Departmental memoranda on this subject.

Do you think Wilgress should be instructed to clear up directly with Soviet authorities misunderstanding of Canadian constitutional and international position apparent from Soviet note quoted in Circular D. 544?

I have had doubts about usefulness of proposed United Nations Commission to investigate war crimes and of wisdom of Canada accepting membership thereon. However, I should not like to see question of our participation determined or have the appearance of having been determined by Soviet contention that separate representation of Commonwealth countries would warrant or require similar representation of constituent Soviet Republics. Would reference in original Draft to "atrocities committed against nationals of the United Nations" include for example alleged Soviet responsibility for Katyn massacre? Ends.

HALL

²³ N.A. Robertson était alors à Québec pour assister le Premier ministre pendant la Conférence de Québec.

²³ N.A. Robertson was then in Quebec City to assist the Prime Minister during the Quebec Conference.

544.

DEA/4060-40

*Le ministère des Affaires extérieures au sous-secrétaire d'État
aux Affaires extérieures*

*Department of External Affairs to Under-Secretary of State
for External Affairs*

TELEGRAM W-46

Ottawa, August 16, 1943

MOST SECRET. Following for Robertson from Wrong, Begins: Your telegram No. H-43 of the 15th August, War Crimes Commission. I am sending by tomorrow's bag copies of four Departmental memoranda¹ on this subject. We think it clearly necessary to take up immediately the questions raised by the Soviet contention in order to remove misunderstandings which, if not dealt with now, will plague us later on. For this purpose the British draft reply in Circular D.545 seems on the whole a satisfactory document. They could strengthen it by referring to Irish neutrality, but it would be impolitic for us to suggest this. The last two sentences of paragraph 3 of the draft reply, however, need consideration, perhaps by the War Committee this week. So far as we know, we have never indicated that we "will only wish to participate in deliberations of the Commission or its panels" when cases directly concerning Canada are under discussion, or that we would make a declaration to this effect at the inaugural meeting. The question of Canadian participation in the Commission was left open in the reply sent to London after discussion in the War Committee. If we approve this portion of the draft, we would seem to commit ourselves to a very limited participation at most. This would, perhaps, be a logical application of the "functional principle" but we do not like its assertion in this connection since the Russians have raised it as a matter of "Dominion status" and not as a "small Power" question. We think some formula providing generally for limited participation in the Commission by small Powers would be acceptable.

We agree that Wilgress should be instructed to take up directly with the Soviet authorities their misunderstanding of the Canadian constitutional and international position. We believe, however, that this should be deferred until after the United Kingdom has replied to the Soviet note. We might inform the United Kingdom Government that we intend to instruct Wilgress to take the matter up as soon as they have returned their answer to the Soviet note.

Read and I appreciate your doubts on usefulness of the Commission and of the wisdom of our accepting membership, but feel that if it is decided not to accept membership, the decision should not be notified to other Governments until after the issue raised by the Soviet note has been clarified.

With regard to your final question concerning the Katyn massacre, the assumption implicit in the whole scheme is that only the Axis can commit war crimes and we think that the Poles would receive short shrift if they tried to bring their charges against the Soviet Government before the Commission.
Ends.

545.

DEA/5842-40

*Le sous-secrétaire d'État aux Affaires extérieures
au ministère des Affaires extérieures*

*Under-Secretary of State for External Affairs
to Department of External Affairs*

TELEGRAM H-81

Quebec, August 21, 1943

IMMEDIATE. SECRET. Following for Read from Robertson, Begins: Please despatch at once the following telegram to the Dominions Office prefixed immediate and important. The telegram should also be repeated to Australia, New Zealand and South Africa, Begins:

Secret. Your telegrams Circular D. 543, 544 and 545 and 577¹ War Crimes Commission. We feel that the serious misconceptions which are evident in the Soviet Government's comments must be cleared up as soon as possible, as otherwise they will return to plague us in other connections. We propose to instruct the Canadian Minister in Moscow to take up directly with the Soviet authorities their misunderstandings of the constitutional and international position of Canada, and consider that this approach would be more likely to do some good if it were made very shortly after the United Kingdom reply has been transmitted to the Soviet Embassy in London.

2. We do not attach a great deal of importance to Canadian participation in the Commission on War Crimes except in cases affecting Canadian nationals. These are likely to relate principally to the treatment of prisoners of war by Germany and Japan.

3. The general lines of the draft reply given in your telegram Circular D. 545 are acceptable to us although we should prefer not to commit ourselves to the limited participation in the Commission indicated in the last two sentences of paragraph 3 in advance of the meeting planned for mid-September at which it is hoped that the constitution and functions of the Commission will be settled. If you consider it important that a notification of limited participation should now be made to the Soviet Government we should prefer that the reference to the making of declarations to this effect at the opening meeting should be omitted from your reply. We are prepared to instruct the Canadian Minister in Moscow to give such an assurance.

4. We suggest the following further amendments to paragraph 3 of the draft reply.

(a) In the first sentence omit "and India"; and for "their own individual international status" substitute "full international status".

(b) In the third sentence for "were all separately represented on the League of Nations" substitute "were all separate members of the League of Nations".

(c) In the fifth sentence for "to having their own separate representation" substitute "to their right of separate representation".

5. In paragraph 4 first sentence substitute "or India" for "and India". Ends.

HALL

546.

DEA/5842-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 586

London, August 24, 1943

SECRET. Canadian Government telegram No. 138 of August 21st²⁴. War Crimes Commission.

1. Amendments suggested in paragraphs 4 and 5 of Canadian Government telegram have been incorporated in draft reply to Soviet Government. Beginning of paragraph 3 in my telegram Circular D. 545 of August 14th now reads "on the other hand the Dominions have long enjoyed full international status and Dominion Governments all have the power to conclude treaties with other States. India also enjoys its own individual international status and is recognised as an individual unit for treaty-making purposes. The Dominions and India were all separate members of the League of Nations".

2. As regards paragraph 3 of Canadian Government's telegram we feel that in view of importance of securing Soviet cooperation in the proposed commission as an international body which will operate in the post-war world it would be desirable to do everything possible whilst in principle maintaining international position of Dominion Governments to let Soviet Government know that their fears on the point of substance are unfounded in this case. We have accordingly retained the last two sentences of paragraph 3 of my telegram Circular D. 545 with the deletion as suggested by the Canadian Government of the words "and that they would be willing to make declarations to this effect at the inaugural meeting".

3. We note that Canadian Government will be instructing their representative in Moscow to explain to the Soviet Government their general position and we think it would be useful if the Canadian representative could at the same time give an assurance as to limited participation as suggested in the last sentence of paragraph 3 of the Canadian Government's telegram. We assume that the other Dominions will make a similar communication as regards limited participation to the Soviet Government either in Moscow or in London at the inaugural meeting or earlier.

4. Reply revised as above will now be sent to Soviet Government as soon as possible. Invitation to the proposed September meeting will be issued in a few days to United Nations representatives in London, including Dominion High Commissioners. Ends.

²⁴ Voir le document précédent.

²⁴ See preceding document.

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DEA/5842-40

*Le secrétaire d'Etat aux Affaires extérieures
au ministre en Union soviétique*

Secretary of State for External Affairs to Minister in Soviet Union

TELEGRAM 109

Ottawa, August 28, 1943

SECRET. It is expected that a meeting of representatives of Allied Governments will be held in London about the middle of September to take the necessary steps for setting up proposed United Nations Commission for the Investigation of War Crimes. Canadian Government earlier agreed to send representative to the preliminary meeting without commitment as to membership on permanent commission.

2. United Kingdom Government has proposed that representatives of United States, U.S.S.R., China, United Kingdom, Dominions and Allied Governments in London compose the meeting, together with some arrangement for French representation. Reply received from Soviet Embassy agrees to London as headquarters of Commission; but raises question of Dominion representation. Following is paragraph 3 of Soviet reply. Begins:

“Concerning participation in United Nations Commission for investigation of war crimes of British Dominions, India and Burma, the Soviet Union is ready to meet the wishes of the British Government in this connection on the condition that participation in work of Commission will be secured for Federated Republics of the U.S.S.R., namely the Ukrainian, Byelorussian, Moldavian, Lithuanian Latvian, Esthonian and Karelo-Finski, all of which have been subjected to German occupation and have suffered horrors of Hitlerite terror, and whose population for two years have been mobilized and are fighting in the ranks of the Soviet armies for the Allied common cause—for cause of liberation from the horrors from Hitlerite tyranny.” Ends.

3. United Kingdom Government believe that Soviet Government are more concerned with the possibility of being out-voted on the Commission than with the constitutional position, and suggested a reply designed to allay Soviet fears on this point whilst preserving international position of Dominion Governments. After changes resulting from our comments reply will be sent to Soviet Government as soon as possible. Following is the relevant passage, Begins:

“His Majesty’s Government regards the constitutional position of member States of the British Commonwealth of Nations as being entirely different from that of the Federated Republics of the U.S.S.R. His Majesty’s Government fully recognise the unparalleled sufferings to which inhabitants of occupied territories of the Soviet Union have been subjected by the German invaders and the magnificent contribution which they have rendered in the common struggle. Nevertheless, they feel bound to point out that under Soviet Constitution of 1936, the Soviet Union alone is empowered to represent its Federated Republics in international relations. The Federated Republics thus have no individual international status. In these circumstances, it could not be expected that His Majesty’s Government, or indeed any other Government, would recognise

these Republics as qualified to have separate representation upon an inter-Governmental Commission.

On the other hand the Dominions have long enjoyed full international status and Dominion Governments all have the power to conclude treaties with other States. India also enjoyed its individual international status and is recognised as an individual unit for treaty-making purposes. The Dominions and India were all separate members of the League of Nations, and have long participated on a basis of equality with other Sovereign Powers in international conferences and in work of international organizations such as the International Labour Organization. Moreover, in the present war they have all made important contributions in men and materials to the common struggle in theatres far removed from their own territories, and in all cases their soldiers and citizens have been the victims of enemy war criminals. For these reasons they attach importance to having their own separate representation upon proposed Commission and upon those of Commission's panels dealing with areas with which they are directly concerned. In the circumstances, the claim of the Dominion Governments and Government of India that they have in principle a right to representation is question which His Majesty's Government in the United Kingdom regard as fully established, and it is regretted that it is not possible to arrange for them to be represented by the United Kingdom representative. On the other hand, His Majesty's Government in the United Kingdom have reason to believe that the Dominion Governments and the Government of India will only wish to participate in deliberations of the Commission or its panels when cases directly concerning their countries are under discussion. In that event, the representatives of the Dominions and India would, in the main, not take any part in examination of war crimes committed in occupied Europe including the occupied territories of the U.S.S.R." Ends.

4. We have informed the United Kingdom that you would be instructed to take up two aspects of the question with the Soviet authorities. These are:

(a) The misunderstanding by the Soviet Government of the constitutional position of Canada. You will be able to supplement the statement contained in United Kingdom Note quoted in paragraph 3. It is important that the question be clarified now or else it will lead to further difficulties later.

(b) Limited participation of Canada in Commission. We do not attach a great deal of importance to Canadian participation except in cases affecting Canadian nationals. These latter are likely to relate principally to the treatment of prisoners of war by Germany and Japan. You should assure the Soviet authorities that Canada is prepared to accept limited participation for that reason. This will mean attendance at only those meetings of the Commission when constituted in final form where matters affecting Canada are discussed. It should, however, be made clear that such limited participation is not repeat not connected with Dominion status.

5. Please take up this question as outlined in paragraph 4 with Soviet authorities. United Kingdom Government assume that other Dominions will make similar communications as regards limited participation to the Soviet Government either in Moscow or in London at the inaugural meeting or earlier.

6. You can doubtless secure further information about constitution and functions of proposed Commission from your United Kingdom colleague. We were informed on August 24th that United Kingdom reply would be given to Soviet Embassy in London as soon as possible.

548. DEA/5842-40

*Le ministre en Union soviétique au secrétaire d'État
aux Affaires extérieures*

Minister in Soviet Union to Secretary of State for External Affairs

TELEGRAM 175

Moscow, August 28, 1943

Arising out of Soviet's reply to United Kingdom proposal that Dominions be members of United Nations Commission for investigation of war crimes, Australian Chargé d'Affaires has received telegram from Canberra instructing that he associate himself with me in representations to Soviet Government designed to establish clear constitutional status of the Dominions. I told him that I had not yet received your instructions. I agreed however to telegraph you requesting that when submitting instructions you give full text of memorandum which I could hand to Molotov. It would be useful if this text could be telegraphed beforehand to Canberra in order that Australian Government may agree to identical memorandum which Australian Chargé d'Affaires could present to Molotov at the same time if you are in accord with the proposal of joint approach.

549. DEA/5842-40

*Le secrétaire d'État aux Affaires extérieures
au ministre en Union soviétique*

Secretary of State for External Affairs to Minister in Soviet Union

TELEGRAM 110

Ottawa, August 30, 1943

Your telegram No. 175. You will now have received our No. 109 of August 28th. If you think it desirable to leave memorandum with Molotov, we feel you can prepare suitable text from material now in your possession. We are not, therefore, communicating with Australian Government. Suggested joint approach with Australian Chargé d'Affaires is approved.

550. DEA/5842-40

*Le ministre en Union soviétique au secrétaire d'État
aux Affaires extérieures*

Minister in Soviet Union to Secretary of State for External Affairs

TELEGRAM 189

Moscow, September 11, 1943

Your telegram No. 109, war crimes.

2. Australian Chargé d'Affaires and I saw Mr. Molotov September 9th for an hour and twenty minutes. We first outlined the contents of the two different aide-mémoire which we left with him.

3. Mr. Molotov listened to both representations and said that we would receive in due course considered replies. He wished, however, to say at once that the Soviet Government was fully informed of and understood the international position of Canada and Australia. Meanwhile, he wished to put before us the point of view of the Ukrainian, Byelorussian, etc., people who had suffered such terrible wrongs and who were deeply interested in their representation on the Commission dealing with wrongs of which they had been victims. He wanted to know if our Governments were opposed to representation of Federated Republics on proposed Commission, and in what manner such representation would interfere with consideration of Canadian and Australian claims. If so, how was Soviet Government to explain our attitude to these people? Mr. Molotov developed these points at great length and kept continually coming back to them.

4. Mr. Whelan and I pointed out that our instructions were to make clear to the Soviet authorities the undoubted international status of our respective countries. Mr. Molotov declared that that status would not be questioned, and that what Soviet Government were concerned with was representation of Ukrainian etc., people. Their advisers saw no grave obstacles to representation of Federated Republics on such a "judicial" Commission. Soviet Government felt that an important matter of this character should not be dealt with according to ordinary standards of international practice. We pointed out that both our countries desired that wrongs of the victims to [*sic*] be fully considered. The method by which status of the people forming a part of U.S.S.R. was represented before Commission was a matter for the Government of the U.S.S.R. to consider.

5. Mr. Molotov said that Soviet Government had endeavoured to deal with that point in its reply to United Kingdom Government, and he would supply us with copies so that we might send it to our Governments for consideration.

6. You will see from this that the interview was very difficult, particularly as Molotov conceded our main point by assuring us that they understood fully our international status. It is clear to me that the chief aim of the Soviet Government is to demonstrate before other Governments the fact that the peoples of this country have been subjected to far greater suffering than those of any other United Nation. As with second front agitation they wish to build up credits which they will be able to use effectively at the Peace Conference to help them achieve their major objectives. It must also be remembered that public opinion in this country on subject of war crimes is very strong and is in favour of maximum retribution.

551.

DEA/5842-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1696

Ottawa, September 26, 1943

SECRET. Reference your despatch A.405/4 of September 2nd[†] regarding the meeting of Allied representatives which is to settle the constitution and functions of the United Nations Commission for the punishment of war crimes. I would be grateful if you could represent Canada at this meeting. The question of continuing Canadian representation on the Commission itself will depend partly on the degree of our participation in this work and partly on the character of the Commission's personnel. It is noted that the United Kingdom is designating an eminent lawyer as its representative and it may be if our share in the work is likely to be active that the Government may wish to nominate some person with judicial experience to the Commission. Similar considerations will determine whether an effort should be made to make available in London the services of a Canadian legal expert who could participate in the work of the technical committee which is to consider rules of evidence, organization of tribunals, etc.²⁵

As you will have seen from the exchange of telegrams with the Dominions Office regarding the Soviet Government's objections to the inclusion of representatives of the Commonwealth Governments on the Commission, our interest in its work will be limited to such questions as are of direct concern to Canada. We will be primarily interested in cases affecting Canadians or members of the Canadian Forces. Such cases may be expected to arise principally out of the treatment of prisoners of war by Germany and Japan.

As regards the issue of status raised by the Soviet Union it has been made clear that Canada is fully entitled to membership in the Commission and to participation in such degree as the Canadian Government considers appropriate in its work. At the same time our Minister in Moscow has informed the Soviet Government that Canadian participation in the work of the Commission will, in fact, be limited to questions of direct concern to Canada. This limitation on our participation will be a consequence of our relatively restricted interest in the questions the Commission will be called upon to consider and implies no derogation from the established international position of Canada.

²⁵ En novembre 1943, Arthur G. Slaght, député fédéral pour Parry Sound, fut nommé conseil honoraire afin d'amasser des témoignages de crimes de guerre et de conseiller le gouvernement sur cette question. Il était assisté par un comité consultatif composé de fonctionnaires et par un membre du personnel du juge-avocat général.

²⁵ In November 1943, Arthur G. Slaght, Member of Parliament for Parry Sound, was appointed Honorary Counsel to gather evidence of war crimes and advise the Government on such matters. He was assisted by an Advisory Committee of civil servants and by a member of the Judge Advocate General's staff.

*Précis du projet de rapport d'une réunion concernant la Commission
d'enquête des Nations Unies sur les crimes de guerre*

*Précis of Draft Report of a Meeting in connection with United Nations
Commission for the Investigation of War Crimes*

[n.d.]

1. A meeting was held in London on October 20, 1943, to make arrangements for the establishment of the United Nations Commission for the Investigation of War Crimes at which the below noted were represented: Australia, Belgium, Canada, China, Czechoslovakia, Greece, India, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Union of South Africa, United Kingdom, United States, Yugoslavia, French Committee of National Liberation.

2. The following were the important decisions reached at this meeting:

(a) to set up the Commission immediately with a view to its serving two primary purposes:

(1) investigation and recording of evidence of war crimes, with identification where possible of the individuals responsible;

(2) reporting to the Governments concerned cases in which it appeared that adequate evidence might be expected to be forthcoming.

Any question of the possible expansion of the scope of the functions of the Commission, it was agreed, should be reserved for future consideration.

(b) that the Headquarters of the Commission should be at London, with power to set up Panels of the Commission in other capitals, or arrange otherwise, in the light of the wishes of the Governments most closely concerned;

(c) that the question of a Chairman be left for the Commission to settle when it met;

(d) that the Commission be left to settle its own procedure;

(e) that a Technical Committee was desirable to advise the Governments concerned upon matters of a technical nature, such as the sort of tribunals to be employed for the trial of war criminals, the law to be applied, the procedure to be adopted and the rules of evidence to be followed, but that its actual establishment for the present should be deferred.

3. The meeting, in addition, authorized the adoption of a resolution, for communication to the Government of the Soviet Union, through the United Kingdom, expressing the hope of those present that the U.S.S.R. would participate in the Commission, and also in that of the Technical Committee, when it had been set up.

553.

DEA/5842-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures²⁶
au Premier ministre*

*Memorandum from Assistant Under-Secretary of State for External Affairs²⁶
to Prime Minister*

[Ottawa,] November 11, 1943

The attached copy of despatch No. 97 of November 1st from the Dominions Office[†] covers a disturbing communication to the Foreign Office from the Soviet Government on the Commission for War Crimes. The Soviet Government informed the British Government in July that they would agree to the participation of the British Dominions and India as members of the Commission only on condition that similar participation would be accorded to the seven Federated Republics of the U.S.S.R. which had been occupied in whole or in part by the enemy. You will remember that the suggested parallel between the international status of the Dominions and the Soviet Republics was vigorously contested by the United Kingdom Government and that Wilgress on instructions from us saw Molotov on September 9th in company with the Australian Chargé d'Affaires. Molotov assured them that the Soviet Government fully understood the international position of Canada and Australia.

On October 18th, however, on the eve of the meeting in London of United Nations Governments to establish the Commission the Soviet Government returned to the charge in the attached memorandum.[†] They were not present at the meeting on October 20th and apparently are still taking the line that they will not participate in the Commission unless the Federated Republics concerned are given the right of direct participation.

The Soviet argument is an interesting one. Its central contention is made in the following paragraph:

"Having the right independently, without anybody's approval, to establish their Constitution, possessing their territory, having their Republican citizenship, and having the right freely to secede from the U.S.S.R., the Soviet Union Republics are sovereign States in no less degree than the British Dominions. The establishment of the order of realisation of their sovereignty by the Union Republics depends solely on agreement between the Union Republics and the U.S.S.R.²⁷

Even if one could admit that the Soviet Republics are evolving towards a full international status and have now reached, as this note suggests, the position internationally of the Dominions during the last war, the Soviet argument completely ignores the provisions of their own constitution whereby all questions of foreign policy, etc., are centered in the Soviet Government. When Wilgress

²⁶H. Wrong.

²⁷Note marginale:

²⁷Marginal note:

What about External Affairs? K[ING]

made this point to Molotov he answered that they were themselves the best interpreters of the Soviet constitution.

We have asked Wilgress to telegraph his views on the current situation as revealed by this communication. I doubt that there is any further action which we should take at the moment. If the Soviet Government agrees to an exchange of Ambassadors this may do something to clear the issue. I think also that unless the position has changed it might be desirable for you to take the question up with Mr. Gousev's successor here (he has not yet been nominated) very shortly after his arrival as this would be a good way of impressing on him and on his Government the importance which we attach to the complete recognition of our international status.

554.

DEA/5842-40

*Le ministre en Union soviétique au secrétaire d'État
aux Affaires extérieures*

Minister in Soviet Union to Secretary of State for External Affairs

TELEGRAM 269

Moscow, November 15, 1943

SECRET. Your telegram No. 156 of November 13th¹. Commission on War Crimes. Soviet memorandum received by British Embassy on eve of Conference²⁸ and although marked for Officer²⁹ and me matter was overlooked in the confusion of the Conference.

2. I have now received letter from Vyshinsky dated November 11th¹ enclosing aide-mémoire¹ in reply to aide-mémoire which I left with Molotov on September 9th³⁰. This is long and difficult to summarize so unless you instruct otherwise I will only describe it briefly in this telegram and will send full translation by mail.

3. Aide-mémoire repeats arguments contained in memorandum submitted to the United Kingdom Government on October 18th¹ and contains statements which we cannot allow to go by default. Claim is made that Federated Republics are Sovereign States and that their participation in international organizations is permissible under Soviet Constitution. Burden of argument is that British Dominions comparatively recently commenced to participate in international organizations without any Constitutional Act, therefore Federated Republics should be permitted to do likewise. Soviet Union did not object to such participation by British Dominions, therefore Canada should not deny right of Federated Republics to participate.

4. A translation of one paragraph of aide-mémoire is given in my immediately succeeding telegram.

²⁸ La Conférence de Moscou du 19 au 30 octobre.

²⁸ Moscow Conference, October 19-30.

²⁹ Chargé d'affaires d'Australie en Union soviétique.

²⁹ Chargé d'Affaires of Australia in Soviet Union.

³⁰ Voir le document 550.

³⁰ See Document 550.

5. My view is that we should confine ourselves to rebutting arguments of aide-mémoire with a view to establishing our international position and right to participate without reservation on the War Crimes Commission. Under no circumstances should we question right of Federated Republics to participate since this is a matter best left with the United Kingdom Government.

6. My understanding is that Commission is sitting in London with Canada participating but without Soviet Union. Latter will refrain from participation until question of Federated Republics is cleared up.

7. United Kingdom view is that Soviet Union sees in this question an opportunity to secure recognition of their western frontier and of incorporation of Baltic States in Union. Eden discussed question briefly with Molotov during Conference and when latter raised participation of Federated Republics Eden replied simply that this gave rise to many questions. Ends.

555.

DEA/5842-40

*Le ministre en Union soviétique au secrétaire d'État
aux Affaires extérieures*

Minister in Soviet Union to Secretary of State for External Affairs

TELEGRAM 270

Moscow, November 15, 1943

SECRET. My telegram No. 269, paragraph 4, following is translation of paragraph, Begins: "The Soviet Federated Republics are Sovereign States to no less a degree than the British Dominions, having each the right of independently and without any kind of ratification whatsoever, to establish their own constitution, controlling their own territory, having their own autonomous citizenship and possessing right to secede from the Soviet Union. The arranging of the means of realizing their sovereignty depends entirely on agreement between Federated Republics and the Soviet Union."

556.

DEA/4060-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1077

London, December 8, 1943

SECRET. My telegram Circular D. 820 of October 20th[†]. My despatch Circular D. 97 of November 1st[†], War Crimes Commission.

1. Resolution adopted at inaugural meeting of October 20th expressing hope that Soviet Government would agree to participate in work of the Commission (see my telegram Circular D. 829 of October 2 1st[†], paragraph 2) was conveyed to Soviet Ambassador in London to whom record of the meeting was also communicated. Soviet Government have not responded and presumably propose to await reply on general principle of their claim to separate international

representation for the Union Republics. (See Soviet note of October 18th¹ enclosed in my despatch Circular D. 97).

2. We do not feel that arguments put forward in Soviet note can be accepted for following reasons:

(a) Soviet Constitution of 1936 expressly reserves to Union Government under Article 14 representation of Union Republics in international relations.

(b) It seems most unlikely that other Federal Governments e.g. United States Government, would admit right of 16 Union Republics to separate representation while United States has single vote in respect of 48 States.

(c) Acceptance of Soviet thesis would involve recognition of incorporation of Baltic States, etc., in Soviet Union by all Governments participating in International Commission.

3. His Majesty's representative, Moscow, considers that main motive behind Soviet Government's claim for separate representation for Union Republics is probably fear of being outvoted on a matter in which they are determined that very drastic action shall be taken and about which they feel other Governments may be less tough; wish to obtain backdoor recognition of incorporation of Baltic States, etc. in U.S.S.R. he considers, at most, a secondary motive.

4. In all the circumstances our view is that best course would be that any further reply to Soviet claim should not come from us alone but that question should be one for all Governments represented on the Commission to deal with. We consider that this would be best calculated to avoid causing Soviet Government to advance similar claim in connection with other International Commissions to participation in which they may attach more importance than in case of War Crimes Commission. We are putting this view also to United States Government and should be glad to learn also whether Dominion Governments agree with it.

5. If this view is accepted there is no alternative to allowing War Crimes Commission to proceed with its work without Soviet participation. Soviet Government would, however, be kept informed of the Commission's activities and decisions in the hope that Soviet procedure may, as far as possible, be assimilated to that of the Commission. It will be necessary to explain to other Allied Governments represented on the Commission reason for absence of Soviet representative.

6. We propose accordingly to consult with United States Representative on the Commission and Sir Cecil Hurst³¹ informally as soon as possible on the following points:

(a) How best to bring the other Allies represented on the Commission the Soviet Government's views as to participation in the work of the Commission and their claims to separate representation for the Union Republics.

(b) How to convey the views of the Governments represented on the Commission on this subject to the Soviet Government.

³¹ President, Commission sur les crimes de guerre. ³¹ Chairman, War Crimes Commission.

(c) Arrangements for keeping the Soviet Government currently informed of the work of the Commission.

(d) The question of inviting the various United Nations Governments not represented upon the Commission to submit to it information regarding war crimes against their own nationals.

Should be glad if you would inform us whether you would wish to participate in these informal discussions through High Commissioner in London. If so we shall, of course, be very happy to arrange this.

An early reply to this telegram would be appreciated.

557.

DEA/4060-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 197

Ottawa, December 17, 1943

SECRET. Addressed Secretary of State for Dominion Affairs No. 197, repeated Australia No. 14, New Zealand No. 15 and South Africa No. 12. Your telegram D. 1077 of December 8th. War Crimes Commission.

1. We should be glad for arrangements to be made for Canadian High Commissioner to participate in consultations proposed in paragraph 6 of your telegram.
2. We are in general agreement with your statement of the position and with your proposed course of action. We think that there are strong arguments in favour of separating Soviet procedure for investigation of war crimes from procedure of other United Nations. It is clear that Soviet conception of justice in this connection will differ from that held in British Commonwealth, United States and Allied countries of Western Europe. To attempt close coordination of procedure through the War Crimes Commission may further complicate a very difficult problem and may lead to new differences of view with the Soviet Government which would have undesirable political repercussions. As they have already instituted their own tribunal and have refused establishment of a panel of the War Crimes Commission in Russia we think they might be allowed to go their own way without renewed effort on our part to secure their membership on the Commission. Their claim for representation of constituent republics is based on indefensible arguments about which it is impossible to compromise.
3. If continued non-participation of the Soviet Government in the Commission is accepted as a desirable policy in itself, it will not be necessary in replying to the Soviet Government's memorandum to deal at any length with their constitutional claims.

558.

DEA/4060-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2281

Ottawa, December 17, 1943

SECRET. War Crimes Commission. You will have seen Dominions Office telegram D. 1077 of December 8th and our reply No. 197 of December 17th which will provide you with general instructions for your guidance in proposed discussions with United States representative on the Commission and Sir Cecil Hurst. It seems to us that Soviet claim for direct representation of constituent republics on the Commission should be treated as an isolated instance in which a most unusual demand has been advanced for special reasons. Soviet Government is most unlikely to withdraw this demand but it may still be hoped that they will not raise the question in other connections. The Commission has a most difficult and thankless task and there is much to be said for welcoming Soviet abstention. If this view is shared by other Governments represented on Commission, the aim should be to close the incident by leaving matters as they are, with Soviet Government outside the Commission and the Commission organized to pursue its work.

PARTIE 3/PART 3

COMMERCE ET FINANCES INTERNATIONAUX
INTERNATIONAL TRADE AND FINANCE

559.

DEA/1749-E-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 30, 1941

Reference D[ominions] O[ffice] Telegrams D.591 and 592 of Sept. 30³² D.753 and 754 of Dec. 20¹ D.765, 766 and 767 of Dec. 24¹.

This series of telegrams from the United Kingdom Government summarizes the discussions which have been taking place between the United Kingdom and the United States looking to the conclusion of an Agreement which would clarify and define the "consideration" which the United States is asking for in return for Lease-Lend assistance. What the United States wants is an undertaking now that the United Kingdom will cooperate with the United States in

³² Voir le volume 7, documents 643 et 644.

³² See Volume 7, Documents 643 and 644.

pursuing a liberal international economic policy after the war. The United States regards the abolition of import discriminations as an essential objective for workable post-war economic arrangements. The United Kingdom is reluctant to accept this objective in terms at this time because it feels that it implies the ultimate abandonment of the right of Empire countries to grant each other exclusive trade preferences.

The United States is pressing very hard for the early acceptance by the United Kingdom of their revised draft of Article 7 (see para. 3 of attached note). They attach the highest importance to reaching an agreement in principle with the United Kingdom on this question before Congress is asked for a third Lease-Lend appropriation some time in January. The United Kingdom Government is still unhappy about the United States redraft, though it recognizes that it is very much more acceptable than the original United States draft submitted in September³³. It has instructed the British Ambassador in Washington to endeavour to get the United States Government to agree to the two Governments going ahead with the direct substantive conversations envisaged in sub-paragraph 2 of the United States redraft, without insisting on prior agreement about the ultimate objectives of the two countries' international economic policy. These conversations would involve prior consultation between the Governments of the British Commonwealth, which would "also be of a general character requiring no final decision on Imperial preference or any other large issue".

Lord Halifax has informed his Government that he is most reluctant to approach the United States in the sense of these instructions until the matter has been further considered. He thinks such an attitude on the part of the United Kingdom so shortly after the United States has come into the war would have a "most deplorable and perhaps long-lasting effect on relations between them." He argues very cogently I think in favour of accepting the United States draft now, subject to the understandings about United States policy which he has received from Mr. Acheson of the Department of State and which are being confirmed by Ambassador Winant in London. London is apparently not entirely convinced by Halifax's argument, but agrees that Article 7 might be acceptable if the United Kingdom and the United States could get together on an agreed explanation of its applicability to the question of Imperial preference which could be made public in both countries at an early date. In the circumstances the United Kingdom Government suggest that Halifax take the question up directly with Churchill and ascertain his views as to the practicability of securing an agreed interpretation of the position respecting Imperial preferences. The latest telegram in the series from London states:

"Of course we could not in any case commit ourselves without previous consultation with the Dominions to a policy of putting future Imperial preferences in the melting pot. If a satisfactory interpretation were agreed, however, it would make it very much easier to carry on our consultations with the Dominions to finality, and we should hope to be able to reach early agreement with them as to the course to be pursued".

³³ Voir le volume 7, document 644.

³³ See Volume 7, Document 644.

The question at issue in these negotiations is a very big and important one which concerns a great many other countries than those directly identified with the United Kingdom-United States negotiations. On the one hand it concerns all the countries of the Commonwealth which give and get exclusive Imperial preferences. Clearly, if the United Kingdom is not to be in a position to grant exclusive tariff preferences, other parts of the Empire will not be able to continue granting tariff preferences to the United Kingdom. On the other hand, these negotiations will affect the international economic position of all countries now excluded from trading in Empire markets on terms as favourable as those accorded to other Empire countries. The interests of all our Allies, particularly of those with colonial possessions like the Dutch and Belgians, and of the countries of South America, are in more or less degree identified with those of the United States in pressing for the abolition of discriminatory treatment.

Canada's special interest in respect of these negotiations is different to that of other parts of the Commonwealth in that this country is not a direct beneficiary of Lease-Lend assistance, and is not a member of the sterling area. We have a certain interest in perpetuating whatever preferred marketing positions we can hope to maintain after the war. At the same time, I think we have a greater interest in supporting the main objectives of American international economic policy. As Acheson pointed out to Lord Halifax, the United States proposals recognize the primary importance of increased economic activity, both national and international, in employment, production, consumption and exchange of goods. It is against this background and in conjunction with it that there are added the objectives of the elimination of discriminatory treatment, reduction of tariffs and the achievement of other economic objectives of the Atlantic Charter. They recognize explicitly that a liberalization of commercial policy is a question that requires action by all participants and that high standards of productivity and consumption will be required to succeed in it.

We have been worried about the disposition on the part of the United States to determine, by bilateral negotiations with the United Kingdom, questions of policy intimately affecting us. Under present circumstances, however, I do not think we would be justified in pressing our objections on this score to the point of imperilling the direct negotiations between the United Kingdom and the United States. There is, I think, a considerable block of opinion in the United Kingdom ready to see these negotiations fail, and to ascribe the United Kingdom's inability to reach agreement with the United States to the paramount necessity of preserving preferential trade relations with the Dominions. All things considered, including the practical impossibility of putting any kind of price on the value of particular post-war preferences, I am inclined to think we should let the United Kingdom and the United States know that we are glad to see them trying to work out new arrangements governing international trade which would be of so broad a character as to make the continuance of Imperial preferences unnecessary to protect the commercial interests of the Commonwealth.

It is quite likely there will be a wave of nationalistic sentiment in the United States and also probably in the United Kingdom. There is something in the idea

that these Lease-Lend negotiations could be used in order to secure an agreement helpful in resisting the onset of post-war economic nationalism.

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du sous-secrétaire d'État aux Affaires extérieures
Memorandum by Under-Secretary of State for External Affairs

SECRET

[Ottawa,] December 30, 1941

DRAFT TEXT OF ARTICLE VII OF PROPOSED UNITED KINGDOM—
UNITED STATES LEASE-LEND AGREEMENT

1. *Original United States Draft.* (Dominions Office Circular D.592 of September 30th).

The terms and conditions upon which the United Kingdom receives defence aid from the United States of America and the benefits to be received by the United States of America in return therefor, as finally determined, shall be such as not to burden commerce between the two countries but to promote mutually advantageous economic relations between them and betterment of world-wide economic relations; they shall provide against discrimination in either the United States of America or the United Kingdom against importation of any produce originating in the other country; and they shall provide for formulation of measures for achievement of these ends.

2. *United Kingdom Counter-Draft.* (Dominions Office Circular D.591 of September 30th).

The terms and conditions upon which the Government of the United Kingdom receives defence aid from the Government of the United States of America and benefits to be received by the United States of America in return therefor, as finally determined, shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them; they shall provide for joint and agreed action by the United States and the United Kingdom, each working within the limits of their governing economic conditions, directed to securing as part of a general plan the progressive attainment of balanced international economies, and avoidance of harmful discriminations, and generally economic objectives set forth in the Joint Declaration made by the President of United States of America and the Prime Minister of the United Kingdom on August 12th, 1941³⁴.

And furthermore it is agreed that at an early convenient date conversations should be begun between the two Governments with a view to discussing best means of attaining the above objects and generally better ordering of economic intercourse between nations in the future conditions of settled peace.

3. *United States Redraft.* (Dominions Office Circular D.754 of December 20th).

³⁴ La charte de l'Atlantique. Voir volume 7, document 327.

³⁴ The Atlantic Charter. See Volume 7, Document 327.

(1) In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for aid furnished under Act of Congress of March 11th, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and betterment of world-wide economic relations. To that end they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to expansion by appropriate international and domestic measures of production, employment and exchange and consumption of goods which are the material foundation of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce and to reduce tariffs and other trade barriers; and in general to the attainment of all economic objectives set forth in the Joint Declaration made on August 12th, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

(2) At an early convenient date, conversations shall be begun between the two countries with a view to determining, in the light of governing economic conditions, the best means of attaining the above stated objectives by their own agreed action, and of seeking agreed action of other like-minded Governments.

560.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, February 18, 1942

U.K.-U.S. LEASE-LEND CONSIDERATION AGREEMENT—
 INTER-IMPERIAL PREFERENCE

1. THE PRIME MINISTER read a memorandum from the Under-Secretary of State for External Affairs reporting the course of recent discussions between the U.K. and U.S. governments concerning the proposed Lease-Lend Consideration Agreement. A British suggestion that signature of the Agreement be accompanied by an exchange of notes, reserving inter-Imperial preferential arrangements from the undertaking to work for the abolition of discriminatory commercial treatment, had met with an unfavourable reception, and the U.S. government urged strongly the psychological importance of concluding the Agreement without any such reservation in respect of Article 7. The United Kingdom had, therefore, come to the conclusion that the Agreement, as it stood, should be signed, at once, and had asked whether the Dominion governments had any objection.

In the circumstances, it was not felt that Canada could object, and a draft telegram to that effect had been prepared for despatch to the U.K. government.

(External Affairs memorandum, February 14, 1942¹, attached draft telegram, and further memorandum of December 30, 1941.)

2. MR. KING said that the Australian government were agreeable; indeed, they now urged early conclusion of the Agreement on general grounds of British-American collaboration. Canada could hardly do otherwise in the circumstances and it was, therefore, recommended that the U.K. government be informed of Canadian concurrence in the terms of the draft telegram submitted.

3. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS explained that the Agreement provided that materials supplied under Lease-Lend, and consumed, would be wiped off the slate; what remained after the war would be returned.

4. The War Committee approved the course recommended and agreed to the despatch of the draft telegram submitted.

561.

W.L.M.K./Vol. 333

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 52

Ottawa, February 19, 1942

MOST IMMEDIATE. MOST SECRET. Following from Prime Minister for your Prime Minister, Begins: Your telegram Circular D.86 of February 13th¹. In all of the circumstances which have been very fully set out in your telegram under reference and earlier telegrams, and in view of the firm assurances which have been received from the United States about the mutual character of the adjustments to be made in realizing the objectives set forth in Article 7 of draft Lease-Lend Agreement, my Government does not see any objection to the United Kingdom proceeding immediately with arrangements for signature outlined in your telegram³⁵. Ends.

562.

DEA/6000-D-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 259

London, May 22, 1942

SECRET. 1. Before leaving some weeks ago for Washington, the United States Ambassador in London had a number of informal talks here. Ambassador said

³⁵ L'accord fut signé à Washington le 23 février 1942. Pour le texte de l'accord voir Appendice 5 dans États-Unis, *Seventh Report to Congress on Lend-Lease Questions for the Period ended December 11, 1942* 77^{ème} Congrès, deuxième série, document de la Chambre N° 904. Washington, D.C.: U.S. Government Printing Office, 1942, pp. 33-36.

³⁵ The agreement was signed in Washington on February 23, 1942. For text of agreement see Appendix 5 in United States, *Seventh Report to Congress on Lend-Lease Questions for the Period ended December 11, 1942* 77th Congress, Second Series, House Document No. 904. Washington, D.C.: U.S. Government Printing Office, 1942, pp. 33-36.

that while in the United States of America he proposed to ask his Government to send to London as soon as possible a small team of experts to pave the way for the conversations provided for in Article VII of the Mutual Aid Agreement³⁶. The Ambassador has now returned and has informed us that his proposal has met with the agreement of his Government but that they are not in a position to send a team of experts immediately, though they hope to do so in near future.

2. United States Ambassador has emphasized that the President is averse from anything in the nature of a formal conference at this stage as this would inevitably give rise to unhelpful publicity. He has therefore suggested that if a United States team comes to London it should be with the ostensible and perfectly natural purpose of seeing at first hand the workings of the Government departments here concerned with finance and trade just as other United States experts have visited this country to see the workings of our Ministries of Economic Warfare, Food, etc. No allusion would be made here to the connection between the experts' visit and the Mutual Aid Agreement.

3. We welcome and agree with Mr. Winant's proposals and have informed United States Government that we hope suggested preliminary talks between experts may be begun in the near future, it being understood that at this stage the talks would be informal, exploratory and non-committal. See my immediately following telegram¹ containing text of instructions sent to His Majesty's Ambassador at Washington.

4. The purpose of the talks would be to survey the whole field of post-war international economic reconstruction, to define in broad outline the problems which will confront us and to determine if possible the methods of approach which seem best calculated to facilitate a solution of these problems. Any conclusions reached by the experts in these informal and exploratory conversations would be submitted to the two Governments for consideration as a basis for the opening of more official discussions and would be communicated by us to His Majesty's Governments in the Dominions in order that there might be full consultation between us before further conversations were undertaken. Discussion with the Russian and other Allied Governments might also be desirable at that stage with a view to securing their general co-operation in any broad plan that might seem likely to emerge.

5. We have given preliminary consideration to the nature of the instructions which we should give to our experts in the talks. As the conversations would be purely exploratory and as there would be no question of our experts committing the United Kingdom Government in any way at this stage, we propose to give them the maximum latitude and discretion to discuss all possible lines of action which appear to them to be worth exploring. On the other hand they must have a degree of permissive authority for what they say and we have therefore approved of their putting forward for discussion certain views and suggestions on the following particular topics which are likely to be raised on either side:

(a) The possibility of international currency arrangements on new lines so as to facilitate multilateral arrangements, the stabilization of the exchange ar-

³⁶ Voir les documents 559 et 561.

³⁶ See Documents 559 and 561.

rangements to look after debtor balances arising out of foreign trade and above all the exercise of an expansionist rather than a contractionist pressure on world trade generally;

(b) Proposals put forward unofficially in the United States for an International Economic Board and an Anglo-American Investment Board or some variant of this plan;

(c) The question of the maintenance of exchange control excluding control over movements of capital after the war;

(d) Our experts are also considering means of attempting to establish an international organisation for steadying the prices of primary products and holding buffer stocks, thus providing countries producing such products with a steady flow of overseas purchasing power in years of strong and weak demand equally;

(e) Preliminary exchanges of view arising out of the reference in Article VII to the diminution of forms of discriminatory treatment in international commerce and the reduction of tariffs and other trade barriers must of course also take place;

(f) Another question likely to be raised is that relating generally to nutrition including proposals for the relaxation of agricultural protection, encouragement of higher standards of consumption, improvement of livestock and the diminution of cereal production by the substitution of other output.

6. Our preliminary views on some of these topics are briefly indicated in my telegram Circular D.261.

7. From the views expressed by Dominion Governments when they were consulted on the terms of the Mutual Aid Agreement, we feel confident that they will be glad to hear of the initiative taken by the United States Ambassador in proposing that these informal talks between the United States and United Kingdom experts should be set on foot. We trust also that Dominion Governments will appreciate the reasons leading us to the conclusion that our experts should be given the fullest discretion at this stage, on the understanding that there will be no question of any commitment on either side. An unrestricted survey of the problems and possibilities on the basis proposed will, we are confident, do much both to clear the ground and to provide us all with preliminary data on which to base a fuller exchange of views. It will also give us, we hope, a most useful indication of trends of thought in the United States and of the most promising directions in which we can jointly bend our energies when the stage for Governmental discussions is reached. While therefore we do not ask that His Majesty's Governments in the Dominions should associate themselves at this stage with any of the preliminary suggestions which we have agreed to our experts bringing into the general discussion, we hope that they will share our view that the holding of such talks should prove to be a valuable step towards the clarification of the far-reaching issues involved.

8. We have carefully avoided giving to the United States administration, whether formally or informally, any indication in advance of the conversations of the subjects we have been turning over in our minds. It may well be that the

United States experts will themselves put forward ideas somewhat akin to those in our minds and that discussions will mainly centre round these ideas. In any case we think it important that the conversations should attract no publicity whatever and we feel sure that we may rely upon the co-operation of Dominion Governments to this end.

563.

DEA/6000-D-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 261

London, May 22, 1942

SECRET. My telegram Circular D. 259. Improvement of the Organisation for the Settlement of International Obligations.

1. There is great need for a new or improved system of organisation for the settlement of international balances on current account. Such a system would not of itself rectify the disequilibria from which the world is likely to suffer at the end of the war, but it would provide a medium which, in conjunction with other agencies and actions, would give the best chance of a prosperous world.

2. A good deal of study has recently been given in this country and elsewhere to possible form of such an organisation. It is interesting to note that Mr. Feis of the United States State Department recently sketched a plan rather of this character in the January issue of the American publication *Foreign Affairs*. He expressly disclaimed any Governmental authority for it and we do not know whether it will figure in the conversations.

3. Meanwhile the Treasury experts here have been thinking on similar lines and have drawn the outline of a plan for a new organisation which aims at substituting an expansionist for a contractionist pressure on world trade generally and which might be styled for short an International Clearing Union. Its object would be to provide in the international sphere an organisation which would perform for participating States the functions performed for individuals by the ordinary banking system i.e., the clearing of accounts debit and credit, between different customers and the provision of overdrafts for those who need them. The suggestion would be that the principal countries of the world would adhere to this Clearing Union which would have the function of settling international balances of payments by credits and debits in a new international monetary unit having a specified gold equivalent.

4. The Clearing Union would be a centre round which other international agencies could gather. It would provide convenient means for financing post-war relief, international development schemes and commodity control schemes. It could co-operate also in schemes to control the trade cycle and thus secure the maximum degree of employment.

5. The details of such a scheme can be filled in a variety of ways. It is rather the general conception which is important. We think it unnecessary to attempt at this stage to form any final judgment on the practicability or desirability of a

plan of this character. We propose to let our representatives bring it forward in such a way as may seem expedient. It would be a basis for discussion and exploration designed especially to focus attention on the need for improved methods for the settlement of international balances.

Unofficial United States proposals.

6. Professor Hansen and Professor Gulick have put forward in the United States plans for attaining some of the economic objectives in the Atlantic Charter. They propose an International Economic Board with research staffs in various centres to advise collaborating Governments in regard to international policy to promote full employment, a rising standard of living etc. They have also a more ambitious proposal for the revival of international lending through an international corporation. We do not know in what form proposals of this general character may be suggested by the United States experts and we are awaiting further information rather than attempting to frame any proposals of our own.

Maintenance of exchange control after the war.

7. The declarations in the 4th and 5th paragraphs of the Atlantic Charter and Article VII of the Mutual Aid Agreement are especially concerned with expansion of production, interchange of goods and improved labour standards, but at the outset any new policies will have to be applied in a period of unexampled economic difficulty in the external sphere. We shall start the peace with great liabilities and with small reserves to meet what may well be a very serious deficit in our balance of payments.

8. Exchange control may be used

- (a) For the regulation of current trade transactions;
- (b) For the control of capital movements.

Utilisation of exchange control in connection with (a) can be highly discriminatory and the objective must therefore be to relax or eventually to abolish its use for this purpose. But maintenance of control for the purpose of (b) appears desirable since there seems little prospect that in the immediate post-war period such complete security will be restored as to eliminate economic and political distrusts giving rise to speculative movements of capital which were so disruptive in the nineteen thirties and which ended in the United States becoming the depository of the main part of the world's stock of monetary gold. The regulations necessary to prevent private investment on foreign stock exchanges and private subscriptions to foreign loans on a scale inconsistent with the state of our balance of payments cannot be fully effective in the absence of postal censorship but will need to be maintained as adequately as circumstances permit. From our point of view it would be desirable though it may well prove impracticable that the United States should also establish a regulative system.

Primary products and buffer stocks.

9. We hope to be in a position to communicate to Dominion Governments soon the results of the consideration we are giving to this question.

Barriers to international trade.

10. We think it probable that the United States experts will wish to discuss the

use of particular devices such as protective tariffs, preferences, import quotas, anti-dumping duties, export subsidies, centralised purchase of staple commodities and bilateral payments agreements. Whether the ambitious schemes mentioned above are adopted or not we think it doubtful whether we or many other countries could afford entirely to forego all such forms of control of trade without grave risk of economic and financial collapse and without reversing the probable trend of our domestic social policy. The United States may equally need to avoid committing themselves not to use such devices and we hope to ascertain their preliminary views. On our side while emphasising our desire to work towards the restoration of a system of multilateral trade, we propose to explain the dimensions of our special problem and to discuss the intrinsic difficulties involved in the possible elimination of safeguarding devices. If it should appear that a substantial clash of views is likely to arise all question of the formal commitments we could afford to enter into on this subject would be deferred until after exploration of the constructive economic arrangements and new international institutions or practices which might be established after the war. To the extent that discussion of Imperial preference may be necessary at this early stage, discussion by our representatives of this, as of other topics, would be entirely *ad referendum*.

Nutrition.

11. At present there is little evidence of the nature of probable proposals in the field of nutrition.

564.

DEA/6000-D-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 383

London, August 26, 1942

SECRET. My telegram Circular D. 259 of May 22nd. Owing to difficulties on the United States side it has been impracticable so far for proposed informal and non-committal talks with United States experts about post-war economic policy to take place and we think it possible that they will have to be deferred until after the elections in November.

We feel, however, that this delay can be turned to good account since it will we hope give us an opportunity for an informal exchange of views and ideas with Dominion authorities before the talks with the United States experts begin. Such a pooling of ideas would we feel be most valuable even though at the present time, before we have any indication of how the United States delegates are likely to approach the large issues involved, any discussions would necessarily be of a general and exploratory character. The question of post-war economic policy is however so complex that it would, we feel, be difficult in the time available to achieve the object we have in mind by exchanges of telegrams and documents and we feel therefore that Dominion Governments will share our view that the most fruitful way of pressing forward with the preliminary survey

of the various problems would be by means of direct discussion. For this purpose we should like to suggest that it would be to our mutual advantage if one or two high officials or experts from each of the Dominions could come to London in the near future for an informal exchange of views with our officials and experts who have been working on these problems. We do not of course intend that in the course of such discussions Dominion officials should be asked or authorised to commit their Governments in any way. Our purpose is rather that our respective officials and experts should talk over in a preliminary manner the general economic background against which our own policy and that of the Dominions will have to be considered in due course in relation to that of the United States.

If, as we greatly hope, this suggestion should be acceptable to Dominion Governments we should endeavour to make arrangements for the meeting of Dominion representatives to take place some time about the end of September. The idea would be that the exact date should be fixed according to the convenience of the Commonwealth and New Zealand Governments whose representatives have furthest to travel.

We very much hope that Dominion Governments will be willing to cooperate in plans for such a meeting and an early reply would be greatly appreciated.

565.

DEA/6000-D-40

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures³⁷
au Premier ministre*

*Memorandum from Assistant Under-Secretary of State for External Affairs³⁷
to Prime Minister*

[Ottawa,] September 3, 1942

I believe Robertson had a talk with you last week about our participation in proposed exploratory talks in London on post-war economic policy. These were suggested in circular telegram D.383 of August 26th, of which I enclose a copy for reference. I also attach a copy of Massey's telegram No. 2176 of August 28th¹, suggesting that the sending of officials from Canada for these talks is unnecessary. Despite Massey's views, I think there is a great deal to be said for having a couple of people from Ottawa go to London for the talks. Clark shares this view; his only doubt is whether these talks might give the impression of the creation of a Commonwealth front before the United Kingdom-United States talks begin, after the November elections in the United States.

I attach, for your approval, draft replies to the Dominions Office³⁸ and to

³⁷ H. Wrong.

³⁸ Voir le document suivant.

³⁸ See following document.

Massey¹. You will note that I have tried to deal with Clark's point, which is a good one, in the telegram to the Dominions Office.

Clark would be the best man to go on our side, but he tells me that he is much concerned over his health, and does not feel able to accept. He hopes to take a holiday soon and there is an outside chance that after this he might be able to go. If he does not go, Mackintosh could go. As Mackintosh is the Canadian Chairman of the Joint Economic Committees, he is very familiar with current ideas in the United States on post-war policy. Robertson thinks that Keenleyside or myself should go from this Department. I gather from him that you felt that there should be no representative from the Committee on Reconstruction; Malcolm MacDonald tells me that he has had a telegram from London urging that those sent should be Departmental officials and not outside experts or bankers.

Do you wish the question to be discussed in the War Committee? London has asked for an early reply so that a date for the meeting can be set.³⁹

566.

DEA/6000-D-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 189

Ottawa, September 5, 1942

Your telegram Circular D.383 of August 26th.

We are prepared to send officials to London to participate in the proposed informal talks on post-war economic policy. We note that it is not intended that Dominion officials should be asked or authorized to commit their Governments in any way in these discussions. It would be most unfortunate if any impression were to be created that an attempt was being made to establish a common Commonwealth front before your talks with the United States begin. There have already been prolonged discussions between officials of Canada and the United States on this general question, conducted mainly through the medium of the Joint Economic Committees. The proposed Commonwealth discussions in London must, from our point of view, be complementary to our direct talks with United States officials.

I shall inform you of the names of the Canadian representatives when the date of the meeting has been set. It is intended that they should be departmental officials and not experts from outside the Government Service.

³⁹ La note suivante était écrite sur ce mémorandum:

³⁹ The following note was written on the memorandum:

The P[ri]m[e] M[in]ist[er] approved the despatch of the tel[eg]ram on Sept[ember] 5. H. W[RONG]

567.

DEA/6000-D-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 198

London, October 1, 1942

IMMEDIATE. SECRET. My telegram No. 194 of September 19th[†], post-war economic talks. We are not yet able to confirm whether third week in October will be practicable for other Governments, but in meantime it may be useful for your Government to receive a clearer indication of the agenda of the proposed conversations than was possible at the date when telegram Circular D.383 of August 26th was sent. Since the despatch of my telegram Circular D. 259 of May 22nd which outlined in general terms the nature of the instructions we should give to our experts in the conversations which were at that time anticipated, proposals have been prepared by the Treasury in regard to the group of topics referred to in paragraph 5 (a) of that telegram under the general description of "Proposals for an International Clearing Union" for establishing a new system of international currency associated with gold for post-war purposes. These proposals which have received Cabinet approval as a basis for informal discussion with the United States authorities are all of a far-reaching character and are being discussed at an early stage of consideration of post-war policy because if adopted they will provide a pivot around which much else could turn. Although, as stated in my telegram Circular D. 383, it has so far been impracticable for the preliminary conversations to take place, there has been some informal and unofficial discussion between Sir F. Phillips and the United States Treasury and State Department. In the course of these discussions, a document outlining these "Clearing Union" proposals has been communicated to the United States Treasury and the State Department in Washington informally but with the indication that if circumstances had not delayed the opening of the discussions foreshadowed in Article VII of the Mutual Aid Agreement these proposals would have been put forward as a basis for discussion officially. They are now under preliminary and informal discussion between Sir F. Phillips and the American Departments and we understand that their reception has on the whole been sympathetic. It would therefore be particularly valuable before we proceed to a further stage in discussion with the United States, which is likely to take place after the American elections, to have more intimate consultation on the proposals with representatives of the Dominions as we have proposed at an informal level and without the commitment of any Government being involved. There are certain other matters which we may also be ready to discuss with Dominion representatives, in particular methods by which prices of primary products might be stabilized. But these are not so far advanced as the proposals for the Clearing Union.

568.

DEA/1843-J-40

Le ministre des États-Unis au sous-secrétaire d'État aux Affaires extérieures
Minister of United States to Under-Secretary of State for External Affairs

Ottawa, October 2, 1942

Dear Norman [Robertson],

Perhaps the attached notes of our talk this morning may help you in preparing your memorandum.

Yours,

PIERREPONT MOFFAT

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du ministre des États-Unis
Memorandum by Minister of United States

Ottawa, October 2, 1942

MEMORANDUM OF CONVERSATION WITH MR. NORMAN ROBERTSON,
 UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS

I had a very serious talk this morning with Norman Robertson and pointed out the bewilderment felt in Washington at Canada's reluctance to sign the exchange of notes embodying the economic objectives that should govern post-war talks based on Article 7 of the master Lease-Lend Agreement⁴⁰. We were bewildered in part because the Canadian Government did not seem either to attach the same importance to this as did we, and partly because the delay in taking a position on something to which we did attach prime importance from June 26th to date seemed excessive.

I reminded Mr. Robertson that when I had first spoken to him in June he had pointed out that the Canadian Government could not yet decide whether to continue the present policy of being outside lease-lend or whether Canada should join the procession by signing a reciprocal lease-lend agreement. Mr. Robertson replied that this was still an open question. I countered by indicating that it might remain an open question for a long time to come. Furthermore, there was nothing inconsistent between signing Article 7 now and later signing a reciprocal lease-lend agreement. It might not be quite as neat a bit of procedure but between that and having Canada outside the line-up there was in our opinion no doubt but that it was better to move ahead at the moment.

Mr. Robertson reminded me that he had also pointed out that Article 7 was in the case of other nations given as a *quid pro quo* for lease-lend supplies. It would look, if Canada signed Article 7 alone, as though she alone were making a contribution without *quid pro quo*. I replied that Article 7 was certainly not a "concession" or a "contribution" on Canada's part, and suggested that he re-read the draft exchange of notes. It was a statement of economic objectives which Canada had already inferentially accepted but which for unaccountable reasons she seemed hesitant publicly to proclaim.

On July 21st I raised the subject again, only to be told that the Cabinet was so

⁴⁰ Voir le document 572.

⁴⁰ See Document 572.

busy at that moment with a series of highly controversial matters that consideration would have to be postponed for ten days to two weeks.

When next the subject came up Mr. Robertson was away on leave, and thus matters had gone [*sic*] and as far as I could make out very little real consideration had been given in highest quarters.

Mr. Robertson then referred to the coming U.S.-U.K. talks on post-war planning and pointed out that because of their postponement until after our elections the British had suggested, and Canada had accepted, a series of talks in London at the end of October on the upper civil servant level. Professor Mackintosh and Hume Wrong would leave for London shortly. A telegram had come in from London today⁴¹ indicating a desire to include in the latter some fairly concrete financial proposals; a financial expert might be added, but this had not yet been decided. Canada was not too happy about holding these talks before the U.S.-U.K. conversations. Canada was equally unhappy at direct U.S.-U.K. conversations from which she would be entirely excluded.

I said that far from seeming to me a reason for delaying a signature of Article 7 these impending British-Canadian talks made it more than ever imperative to sign in order that, to the public at least, we would all be working within the framework of the same publicly proclaimed objectives.

Mr. Robertson inquired why we were not satisfied with Canada's go ahead signal to Great Britain in February of this year⁴², together with Mr. King's statement giving the agreement signed on February 23rd his public blessing⁴³. I said that there was all the difference in the world between an official endorsement of an agreement reached between two other parties and a direct Canadian signature. No one could answer the question why Great Britain, Australia, New Zealand, etc., not to speak of a whole series of others among the United Nations, had signed this expression of post-war economic objectives whereas Canada had still declined to do so. We could not believe that there was any ulterior motive in Canada's hesitation, but the inference was inevitable that Canada did not attach the same importance to these objectives as did the rest of us. This was a most unfortunate inference. I could not help feeling that Mr. King had not as yet thought the thing through from the points of view I had raised and that he had been treating as a routine proposition something that all, but Mr. Hull in particular, considered of very deep import. Mr. Robertson did not controvert the latter statement but gave me his promise that he would take it up with Mr. King over the weekend, go over the pros and cons, and see that it was really studied in Cabinet.

⁴¹ Document 567.

⁴² Voir le document 561.

⁴³ Un communiqué à la presse avait été publié le 24 février 1942.

⁴² See Document 561.

⁴³ A press release had been issued on February 24, 1942.

569.

DEA/6000-D-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 207

Ottawa, October 3, 1942

Your telegram No. 198 of October 1st. Post-war Economic Talks.

1. Since discussions seem likely to center round proposals for International clearing union, it would be helpful for us to receive before Canadian representatives leave for England the document on this subject which Sir F. Phillips has communicated informally to the United States authorities.

2. Are we correct in understanding that the London talks are likely to be confined to the subjects set forth in paragraph 5(a) of your Circular D. 259 of May 22nd and possibly those in 5(d)?

3. It is known to the United States authorities in Washington that these Commonwealth talks are to take place and we are informed that certain quarters there may be interpreting them as attempt to confront United States representatives in later talks with common Commonwealth front. We feel such a development would be unhappy however unreasonable this interpretation may be. One method of avoiding it would be direct Canadian participation in the subsequent conversations with United States.

4. We shall telegraph names of Canadian representatives for London talks as soon as we receive further information on agenda and confirmation of opening date.

570.

DEA/1843-J-40

Adjoint spécial du sous-ministre des Finances au
sous-secrétaire d'État aux Affaires extérieures
Special Assistant to Deputy Minister of Finance to
Under-Secretary of State for External Affairs

Ottawa, October 5, 1942

Dear Mr. Robertson,

I have your letter of October 5th[†] enclosing the text of the United States suggestion for an exchange of notes[†] with Canada defining the objectives of our post-war international economic policy⁴⁴.

When we were discussing this matter the other night, I completely lost sight of the fact that Article 7 provides not merely a statement of objectives but also an agreement to enter at an early date into conversations. It appears to me that we might take advantage of this to make the agreement to enter into conversations the substantive part of the exchange, reducing the principles to a mere recital of what has been accepted.

⁴⁴ Voir le document 572.

⁴⁴ See Document 572.

Looking at it the other way, it may be quite undesirable that we should blow cold on this proposal since, in fact, the post-war conversations are likely to be based on Article 7, and we might seem to be rejecting an invitation to participate. In other words, we can think of this exchange of notes as a means by which a country not a Lease-Lend recipient may be brought into discussions which, technically, will occur out of Lease-Lend agreements. It seems to me highly probable that this is actually what was in the mind of the State Department.

I would suggest, accordingly, that the draft note be revised beginning at the third paragraph in some such fashion as follows:

"The Government of the United States has already agreed with the governments of the United Nations receiving aid from the United States under the Lease-Lend programme on cooperation in formulating a programme of agreed action, et cetera, et cetera.

"The Government of Canada has already approved these principles, and has agreed to facilitate their adoption. As between themselves, the Governments of Canada and the United States have agreed to provide mutual aid both in defence and economic matters through the Ogdensburg and Hyde Park Agreements. The Government of Canada itself is providing to the United Kingdom, and through the United Kingdom other United Nations, food, materials and munitions of war free of cost.

"Our Governments have, therefore, to a degree similar interests in post-war international economic policy, and reaffirm the principles which have already been approved with regard to post-war economic settlements. They undertake to enter at an early, convenient date into conversations between themselves and others with a view to determining, in the light of governing economic conditions, the best means of attaining these objectives by agreed action on the part of our two Governments and other like-minded governments; and as to the possibility of two contiguous countries, with a long experience of friendly relations, furnishing to the world concrete evidence of the ways in which agreed action towards such objectives may be achieved for the mutual benefit of our countries and of other countries."

Though the wording of the above is hasty, and it may be desirable to eliminate the reference to Lease-Lend, it seems to me that we could accomplish two things:

- 1) make the sort of move which Clark suggested⁴⁵; and
- 2) pin the United States down to including us in post-war conversations, if not in conference with the United Kingdom and others, at least bilaterally with the United States herself.

I think we should be very careful about rejecting a suggestion which involves an agreement to enter into conversations for we may later be complaining that we were left out of such conversations.

I am,

Yours very truly,

W. A. MACKINTOSH

⁴⁵ Probablement à la réunion du 2 octobre mentionnée dans le deuxième paragraphe.

⁴⁵ Presumably at the meeting of October 2 referred to in the second paragraph.

571.

DEA/6000-D-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 203

London, October 8, 1942

Your telegram No. 207 of October 3rd, post-war economic talks.

1. It has now been confirmed that end of third week of October is acceptable to other Dominion Governments and it is accordingly proposed that discussions should open here on Thursday, October 22nd.

2. We should be glad to learn names of Canadian representatives and hope they will regard themselves as our guests while they are here.

3. The subjects mentioned in paragraph 5(a) and 5(d) of my telegram Circular D. 259 of May 22nd are likely to be principal matters for discussion but other questions may be raised and the agenda will not necessarily be limited to these two items.

4. Necessary documentation is being prepared here for communication to Dominion representatives on arrival and this will include document on International Clearing Union which we feel would best be circulated in this way rather than in advance since a full understanding of its contents would hardly be possible without oral explanation and presentation of the general background.

5. We quite agree that it will be very important to avoid any impression in Washington that the talks are designed to confront the United States representatives with a common Commonwealth front. We are drawing attention of Sir F. Phillips to your comments on this point with a view to his removing any possibility of misunderstanding.

572.

W.L.M.K./Vol. 269

Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre

Memorandum from Under-Secretary of State for External Affairs
to Prime Minister

[Ottawa,] October 19, 1942

You will recall that Mr. Moffat spoke to you at the last Canadian Club luncheon about the proposed joint declaration by Canada and the United States in the field of international economic policy. Attached are —

(1) the draft note which the United States suggested that their Secretary of State should send to our Minister in Washington. An acknowledgment by him on behalf of the Canadian Government, concurring in this statement, would complete the joint declaration.

(2) a re-draft of the United States proposal which has been worked out in

consultation with the Departments of Finance, Trade and Commerce, Bank of Canada and the Foreign Exchange Control Board.

I saw no objection in principle to our subscribing to the proposed declaration of policy, but was a little worried about the misconstruction that might be put upon Canada accepting in terms a commitment which the other United Nations had given as a more or less direct *quid pro quo* for Lease-Lend assistance. You will note that the language of the United States draft follows with minor variations that used in Article 7 of the Lease-Lend Agreements.

Our counter-draft is intended to achieve the purposes which the United States had in mind in first proposing the joint declaration, and would at the same time differentiate the Canadian position from that of the beneficiaries of Lease-Lend assistance, and stress the special relationship between Canada and the United States which will continue to influence our post-war economic relationships⁴⁶.

N. A. R[OBERTSON]

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Projet de note du secrétaire d'État des États-Unis
au ministre aux États-Unis*

*Draft Note from Secretary of State of United States
to Minister in United States*

Sir,

I have the honor to set forth below my understanding of the conclusions reached in conversations which have taken place from time to time during the past year between representatives of the Government of the United States and the Government of Canada with regard to post-war economic settlements.

Our two Governments are engaged in a cooperative undertaking together with every other nation or people of like mind to the end of laying the bases of a just and enduring world peace, securing order under law to themselves and all nations. They agree that post-war settlements must be such as to promote mutually advantageous economic relations between them, and the betterment of world-wide economic relations.

To that end the Governments of the United States of America and of Canada are prepared to cooperate in formulating a program of agreed action, open to participation by all other countries of like mind, directed to the expansion by appropriate international and domestic measures of production, employment, and the exchange and consumption of goods which are the material foundations of liberty and welfare of all people, to the elimination of all forms of discriminatory treatment in international commerce and to the reduction of tariffs and other trade barriers; and in general to the attainment of all the economic objectives set forth in the joint declaration made on August 14, 1941, by the Presi-

⁴⁶ La note suivante était écrite sur ce mémorandum: ⁴⁶ The following note was written on the memorandum:

Draft being passed around for consultation and revision to be brought up later. 27-X-42 W. L. M[ACKENZIE] K[ING]

dent of the United States of America and the Prime Minister of the United Kingdom.

Our Governments will accordingly enter at an early convenient date into conversations with a view to determining in the light of governing economic conditions the best means of attaining the above stated objectives by agreed action on the part of our two Governments and other like-minded governments.

If the Government of Canada concurs in the foregoing I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

Accept etc.

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Nouveau projet de note du secrétaire d'État des États-Unis
au ministre aux États-Unis*

*Redraft of Note from Secretary of State of United States
to Minister in United States*

Sir,

I have the honour to set forth below my understanding of the conclusions reached in conversations which have taken place from time to time during the past year between representatives of the Government of the United States and the Government of Canada with regard to post-war economic settlements.

The United States of America has extended and is continuing to extend to the United Kingdom and other United Nations aid in resisting aggression pursuant to the Act of Congress of March 11th, 1941. Canada with the same object is providing to the United Kingdom and through the United Kingdom to other United Nations food, materials and munitions of war free of cost to the recipients.

Our two governments are engaged in a cooperative undertaking together with every other nation or people of like mind to the end of laying the basis of a just and enduring world peace, securing order under law to themselves and all nations. They have agreed to provide mutual aid both in defence and in economic matters through the Ogdensburg and Hyde Park Agreements and subsequent arrangements. They are in agreement that post-war settlements must be such as to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations.

To that end the Governments of the United States and of Canada are prepared to co-operate in formulating a program of agreed action, open to participation by all other countries of like mind, directed to the expansion by appropriate international and domestic measures of production, employment, and the exchange and consumption of goods, which are the material foundations of liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce and to the reduction of tariffs and other trade barriers; and in general to the attainment of all the economic objectives set forth in the joint declaration made on August 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

Our Governments have in large measure similar interests in post-war international economic policy. They undertake to enter at an early convenient date into conversation between themselves and with representatives of other United Nations with a view to determining in the light of governing economic conditions the best means of attaining the objectives set forth above by agreed action on the part of our two governments, and other like-minded governments. In the conversation to be undertaken between the Governments of the United States of America and of Canada they will seek to furnish to the world concrete evidence of the ways in which two neighbouring countries with a long experience of friendly relations and a high degree of economic interdependence may promote by agreed action their mutual interests to the benefit of themselves and other countries.

If the Government of Canada concurs in the foregoing statement of conclusions, I would suggest that the present note and your reply to that effect should be regarded as placing on record the understanding of our two Governments in this matter.

Accept etc.

573.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, October 28, 1942

U.S. DRAFT NOTE ON INTERNATIONAL ECONOMIC POLICY

12. THE PRIME MINISTER read a draft note, submitted by the Under-Secretary of State for External Affairs, to be addressed to the Canadian Minister in Washington by the U.S. Secretary of State.

It provided for Canadian approval of the principles set out in the joint declaration of August the 14th, 1941, ("the Atlantic Charter"), by the President and the Prime Minister of the United Kingdom, regarding co-operation in post-war economic policy. Canada and the United States were to enter into conversations at an early date between themselves and with other United Nations, with a view to determining the best means of obtaining the objectives set forth, namely the expansion of international and domestic measures of production, employment and consumption, and the elimination of discrimination in international trade.

(Draft note, Secretary of State of the United States to Canadian Minister, Washington, undated).

13. THE WAR COMMITTEE approved the terms of the draft note, agreeing, however, that no reference should be made to aid provided to the United Kingdom, and that the second paragraph should be omitted.

574.

DEA/1843-J-40

*Le sous-secrétaire d'État aux Affaires extérieures
au gouverneur de la Banque du Canada*

*Under-Secretary of State for External Affairs
to Governor of the Bank of Canada*

Ottawa, November 21, 1942

Dear Mr. Towers,

I am enclosing the latest revised draft of the note the United States Secretary of State plans to send our Minister in Washington, proposing a joint declaration by our two Governments of their general objectives in the field of post-war economic policy. This draft, which is acceptable to the United States, differs from that last circulated by —

(1) the deletion of what was then our second paragraph, which referred to the United States assistance to the United Nations under Lease-Lend and to Canada "providing to the United Kingdom, and through the United Kingdom to other United Nations, food, materials, and munitions of war free of cost to the recipients"; and

(2) the insertion in the last sentence of the fourth paragraph after "relations" of the phrase "a high degree of economic interdependence".

I raised with Moffat the desirability of stiffening the language of the general undertaking by inserting the phrases that Berle and Hawkins had used in their speeches on post-war international economic policy, reported in recent issues of the *Department of State Bulletin*⁴⁷ to which you had drawn my attention. He agreed that they would give a more positive and realistic character to the proposed statement of policy, but found after checking with Washington, that his Government was most anxious to keep the general language of the proposed agreement with Canada in exact conformity with the language used in the comparable agreements with others of the United Nations. They thought of the present agreement with Canada as completing a series and not an instrument in which they could break new ground.

In the circumstances and having in mind the desirability of concluding the exchange of notes fairly quickly, I think we should agree to the present draft, which closes no doors and leaves us free to take the next step forward as soon as the Government is ready for it.

Present plans are to have the exchange of notes concluded in time for release to the press on Wednesday, December 2nd, the day on which the Prime Minister is addressing the Pilgrims in New York. His speech that evening should be a

⁴⁷ Voir H.C. Hawkins, "British-American Trade Relations After the War." *Department of State Bulletin*, volume 7, 10 octobre 1942, pp. 818-24 et A.A. Berle, "The Realist Base of American Foreign Policy." *ibid*, volume 7, octobre 17 1942, pp. 831-5.

⁴⁷ See H.C. Hawkins, "British-American Trade Relations After the War." *Department of State Bulletin*, Volume 7, October 10, 1942, pp. 818-24 and A.A. Berle, "The Realist Base of American Foreign Policy." *ibid*, Volume 7, October 17, 1942, pp. 831-5.

useful opportunity to refer to the agreement and to make some of the supplementary points about Canadian and American economic relations which we would have preferred to have included in the exchange of notes itself⁴⁸. If you have any ideas as to what the Prime Minister could helpfully say on this phase of the subject on that occasion, I am sure he would be very glad to receive them.

Yours sincerely,

N. A. ROBERTSON

575.

DTC/Vol. 668

*Mémorandum du sous-ministre par intérim du Commerce
au ministre du Commerce*

*Memorandum from Acting Deputy Minister of Trade and Commerce
to Minister of Trade and Commerce*

SECRET

Ottawa, December 23, 1942

REPORT OF THE CANADIAN REPRESENTATIVES AT
THE POST-WAR ECONOMIC TALKS IN LONDON⁴⁹

The Canadian representatives at these conferences were Mr. Hume Wrong of External Affairs, Dr. W.A. Mackintosh of Finance, and Mr. L. Rasminsky of the Bank of Canada. The discussions were purely informal and the Canadian representatives made it clear that they were not in a position to do more than to participate in the discussions in a noncommittal way.

The United Kingdom was represented by officials of the Treasury, the Foreign Office, the Board of Trade, the Dominions Office, the India Office, the Ministry of Agriculture, the Colonial Office, and the War Cabinet. In addition to the United Kingdom and Canada, representatives were present on behalf of Australia, New Zealand and India.

(1) *International Clearing Union.*

The establishment of an International Clearing Union after the war was the main topic. The United Kingdom representatives had prepared a document¹ outlining their scheme for the creation of a Clearing Union. The purpose of the Union is to ensure that when peace returns, machinery can be put into operation at once to ensure stable exchange conditions. If such measures are not taken, international trade will be paralyzed by a return of even worse exchange conditions than those that prevailed after the last war and again in the early

⁴⁸ L'échange de notes a eu lieu le 30 novembre 1942. Voir Canada, *Recueil des traités*, 1942, N° 17.

⁴⁹ Le rapport en question n'est pas reproduit. Une copie du projet de rapport se trouve dans DEA/6000-D-40 mais aucune version finale ne fut trouvée. La réunion avait eu lieu du 23 octobre au 9 novembre 1942.

⁴⁸ The exchange of notes took place on November 30, 1942. See Canada, *Treaty Series*, 1942, No. 17.

⁴⁹ The report in question is not printed. A copy of the draft report is in DEA/6000-D-40 but no final version was located. The meeting was held between October 23 and November 9, 1942.

thirties. The Clearing Union will be a sort of pooling of financial resources to enable the weaker countries to engage in international trade without having to resort to exchange control or to currency depreciation or to the type of special trade-and-exchange agreement such as had become so common in the ten years preceding the outbreak of war — as, for example, the agreements which Germany had with almost every country, including Canada.

The United Kingdom officials have taken the lead in working out the Clearing Union scheme because they are convinced that it is vital to have such a scheme in operation if international trade is to be restored. They feel that while questions of commercial policy are very important, the first essential is to get a financial basis on which it will be practicable to do business at all.

Subject to differences of view on matters of detail, those attending the London conferences were pretty well agreed that a Clearing Union must be set up. The British officials will shortly be discussing the subject with United States authorities to whom the outline of their proposals has already been given.

(2) *International Regulation of Primary Products.*

This was the second main topic. On this subject also the British officials distributed a prepared document,¹ but their ideas of what should be done have not been as fully developed as in the case of the Clearing Union.

It is proposed to set up a Council for Commodity Controls representing both exporting and importing countries. The Council would name basic prices for major primary products, with the object of seeing that producers would not get less than "a reasonable international economic price". In case the price for any given product should fluctuate by more than 10 per cent either above or below the fixed basic price, the Commodity Control would step in to deal with the situation. It would have power to purchase and withhold surplus supplies from market, to enforce export quotas and generally to prevent disorganized marketing of the primary products that enter most largely into international trade.

The British officials were rather strongly wedded to the idea of having the Commodity Control scheme tied in very closely with the Clearing Union — having it in mind that the Clearing Union would supply the funds to finance the Commodity Control measures. The Canadian officials took a different view, urging that the Clearing Union should not be saddled with functions that are not, strictly speaking, part of its own basic purpose.

The United Kingdom officials are going to make extensive revision of their document on commodity controls. Meanwhile, the proposals on this subject are being kept strictly confidential, particularly in regard to the United States and will not, until a later stage, be communicated to any of the Governments.

(3) (a) *Post-War Commercial Policy*, (b) *Post-War Relief*,
(c) *Statistics of National Income*, etc.

The discussions on post-war commercial policy were very brief. No paper had been prepared in advance for consideration because the British take the view that the first problem as regards post-war trade is not one of commercial policy but one of setting up some form of Clearing Union as the fundamental need in any trade program. Brief as the discussions were on commercial policy, I would

like to direct attention to the notes on pages 32 and 33 — especially to the reference to the fact that “it was generally accepted that the United States would press strongly for the abolition of British preferences”.

No particular reference need be made here to the discussions on national income statistics. As Mr. Wilgress' letter¹ indicates, we shall probably hear directly from the Finance Department with respect to what has to be done at our own Bureau of Statistics to provide acceptable statistics in this field.

The discussion on post-war relief centered around steps that have already been taken to draft an agreement for the creation of a Relief and Rehabilitation Administration. The staggering size of the relief work that will have to be undertaken is indicated by the figure of £2,000,000,000 — mentioned by Sir Frederick Leith-Ross as being the amount that might be required to meet the needs. While British officials have been active in taking the preliminary steps toward having an adequate relief organization created, the attached report (page 31) refers rather significantly to ‘the slow progress made by the British Government in giving Ministerial attention and approval to the plans under consideration’.

OLIVER MASTER

576.

DEA/6000-D-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa,] February 8, 1943

There was a discussion in my office this morning on the progress of the negotiations between the United States and United Kingdom Governments on international economic reconstruction. Those who took part were Mr. Redvers Opie of the British Embassy in Washington, Mr. Gordon Monro of the United Kingdom High Commissioner's Office, Mr. Mackintosh, Mr. Angus and myself.

The situation respecting the International Clearing Union and the alternative American proposals is that a revised and improved draft of Mr. Harry White's original scheme has been submitted by Mr. Berle to the United Kingdom, Soviet and Chinese Governments with a request for their comments. A copy¹ was given to Dr. Clark when he was last in Washington and it was intimated that Canadian comments would also be appreciated. Opie said that they were surprised and rather perturbed that this revision of their own scheme had been presented to other governments while the revision of the British Clearing Union scheme was also under discussion. In fact the principles on which both plans were based were very similar though the application of the principles differed substantially.

After the last discussion of the Clearing Union scheme which took place, I think, some weeks ago they had asked the American experts to submit written questions to which they had returned written answers after consultation with

London. The British in Washington were intending to attempt a synthesis of the two plans which would show how closely they resemble each other in purpose and what were the substantial differences of method.

Mr. Opie asked whether it would be possible for us to prepare a complete plan of our own which would take account of the British and American proposals. Mackintosh said that this was already being considered by an informal group consisting of Rasminsky, Bryce, Turk and himself⁵⁰. He was not yet sure what the result would be.

Mr. Berle had indicated in his letter forwarding the American redraft that they contemplated discussing it with other United Nations. Opie was afraid that a large conference would get nowhere but it was not clear whether they had it in mind to proceed by the conference method or by a series of bilateral discussions. The suggestion which was thrown out by Berle when he was last in Ottawa of a formal conference summoned by the Secretary of the Treasury had apparently been discarded and it was probable that the next stage would still be at the level of meetings of experts.

With regard to the British proposals for the stabilization of the prices of primary products which had been discussed at London, the redraft of the original scheme presented to the London meetings by Lord Keynes had just been received. This had not yet received ministerial consideration in London but Opie hoped that it would be approved very soon. It had not yet been taken up with the United States authorities although they knew that the British had been formulating proposals on this subject. We had some discussion to clarify the attitude of the Canadian experts towards the Keynes draft.

Opie said that they thought it best to leave to the Americans the initiative in presenting proposals for an international lending authority since this would be a matter mainly of concern to the United States. He enquired whether we felt that it would be desirable for them to approach the Americans on commercial policy. This, too, was regarded as a matter in which the United States had an especial interest in view of the emphasis placed on commercial policy by the Secretary of State and of their own program for the renewal of the Trade Agreements Act. He thought, however, that if the initiative were left to the United States entirely their proposals, when they were produced, would be disappointingly conservative. The matter had received much attention in London in recent weeks and they were prepared to support plans far more extensive than those of the United States were likely to be. These plans might include an over-all ceiling on tariff rates of 25 or 30%, methods for reducing specific duties to an *ad valorem* basis, and suggestions for achieving tariff reductions by multilateral agreements. He wanted our advice on whether they should informally let the Americans know what was in their minds. In this case they were dealing with Acheson and not with Berle. Partly in view of this we advised him that we

⁵⁰ Ceci faisait suite à une suggestion de A.F.W. Plumtre. Voir lettre du 16 janvier 1943 de l'attaché financier, légation aux États-Unis, au sous-ministre des Finances.

⁵⁰ This was the result of a suggestion by A.F.W. Plumtre. See letter of January 16, 1943 from Financial Attaché, Legation in United States, to Deputy Minister of Finance.

thought there would be no danger and perhaps considerable advantage in his having a frank exploratory talk with Acheson. He seemed relieved to hear this, as he said it accorded with his own judgment. He has found Berle to be extremely cautious in putting forward any concrete scheme whereas Acheson is much more ready to debate pros and cons, to countenance the discussion of bold plans and to advise on methods. We all agreed that a bold approach was desirable although there should be no striving after novelty for its own sake.

H. W[RONG]

577.

DEA/6000-D-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 109

London, February 24, 1943

IMPORTANT. SECRET. My telegram Circular D. 383, August 26th, 1942 and connected telegrams. Following on exploratory discussions here with Dominion experts last autumn revised version of clearing union plan in form communicated to Dominion delegates before their departure⁵¹ was given informally by Sir F. Phillips to United States authorities. Latter asked for elucidation on certain points and their reactions have since been awaited. We have now taken steps to communicate the plan also to Soviet and Chinese Governments and are proposing similarly to give text confidentially to European Governments in London, with a view to informal discussion on a study circle basis in which we hope that representatives of Dominion High Commissioners here will take part.

2. Meanwhile the Americans have unexpectedly sent to us, Soviet Government and Chinese Government a draft proposal for American international stabilization fund. Covering memorandum states that this fund is only one of the appropriate agencies to deal with monetary and economic problems. Memorandum anticipates that a draft proposal for an international agency for capital reconstruction and development will be submitted (presumably by United States). It also discloses that United States are against a single agency for dealing with monetary stabilization, relief, capital development, prices of primary products, and other economic problems. They believe that each agency should be kept free of the extraneous duties for which it was not devised and is unsuited.

3. It is difficult to summarise United States draft proposal, but, though draft has been sent to us without apparent relation to clearing union draft, United States objectives would appear in general to have much in common with our own. Though method of approach is different and on certain points important issues of principle arise, at first sight resemblances cover several important features which we had feared that United States Government [might?] find difficult owing to political reasons, e.g. acceptance of exchange control for capi-

⁵¹ Voir le document 575.

⁵¹ See Document 575.

tal movements and provision for fixing exchange rates. On the other hand limitation of the liabilities of creditor nations is not well handled. We are sending you copies of United States draft¹ immediately by air mail, together with an analysis of the main points¹ which we have prepared for convenience in comparing their draft with our own.

4. Question arises whether United States draft could not be conveniently collated with clearing union draft into a single agreed document, but preliminary examination suggests that this possibility could only be considered after several obscure points have been cleared up and several issues of substantial importance have been settled. Our view is that it is not desirable to attempt this collation at present stage before differences of substance have been thoroughly debated, and that best course would be for experts from United Nations concerned to be invited to Washington as soon as possible to discuss main points of difference between the two drafts. We have asked Phillips to put this suggestion to United States authorities in discussing with them their ideas as to future procedure and will telegraph further as soon as their reactions are known.

578.

DEA/6000-D-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 121

London, March 2, 1943

IMPORTANT. SECRET. My telegram Circular D.109. Precise procedure contemplated by United States Government for discussion of Clearing Union and Stabilization Fund Plans is still not clear, but it would appear that they have in mind a preliminary period during which countries would be studying the two plans individually and possibly later in groups and a second stage involving general discussion at a conference of experts. They assume that in the preliminary period individual countries will wish to seek elucidation of the two plans by informal questions and this would help to clear the ground for discussion at second stage. We do not know precisely how these ideas fit in with recently expressed intention of United States Administration to summon shortly a conference of United Nations Experts to consider post-war economic problems. We have not as yet received from Washington authoritative interpretation of recent speech at Toronto by Mr. Sumner Welles.⁵²

2. In the meantime meeting was held here on 26th February at which Clearing Union Plan was communicated to Finance Ministers of Allied Governments in London as basis for discussion along with similar plans having similar objectives. Meeting was attended by Dominion representatives as well as by

⁵² Ce discours avait été prononcé à une convocation à l'Université de Toronto. Voir États-Unis, *Department of State Bulletin*, volume 8, 27 février 1943, pp. 179-84.

⁵² This speech was given at a University of Toronto Convocation. See United States, *Department of State Bulletin*, Volume 8, February 27, 1943, pp. 179-84.

representatives of United States, Russia and China, and it was arranged that a further meeting should be held in a fortnight's time. Clearing Union Plan is also being communicated in Washington to major Latin American Governments, and we understand that United States Government are giving similar circulation to Stabilization Fund Plan.

579.

DEA/6000-D-40

Le secrétaire au Trésor des États-Unis au ministre des Finances
Secretary of the Treasury of United States to Minister of Finance

Washington, March 4, 1943

My dear Mr. Minister,

I am sending for your examination a preliminary draft of a Proposal for an International Stabilization Fund of the United and Associated Nations¹. This draft was prepared by the technical staff of the United States Treasury in consultation with the technical experts of other departments of this Government.

The document is sent to you not as an expression of the official views of this Government but rather as an indication of the views widely held by the technical experts of this Government. I hope you will examine the draft and submit it for critical study by the technical experts of your Ministry and your Government. After you and your experts have had opportunity to study it, you may wish to send one or more of your technical experts to Washington to give me your preliminary reaction to the draft proposal, and to discuss with our technical experts the feasibility of international monetary cooperation along the lines suggested therein, or along any other lines you may wish to suggest. We are informed that the technical experts of the British Government have also been studying the question and will doubtless make their views available.

It seems to me that the enclosed draft proposal points the way to an effective means of facilitating through cooperative action the maintenance of international monetary stability and the restoration and balanced growth of international trade. It is my hope that as a result of unofficial discussions involving no commitments, we may find a sufficient area of agreement to warrant proceeding on a more formal basis.

Very truly yours,

H. MORGENTHAU JR.

580.

DEA/6000-D-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 43

Ottawa, March 9, 1943

Your telegram Circular D. 109 of February 24th and Circular D. 121 of

March 2nd. Advice received regarding progress of discussions on post-war international financial policies indicates development of a situation which we had hoped could have been avoided. Parallel discussion of the United Kingdom and United States proposals with individual countries may lead to confusion and may put the two draft plans into competition with each other, which would be highly undesirable. We would suggest that the parallel discussions now under way should be explanatory [exploratory?] only, which we assume to be the case, and that as soon as possible a conference of experts of the United Nations be held in Washington to consider the proposals contained in the two draft plans.

The basic principles and objectives of the two plans are very similar and we would expect that a plan embodying features of both would emerge from any successful conference. For our part, we would be prepared to take either plan as a basis for discussion. But, in order to avoid the appearance of competition and of differences in principle we feel that the best method of approach would be not to debate the differences between the two plans but to take the United States plan as the basis for discussion. The United Kingdom would naturally reserve the right to suggest changes in the United States draft which would bring it closer to the clearing union plan. Every country would have opportunity to submit and debate any amendment which it wished to propose.

581.

DEA/6000-D-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 58

London, March 15, 1943

SECRET. Your telegram No. 43. It had been our hope that the United States experts who had had the Clearing Union before them for many months would have continued discussions with Sir F. Phillips to the point at which a single draft could have been put forward. Some of the implications of the Stabilization Fund are still obscure to us and we hope that further discussions between Sir F. Phillips and the United States experts will elucidate them. Until that is done we would regard it as premature to decide that Stabilization Fund should be only basis for discussions. Indeed we believe that the first stage of the discussions need not take the text of either of the two plans as its basis. On the points where the two plans differ there could be a discussion as to which was preferable in substance; on the points where they agree it could be discovered whether others concerned are also in agreement. In the light of the views which are expressed as to what we are aiming at in substance, we could then decide at a later stage in what institutional form they can be best embodied.

His Majesty's Government in the United Kingdom agree generally with the views expressed by the Canadian Government in the first paragraph of your telegram.

582.

DEA/6000-D-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 48

Ottawa, March 19, 1943

IMPORTANT. Reference your Circular D. 154 of March 16th¹. We regret that circumstances have made it appear necessary for you to publish the Clearing Union paper in the fairly near future when discussions with other Governments have proceeded so short a distance. We hope that it will be found possible to arrange for simultaneous publication of United States Stabilization Fund plan.

2. From our point of view it would be desirable for it to be arranged for United Kingdom High Commissioner in Ottawa to make available to the press copies of the Clearing Union paper simultaneously with its release in London.⁵³

3. We have no objection to the announcement of fact that informal discussions between United Kingdom and Dominion experts on the Clearing Union Paper took place last October. We assume that the proposed announcement will be so worded as to make it clear that the discussions were informal and exploratory, that nothing in the nature of a formal conference was held and that no commitments were entered into by governments.

583.

DEA/6000-D-40

Le ministre des Finances au secrétaire au Trésor des États-Unis
Minister of Finance to Secretary of the Treasury of United States

CONFIDENTIAL

Ottawa, April 8, 1943

Dear Mr. Morgenthau,

With reference to the Stabilization Fund Plan, a copy of which you sent me some weeks ago, I have learned from Dr. W. C. Clark that he advised your officials that we are about ready to discuss this plan with your experts and that your officials have expressed a wish that the Canadian Government should send expert officials to Washington next week for informal discussion of the plan.

⁵³ Le plan britannique fut publié dans le Com-mandement 6437 d'avril 1943 et le texte du plan américain fut publié dans le *New York Times* du 7 avril 1943, page 17. Les deux plans furent présentés à la Chambre des Communes le 14 avril. Pour les différents projets des plans voir J.K. Horsefield, *The International Monetary Fund, 1945-1965: Twenty Years of International Monetary Cooperation*. Washington, D.C.: International Monetary Fund, 1969, volume 3, pp. 3-96.

⁵³ The British plan was published as Cmd. 6437 of April 1943 and the text of the American plan appeared in the *New York Times* of April 7, 1943, page 17. Both plans were tabled in the House of Commons on April 14. For various drafts, see J.K. Horsefield, *The International Monetary Fund, 1945-1965: Twenty Years of International Monetary Cooperation*. Washington, D.C.: International Monetary Fund, 1969, Volume 3, pp. 3-96.

I shall be very glad to arrange to send to Washington suitable officials to participate in such discussions on whatever dates next week are convenient to your experts. I am, however, disturbed over the events of this week. I recognize that circumstances ultimately made the publication of these plans unavoidable and that they are not, in the minds of those responsible for working them out, rival plans. I am, however, seriously worried lest forces beyond the control of governments should set them up as rivals to the prejudice of future agreement. Because I feel this so strongly, I am venturing to suggest to you an alternative procedure.

I make the suggestion because the Canadian Government has a vital interest in the problems for which both the Stabilization Fund Plan and the Clearing Union Plan propose solutions. We are less impressed with the differences between the plans than with the fact that both proposals are directed to the development of arrangements which will facilitate the progress of multilateral trade and to the elimination of the occasions for these import restrictions, clearing agreements and other devices by which, in the decade before the war, countries throttled world trade in ruinous endeavours to balance their transactions with individual countries.

Our officials believe it is possible to arrive at suggestions which would incorporate the best features of the two plans. With this in mind, I suggest, therefore, that there might be a substantial gain in the rate of progress if, in place of the discussions between the officials of our two Governments, there might be held an entirely informal meeting, say in the week of the 19th of April, in which officials of the United States, the United Kingdom and Canada might participate. It would not be the object of such informal discussions to develop immediately a common plan, but rather that there should be an exploration of the contributions which certain features of each plan might make to the solution of the essential problems and of the lines of discussion which might be followed most usefully with other countries if the desired result of final agreement is to be achieved.

If this suggestion does not commend itself to you, I shall be glad to arrange for Canadian officials to go to Washington next week, but I hope that you will give sympathetic consideration to my proposal which is put forward in the desire to assist in what I fear may prove a difficult situation.⁵⁴

Yours very sincerely,

[J. L. ILSLEY]

⁵⁴ La proposition pour la participation des représentants britanniques ne fut pas acceptée. Voir le document 592.

⁵⁴ The proposal for the participation of British officials was not accepted. See Document 592.

584.

DEA/6000-A-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 234

London, April 22, 1943

IMPORTANT. SECRET. As you know it is expected that Food Conference in United States will form part of a general programme of separate but interrelated discussions covering in pursuance of Article 7 of the Mutual Aid Agreement the whole field of post-war monetary and economic policy. We feel, therefore, that we must be prepared for very early conversations with the United States in regard to other subjects in the programme and in particular in regard to post-war commercial policy.

2. Lord Halifax has recommended that so far as commercial policy is concerned, our best course would be to make a very early approach to the State Department on the official level with a view to testing their reactions. He would propose, in conjunction with such an approach, to speak himself to Mr. Hull with a view to paving the way for an exchange of ideas, and he feels that the appropriate moment for such an initiative would be immediately after Congress has passed the Bill to renew the Trade Agreements Act i.e. probably at the end of May at the latest.

3. We concur generally in Lord Halifax's view that we should take the initiative in this matter, and after careful consideration of the lines on which a preliminary and exploratory approach might best be made, we are sending him a draft aide-mémoire which, subject to what follows, we suggest he should hand to Mr. Hull when the time comes. Texts of draft aide-mémoire and of supplementary instructions¹ indicating line on which he might speak to Mr. Hull are contained in two immediately following telegrams.

4. At the same time it has been explained to Lord Halifax that we are most anxious, unless our hands are unavoidably forced, that the subject should not (not) be broached in any way with the United States until there has been opportunity for an exchange of views with Dominion Governments. He has been told that we are approaching you immediately with a view to arranging for such an exchange of views and that in the meantime he is to take no action on the draft aide-mémoire or to open the subject in any way without further instructions from us.

5. We feel that the best and most expeditious procedure for such an exchange of views which must necessarily at this stage be of an entirely preliminary and non-committal character, would be through the holding, as early as possible, of an informal conference on the official and expert level similar to that which took place last autumn on the clearing union and buffer stock plans. Such a conference would, we feel, have great value in enabling our experts

(a) To explain more fully than can be done by telegram the general background as seen here, the main issues likely to arise and the way in which our thoughts are turning on these issues;

(b) To exchange ideas with Dominion representatives in regard to those aspects of broad policy to which individual Dominion Governments are likely to attach special importance without at this stage going into matters of detail;

(c) To obtain the benefit of such constructive suggestions as Dominion representatives may, on their part, be able to put forward either in regard to the preliminary approach to the United States or to subsequent procedure.

6. We hope that Dominion Governments will share our view that such a joint meeting of experts on a purely informal exploratory and non-committal basis would be very valuable at this stage. In view of the possibility that matters may now develop rapidly in the United States we are most anxious that such a meeting should be held at the earliest possible date. We should be most grateful, therefore, for very early intimation whether Dominion Governments would be prepared to send experts to London to take part in discussions here which we suggest should open in say the third week of May.

7. A telegram on similar lines is being sent to the Government of India.

585.

DEA/6000-A-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 235

London, April 22, 1943

IMPORTANT. SECRET. My immediately preceding telegram. Following is text of draft aide-mémoire, Begins:

As has been stated on many occasions His Majesty's Government favours a commercial policy designed to promote general economic expansion and joint action directed towards the removal of the obstacles to international trade. While during the transitional period immediately after the war when we are seeking to restore our balance of trade we may have to retain some special measures of control, we hope that we and other countries will be able to emerge from this stage without undue delay. It is with this in mind and as a contribution to the conversations to which we are committed under Article VII of the Mutual Aid Agreement that His Majesty's Government submits for consideration the following points which form a practical approach to this problem and which might prove suitable for discussion among the United Nations.

(I) An international commercial policy capable of helping towards the solution of the post-war economic and political problems would have to be accompanied by some form of multilateral financial clearing and the adopting of a system which allows and encourages an expansive world economy.

(II) The policy should also be based on the assumption of the multilateral commercial agreement embracing as many countries as possible. As Great Britain is compelled to rely on imports for a large proportion of its food and raw materials some modus for exporting an equivalent amount is absolutely essential. Mere bilateral agreements, however advantageous, cannot meet the situa-

tion, whereas a multilateral agreement laying down certain principles for the freer exchange of commodities can be of great benefit.

(III) The United Kingdom, both by tradition and by experience, regards an increased freedom of trade as particularly in her interest. We shall join in any movement to secure it, and when it comes down to practice we should have every motive to encourage it both from our own point of view and on account of the general international benefit. Our sympathy is entirely with those who are seeking to remove barriers to trade. Any qualifications we may have to make will be due to the special difficulties of the immediate post-war period and the present uncertainty as to what will in fact lie within our power and that of other countries.

(IV) We would accept a moderate ceiling for tariffs for incorporation in a multilateral agreement.

(V) We should be prepared to make all our arrangements, including particularly quantitative restriction of imports, on a basis of mutual non-discrimination. Preferences which we do not regard as discriminatory in a strict sense of the word are dealt with below.

(VI) Quite apart from our own position a general plan should leave room for special arrangements within political and geographical groups since these are likely to be asked for and could be properly conceded in many cases. As part of a comprehensive scheme for the betterment of the trade of the world as a whole, we should be prepared to play our full part in any general scheme for reducing preferences.

(VII) We consider that the quantitative regulation of imports should not ordinarily be employed for the primary purpose of protecting home industries but rather regarded as a mechanism appropriate and useful for special purposes including among others, the safeguarding of a country's balance of payments and for implementing approved international commodity agreements and on security grounds. We should be prepared to agree from the outset that such regulations should be on a non-discriminatory basis. In so far as quantitative regulation is used for safeguarding a country's balance of payments, we suggest that common agreement might be reached concerning a more or less automatic and objective test of the conditions under which such action should be permissible. For example, it might be found that the statistics resulting from the creation of an international monetary authority could be used for this purpose.

(VIII) We should be prepared to agree to measures designed to prevent export subsidies.

(IX) Room should be left for State trading but it would be desirable that it should be conducted in accordance with a code to be agreed.

(X) We believe that these points could best be covered by the formulation of a general commercial code to which all countries would be invited to subscribe.
Ends.

586.

W.L.M.K./Vol. 246

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] April 26, 1943

The United Kingdom proposal, set forth in their telegrams of April 22nd, for an early approach to Washington on post-war commercial policy appears to be one which it is strongly in Canada's interest to encourage and support. Their approach, on the basis of a multilateral Convention of Commerce providing for tariff reductions and the removal of other barriers to the exchange of goods, is the only really sound and comprehensive method of securing satisfactory conditions of trade and perhaps, in the long run, of political security. It is in line with the general commitments, or statements of intention, which Canada has made in subscribing to the principles of the "Atlantic Charter" and in the Exchange of Notes of November 30th, 1942, with the United States⁵⁵. It is, indeed, of special importance to Canada because of the inadequacy, from our point of view, of the Trade Agreements Act, even if that Act is renewed. While the United Kingdom and most other countries could still secure considerable reductions in their favour by direct bilateral negotiations with the United States, practically all the benefits that can be secured under its provisions have already been granted to Canada in the Trade Agreements at present in force. We would have very little, therefore, to gain by further negotiations on a bilateral basis and must look to a multilateral convention, on the broad lines of the British proposal, if we are to secure ready access to the United States and to world markets. We should, therefore, I think, throw our whole weight behind the British proposal.⁵⁶

There is a good deal to be said, also, for a prior exchange of views on the various issues which the adoption of such a programme would raise⁵⁷. Existing tariffs vary considerably as to height, methods of valuation for duty purposes, the relative importance of specific and *ad valorem* duties, degrees of protection to different categories of goods, industry versus agriculture, etc. Customs restrictions are even less uniform and more complicated. A reasonable maximum tariff level in the varying circumstances of the different countries is by no means easy to determine. Moreover, the reduction of tariffs to a generally satisfactory level, even when the level itself is agreed upon, would give rise to a considerable administrative problem. Either it would be necessary to persuade signatory countries to adopt a uniform tariff system or, if they are incurably wedded to

⁵⁵ Voir Canada, *Recueil des traités*, 1942, N° 17.

⁵⁵ See Canada, *Treaty Series*, 1942, No. 17.

⁵⁶ Note marginale:

⁵⁶ Marginal note:

I agree. K[ING]

⁵⁷ Note marginale:

⁵⁷ Marginal note:

See my message to Churchill 26-4-43.⁵⁸ K[ING]

⁵⁸ Voir le document 852.

⁵⁸ See Document 852.

their own administrative arrangements, to find some satisfactory objective test of the relative levels of tariffs erected and applied on different bases. Some process of progressive reduction spread over a period of years would undoubtedly be necessary in any case. A simple and fair formula to govern the pace and extent of reductions is, however, not easy to find. Reduction by equal absolute amounts would mean very much to a low tariff country and very little to a country with a high tariff, whereas reduction by proportional amounts would seem little to a low tariff country and would seem unfair to a high tariff country even though such a reduction would leave relative heights unchanged. Some compromise between equal and proportional reductions would have to be found.

Another point of concern would be to see that the programme outlined is adopted integrally. Care would be necessary, for example, to see that attention is not centred on the abolition or reduction of particular features of the present system, such as Empire preferences, which benefit us considerably but undoubtedly less than would universal low tariffs, but is also extended to the abolition of discriminatory preferences by other countries (as, for example, between the United States and Cuba) which act as a barrier to our export trade. It would be necessary to ensure, also, that full consideration was given to the reduction of excessive tariff rates and to the abolition of quota and quantitative restrictions, even though they are general in their application.

On these and many similar problems, discussion with British and other Commonwealth countries might be very valuable both in clarifying their approach and ours to what is a very complicated and important problem and in avoiding saddling ourselves with unnecessarily cumbersome or difficult adjustments in the application of general principles which in themselves are advantageous.

If the views set forth above are accepted, it would seem desirable to ask the Interdepartmental Committee on Post-War Trade, which has just begun to look into the question as part of the general approach to the Post-War Economic Settlement, to study the problem and prepare a brief that might serve as instructions for the Canadian officials at the meeting.⁵⁹

587.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 28, 1943

POST-WAR COMMERCIAL POLICY

6. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that

⁵⁹ Les notes suivantes étaient écrites sur ce mémorandum:

⁵⁹ The following notes were written on the memorandum:

I agree. W. L. M[ACKENZIE] K[ING]

Gibson not so informed. K[ING]

the U.K. government proposed to make an early approach to the U.S. government on the subject of post-war commercial policy. A draft aide-mémoire for presentation to the U.S. Secretary of State had been communicated to the Dominion governments and an early informal conference of Commonwealth representatives in London, to discuss the question, was proposed.

The U.K. proposals constituted a comprehensive approach to the United States on the basis of a general commercial code, to provide for freer exchange of commodities, broad agreement with regard to tariffs, mutual non-discrimination in regulation of imports, prevention of export subsidies, and special provision for state trading.

It would be in Canada's interests to encourage and support such an approach to Washington. It was in line with Canadian policy. Further, a multilateral convention on the broad lines of the British proposal would be of special importance to Canada which had already secured practically all the benefits available through the bilateral system under the U.S. Trade Agreements Act. We should certainly participate in a preliminary conference on the various issues arising out of the adoption of such a programme.

(Telegrams Circular D. 234, D. 235 and D. 236¹, Dominions Office to External Affairs, April 22, 1943).

7. THE WAR COMMITTEE noted, with approval, the Under-Secretary's report and agreed that officials of departments directly concerned (Interdepartmental Committee on Post-war Trade), be directed to examine the U.K. proposals and prepare a report suitable as a basis of instructions for Canadian officials participating in the proposed Commonwealth discussions in London.

588.

DEA/6000-A-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 75

Ottawa, May 3, 1943

Your secret cypher telegrams Circular D. 234, 235 and 236¹ April 22nd, post-war commercial policy. Canadian Government is prepared to accept invitation to send officials to attend informal meeting in London for exchange of views on exploratory and non-committal basis. Will inform you of names of Canadian representatives when date of meeting has been set.

589.

DEA/6000-A-40

*Rapport du Comité consultatif sur la politique économique**Report by Advisory Committee on Economic Policy*

MOST SECRET

Ottawa, May 14, 1943

REPORT OF THE ADVISORY COMMITTEE ON
ECONOMIC POLICY ON TRADE POLICY
(DOMINIONS OFFICE TELEGRAM OF APRIL 22, 1943)

The Advisory Committee on Economic Policy is of the opinion that the negotiation of a multilateral convention of commerce, providing for tariff reductions and limitations and the removal of other barriers to the exchange of goods, is the soundest method of securing satisfactory conditions of trade between nations after the war. It is especially in Canada's interest, first, because our trade extends over many countries and it would be difficult, if not actually impracticable, to achieve any pattern of bilateral agreements which would serve our interest so effectively, and, second, because the United States will undoubtedly press for the removal of preferences, even though under the Trade Agreements Act, should it be renewed, there is comparatively little that she can offer as a *quid pro quo* to Canada. In general terms, it is in Canada's interest to encourage and support an early approach to Washington along the lines of the draft aide-mémoire set forth in the telegram of April 22nd from the Secretary of State for Dominion Affairs⁶⁰.

The endeavour of officials discussing this document in London should be to obtain as clear statements as possible concerning certain paragraphs noted below and concerning the background of ideas which is implied in the document. Beyond this, they should contribute to some modification of the draft in line with our special interests. This would be subject to the specific reservation that, regardless of what Canadian officials contribute to the final draft, it shall remain a purely United Kingdom document to which the Canadian government will not be in any way committed.

The Canadian government has concurred in Article VII of the Mutual Aid Agreement between the United States and the United Kingdom and has reached a similar understanding with the United States as set forth in the exchange of notes of November 30, 1942. The Canadian experts might be empowered, therefore, to speak officially on one point and transmit the Canadian Government's assurance that it has no objection to the United Kingdom putting forward those paragraphs of the tentative proposals which deal with preferences, provided that it is understood clearly that the Canadian Government is not committed to any view on the final proposals which may emerge. The assurance should also be qualified by the reservation that reduction of high tariffs to a reasonable level is to be considered an essential part of any agreement looking to reduction of preferences. In transmitting such assurance, officials should make clear that preferences are of great importance in Canadian

⁶⁰ Document 585.

trade and that substantial reductions could not be regarded lightly. Nevertheless, the Canadian government is willing that the United Kingdom, despite its obligations under the existing trade agreement, should put forward these proposals in a preliminary and exploratory way in the hope that the whole body of proposals ultimately developed will prove beneficial to Canadian trade and that of other countries.

The Economic Advisory Committee, through the medium of a special sub-committee, has examined the terms of the draft aide-mémoire and offers the following comments:

Para (1) "An international commercial policy capable of helping towards the solution of the post-war economic and political problems would have to be accompanied by some form of multilateral financial clearing and the adopting of a system which allows and encourages an expansive world economy."

The principle here set forth is considered a sound one. It should be noted that the United Kingdom attaches great importance to three distinct aspects of the clearing union plan: (a) a clearing system by which each country agrees to accept an international unit of account (bancor) in payment of its exports, etc., thus relieving each debtor country of any concern about its balance of payments with any other single country; (b) a system of overdrafts giving limited short-term credit to countries whose balances of payments are temporarily dislocated and relieving them of the necessity of taking immediate and restrictive action to right the balance though requiring them to take more gradual and fundamental steps to achieve equilibrium; (c) provision for an expanding international currency whose expansion would at least keep pace with annual gold production and would not be interrupted by the development of a slump in any country. The principle is important for the United Kingdom and equally for Canada. It is probable that the United Kingdom will consider that a clearing union or stabilization fund arrangement embracing all three features is a *sine qua non* for an effective multilateral trade convention.

Para (2) "The policy should also be based on the assumption of a multilateral commercial agreement embracing as many countries as possible. As Great Britain is compelled to rely on imports for a large proportion of its food and raw materials some modus for exporting an equivalent amount is absolutely essential. More bilateral agreements, however advantageous, cannot meet the situation, whereas multilateral agreement laying down certain principles for the freer exchange of commodities can be of great benefit."

This paragraph is taken to mean that the purposes of a multilateral convention would be defeated unless most important countries adhered to it, and that the decided advantages of such a convention, for the United Kingdom as for Canada, would depend on its embracing most of the world.

It should be noted as a drafting point that though it will be necessary for the United Kingdom to balance its international payments account, and this is likely to involve the necessity of increasing her exports in relation to her imports, it is not necessary for her to "export an equivalent amount", as she will still have some offset in interest on her investments, and her shipping, financial and other earnings.

Para (3) "The United Kingdom, both by tradition and by experience, regards an increased freedom of trade as particularly in her interest. We shall join in any movement to secure it, and when it comes down to practice we should have every motive to encourage it both from our own point of view and on account of the general international benefit. Our sympathy is entirely with those who are seeking to remove barriers to trade. Any qualifications we may have to make will be due to the special difficulties of the immediate post-war period and the present uncertainty as to what will in fact lie within our power and that of other countries."

Canada's interest would, to a great extent, agree with the United Kingdom's interest in the reduction of trade barriers. Officials should ascertain as fully as possible the sort of qualifications which the United Kingdom might contemplate on account of "special difficulties of the immediate post-war period and the present uncertainty as to what will in fact lie within our power and that of other countries".

Para (4) "We would accept a moderate ceiling for tariffs for incorporation in a multilateral agreement."

"A moderate ceiling for tariffs" is taken to mean an agreed level or levels to which existing tariffs would be progressively reduced, not a mere "tariff truce" or freezing of pre-war rates, as the current use of the word "ceiling" in Canada might suggest. An elaboration and clarification of the paragraph should be sought so as to state this more explicitly.

Exploration should be made of the sort of formula contemplated, e.g., a series of maximum rates for different categories of goods, a single top rate and percentage reductions of rates below the ceiling, or a single maximum rate.

There are serious practical difficulties in defining and interpreting such limitations and the relation to the formula chosen of divergent systems of nomenclature and valuation, the conversion of specific to *ad valorem* rates and other technical features of tariff-making should be explored in a preliminary way to the point of forming some judgment on the feasibility of the proposal.

Enquiry should also be directed to ascertaining what view is taken of subsidies for maintaining domestic production and whether, converted to comparable form, they also would be subject to the "moderate ceiling for tariffs".

Para (5) "We should be prepared to make all our arrangements, including particularly quantitative restriction of imports, on a basis of mutual non-discrimination. Preferences which we do not regard as discriminatory in a strict sense of the word are dealt with below."

Non-discrimination has already been agreed in principle under the exchange of notes of November 30, 1942, and consideration should be given to including under this paragraph, not only rates and quotas, but also discriminatory application of such devices and requirements as: customs procedures, import licenses, processing regulations, customs valuation, tariff item definitions, exchange regulations, quality and grade specifications, anti-dumping clauses, health and sanitary requirements, and state and other monopoly buying.

Para (6) "Quite apart from our own position, a general plan should leave

room for special arrangements within political and geographical groups since these are likely to be asked for and could be properly conceded in many cases. As part of a comprehensive scheme for the betterment of the trade of the world as a whole, we should be prepared to play our full part in any general scheme for reducing preferences."

This paragraph would seem to contemplate a moderate reduction of preferences, perhaps even a limitation on the preferences which might be permitted to political or geographical groups. It is to be noted that the "elimination" of preferences implied by Article VII of the Mutual Aid Agreement has been converted to a *reduction*.

It should be made clear that general reduction of preferences would be conditional on high tariffs being substantially reduced under para (4) as well as on preferences being reduced by other countries and that such a basic change in the structure of our trade could be made only if a widely effective agreement of extended duration were assured.

The central object of the tentative proposals under discussion is the reduction of tariff barriers and the increase of international trade. It should accordingly be emphasized that, where preferences which have some substantial effect on trade are to be reduced, the most desirable method is by the reduction of non-preferential rates rather than by the raising of preferential rates. The tariff ceiling contemplated under para 4 would itself operate to reduce preferences. While some countries may be unable or unwilling to reduce certain preferences by reducing non-preferential rates (and this would apply in certain cases to Canada) it should be urged that it would be better in such cases not to insist on more than moderate narrowing of preferences if by doing more the only result achieved would be a substantial increase in the rates effective against countries enjoying preferential treatment. Thus a Canadian rate against the United States might be 35%, while the British preference rate is 20%. A "ceiling" of 30 per cent would reduce the rate against the United States and narrow the preference. It would be proper for the United States to press for a further narrowing or even elimination of the preference by a reduction of the rate against the United States to 23 or even 20 per cent. If, however, Canada feels unable to do this in the face of the difficulties and the reciprocal advantages offered, she should not be pressed to eliminate the preference by raising the B.P. rate from 20 to 30 per cent. Possibly, this general approach might be harmonized with the United Kingdom proposal that moderate preferences be recognized for political and geographical groups.

It should also be borne in mind that any reduction of preferences which would affect adversely the trade of other countries should be distributed equitably among countries. There may be a tendency for other Commonwealth countries to agree in conceding to the United States the preferences which they grant to Canada while preserving those granted to others.

Para (7) "We consider that the quantitative regulation of imports should not ordinarily be employed for the primary purpose of protecting home industries but rather regarded as a mechanism appropriate and useful for special purposes including among others, the safeguarding of a country's balance of payments

and for implementing approved international commodity agreements and on security grounds. We should be prepared to agree from the outset that such regulations should be on a non-discriminatory basis. In so far as quantitative regulation is used for safeguarding a country's balance of payments, we suggest that common agreement might be reached concerning a more or less automatic and objective test of the conditions under which such action should be permissible. For example, it might be found that the statistics resulting from the creation of an international monetary authority could be used for this purpose."

What is proposed essentially is that quota restrictions should not be permitted unless (a) they carry the approval of an international authority such as the Clearing Union or an approved commodity control authority or (b) on security grounds.

There is no exception to be taken to the first test but the latter requires clarification. It may be as narrow as the control of imports of munitions of war or broad enough to cover the protection of United Kingdom agriculture and a new Safeguarding of Industries Act. Questions should be directed to discovering what, if any, legitimate reason there is for this exception. Unless it should be made clear in discussion that "on security grounds" is given an extremely narrow meaning, or conceived as operating only under international authority, it should be argued vigorously that such an exception would cast doubt on the effectiveness and dependability of the convention and could be so abused by some signatories as to defeat the purposes of the convention. It should be borne in mind that Canada would probably have less possibility of using such a basis for exception than any other country.

Para (8) "We should be prepared to agree to measures designed to prevent export subsidies."

Export subsidies may be defined narrowly to cover only such government payments as result in an export price lower than the domestic price or broadly to include a great variety of governmental encouragements to export trade. Under the broader definitions, the Canadian freight rate structure, with its low export rates, would probably be held to involve export subsidies. There are serious difficulties in achieving a definition sufficiently precise to be workable. On the whole, it would in Canada's interest be necessary to have subsidies as narrowly defined eliminated as there is a danger of them being employed by such countries as the United States, Australia, and South Africa in such a way as to make it difficult for Canada to compete in export markets in certain products.

Para (9) "Room should be left for State trading but it would be desirable that it should be conducted in accordance with a code to be agreed."

State trading must be a recognized system of international exchange of goods under any multilateral convention signed by Soviet Russia, and other countries as well will probably wish to continue some bulk purchase arrangements. It is desirable, as suggested, that it should be regulated by a code.

The following additional points should be raised in discussion, though some of them are matters of detail hardly suitable for inclusion in the draft aide-mémoire:

- (a) provision for the accession of new members;
- (b) relations between adhering and non-adhering countries and the contemplated status of most-favoured-nation obligations; how far will non-adherents enjoy the benefits of the convention without assuming its obligations?
- (c) the status of export duties and embargoes;
- (d) consideration of a standard anti-dumping duty clause;
- (e) provision for simplification of customs procedures;
- (f) discrimination in shipping laws and practices;
- (g) the use of the taxing power to evade the limitations imposed by the proposed convention on tariff duties;
- (h) consideration of the need for an international trade authority to give judicial decisions within the terms of the convention;
- (i) the extent to which such a multilateral convention would leave any place for generalized bilateral agreements.

In the above paragraphs, the exploration of many points has been suggested and there have been frequent references to particular Canadian interests, for it is desirable that officials should obtain as full and detailed a view as possible of the background and ultimate content of the United Kingdom proposals. The number of the suggestions should not, however, be interpreted as detracting in any way from the Committee's view that the approach proposed by the United Kingdom to the discussion of post-war trade policy is a most desirable approach which should be encouraged and supported.

W. A. MACKINTOSH
Vice-Chairman

590.

L.R.

*Mémoire du président suppléant, la Commission
de contrôle du change étranger*

Memorandum by Alternate Chairman, Foreign Exchange Control Board

[Ottawa,] May 17, 1943

REPORT ON DISCUSSIONS OF U.S. STABILIZATION PROPOSALS
U.S. TREASURY, APRIL 21-26, 1943

1. The following participated:

U.S.A.

Harry White - Treasury
A. A. Berle - State
E. M. Bernstein - Treasury
E. B. Hannay - Treasury
A. F. Luxford - Treasury
R. F. Mikesell - Treasury

E. A. Goldenweiser — Federal Reserve Board

W. Gardner — Federal Reserve Board

Frank Coe — B. E. W.

F. Livesey — State

Canada

W. A. Mackintosh — Finance

L. Rasminsky — F.E.C.B.

J. J. Deutsch — External Affairs

A. F. W. Plumptre — Legation

2. A fairly complete record of the discussions¹ has been prepared. The following is a summary of the most important points of substance:

(a) *Resources of the Fund*

The U.S. representatives would have preferred a larger Fund with larger American participation, but felt that the greater the American contribution the more difficult would it be to get Congressional approval. Mr. Morgenthau is committed to asking for such approval. As experience is gained and the Fund produces benefits, *inter alia* to the U.S.A., the Americans felt that a greater contribution would be possible. Unlimited commitments are an impossibility and the Fund must not be used as a grab-bag.

In defending the proposed size of the Fund, the U.S. representatives took several lines. First, it was argued that world net deficits on current account in 1936-8 amounted to only about \$2.5 billion. Then the point was made that the U.S.A. will probably carry out an expansionist policy after the war and may have an unfavourable balance of payments on current account. Finally, very considerable stress was laid on the possibility of the Fund borrowing scarce currencies.

On the last point we tried to find out whether the United States would be prepared to accept a proposal for additional mandatory loans over and above the original subscription. It is not possible to say definitely what their attitude will be: at one point they appeared to think there would be merit in such a provision, under safeguards, but at another point they gave the impression that it would be unacceptable.

(b) *Composition of the Fund*

There was considerable discussion about the inclusion of securities as part of the original capital subscription. The purpose of this was (1) to meet the position of certain countries which would have difficulty in raising local cash, (2) to provide earning assets to the Fund and (3) to increase the Fund's resources available for use in any part of the world. As regards (3), the Americans intended that the securities of one country might be disposed of in external markets to produce any currency the Fund needed. They ultimately agreed that this would have to be reconsidered inasmuch as the securities of all countries are not equally marketable abroad.

(c) *Organization of the Exchange Market and Exchange Control*

The American position is that exchange control is not necessary for the opera-

tion of their scheme and they contemplate a restoration of free exchange markets with commercial banks, etc. able to marry off purchases of one currency against sales of another currency. When asked how any country would be able to certify, without prior scrutiny of all exchange transactions, that its purchases of foreign exchange from the Fund were in fact for the purpose of meeting a current account deficit in the balance of payments, they replied (1) that they would rely a good deal on improved statistics, including statistics to be furnished by countries into which capital might move, (2) they would not be concerned with small amounts of capital transfers, (3) the Fund would take steps to deal with countries utilizing the Fund's resources in large amounts for this purpose by requiring the imposition of exchange control, and (4) the establishment of the Fund would remove the incentive for capital flight. When asked how free exchange markets, including e.g. Canadian banks selling sterling in New York to produce American dollars, could be reconciled with the part of the plan which limits any country's ability to purchase foreign exchange from the Fund to the amount of its current account deficit with the country whose currency is being purchased, the Americans first replied that this was intentional and that if Canada had a surplus of sterling on current account she should buy more from the sterling area or sell less to it. White first took the position that this was not bilateralism, but he subsequently moved from this position and indicated that the limitation referred to would be removed from the American plan.

On exchange control generally, the facts would appear to be that the American officials do realize that a control over capital movements is necessary on the part of borrowing countries and that they will raise no objection to member countries retaining exchange controls for this purpose so long as they are non-discriminatory on current account, but that they do not want to be responsible for widespread imposition of exchange control by making this a condition of entry.

(d) *Fixing of Exchange Rates*

There was a long but inconclusive discussion of the unilateral power given to the Fund to fix exchange rates. It was recognized by the Americans that a country would have to know and be satisfied with the exchange rate fixed before joining the Fund. They were anxious that the Fund should not authorize any changes in exchange rates in the first years of its operation, and evidently have it in mind that the rates to be fixed will be the *de facto* rates prevailing when the Fund is set up.

(e) *Veto Powers*

The Americans stated that they expected the U.K. to ask for, and obtain, a quota large enough to give them a veto power under the proposed voting arrangements. They said that they had put in the four-fifths voting provision to cover any point where they thought an important American interest was involved and that they were open to suggestions regarding the elimination of some items. The points to which they apparently attach most importance and wish to retain the veto are: (1) change in the value of gold, (2) change in the value of the American dollar, (3) change in the quotas of member states. As

regards (3) they showed interest in our weighted voting formula⁶¹; as regards (2) it should be possible to meet them by a provision under which *no* country would be required to change the initially-agreed value of its currency without that country's consent. The American plan makes no provision at all for a general change in the value of gold; this is, apparently, one of the main British objections.

The Americans explained that in his explanations to the Senate committees, the Secretary of the Treasury had frequently fallen back on the American veto power to prove that American interests will be safeguarded. There is no doubt that, unless some effective substitute for the veto can be found, there will be important political opposition in the United States to any change.

L. R[ASMINSKY]

591.

DEA/6000-D-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] May 29, 1943

We have been working with the Finance Department and the Bank of Canada on plans for an international stabilization and clearing fund which would combine and reconcile the best features of the United Kingdom and United States plans. The diplomatic and technical difficulties in the way of reaching general agreement on either the British or American scheme are great. The only country which might conceivably put forward a third scheme with some hope of the others accepting it is Canada. Our experts in this field are really very good. In their previous discussions with both the United Kingdom and the United States Treasuries they have put forward a good many practical and helpful suggestions which were recognized as such by their opposite numbers and incorporated into the United Kingdom and United States schemes respectively. I think there is a good deal to be said for them now trying to work out a new and synthetic scheme which might, if the Government approved of it, be put forward for confidential consideration by other Governments as a distinctively Canadian contribution to the solution of this difficult and very important question.

⁶¹ Voir la pièce jointe, document 594.

⁶¹ See enclosure, Document 594.

592.

DEA/6000-D-40

Mémorandum du sous-ministre des Finances au ministre des Finances
Memorandum from Deputy Minister of Finance to Minister of Finance

SECRET

[Ottawa,] June 2, 1943

PROPOSED STEPS IN THE FUTURE DISCUSSION OF THE
CLEARING UNION AND STABILIZATION FUND PROPOSALS

1. *Discussions up to date*

Certain Canadian officials (Wrong, Rasminsky, Mackintosh) together with other Dominion representatives, discussed the United Kingdom Clearing Union proposal with Treasury and other officials in London last October. The discussions were entirely non-committal but several suggestions were made which were adopted in the draft subsequently published⁶². In April last, Canadian officials (Rasminsky, Deutsch, Mackintosh) discussed the Stabilization Fund proposal with the United States Treasury on an equally informal and non-committal basis. Here too various suggestions were made though, in the main, effort was directed to an elucidation of the Treasury proposals. Since then, a good deal of study has been given to the two plans with the object of reaching a clear view of the appropriateness of the various features of each to the problems which they are intended to solve.

2. *Discussions in Prospect*

Up until recently, indications from the United States have been that they proposed to continue a series of discussions with other countries (Netherlands, Australia, Mexico, etc.) on their Stabilization Fund proposal before beginning any discussion with the United Kingdom or considering the discussion of the two plans on anything wider than a bilateral basis. The Minister's suggestion to the Secretary of the Treasury for a tripartite discussion⁶³ was rejected. Recently, however, it has been intimated by Plumptre that the Treasury would like to resume discussions with Canadians about June 15th, and would widen them to include the United Kingdom and possibly Australia, Brazil and Mexico. It has been intimated that it would be appropriate for us to advance any substantive proposals.

3. *Chief Objects of the Two Plans*

The two proposals have broadly the same objects though differing in method and scope. They attempt to provide a system by which the adjustments which countries may be forced to make in their international balances of payments, by reason of varying crops, differences in the rate of technical progress, variations of the trade cycle and fortuitous circumstances, can be made gradually and

⁶² Voir le document 582.

⁶³ Voir le document 583.

⁶² See Document 582.

⁶³ See Document 583.

without necessity of taking drastic and destructive action to defend the external value of the countries' currencies or alternatively great variations in exchange rates. Broadly, the object is to remove much of the incentive to the adoption of measures of a discriminatory, trade-throttling, or "beggar-my-neighbour", character by countries, which wish to expand employment at home and fear that an excess of imports or flight of capital may frustrate their efforts. These may be particularly important in the uncertain period immediately after the war, but will also be of continuing significance.

Both plans attempt to do this by combining an automatic system of short-term credits with provision for suitable pressures on each country to re-adjust its position when necessary but over a longer period than would be available to it under any other system.

Both plans are multilateral, that is, they would permit us, in Keynes' words, "to apply what we earn from our exports, wherever we may be selling them, to pay for whatever we may buy, wherever we may buy it."

4. *Basic Differences*

Though similar in object, the two plans have distinct differences in structure and operation and these have been exaggerated somewhat in the public mind by the suggestion of rivalry in publication.

The least important difference is that the Stabilization Fund is a *fund* requiring a cash contribution by each member country and giving a right to draw against the fund within prescribed limits and under prescribed conditions. The Clearing Union requires only a set of books and an undertaking by members to accept unused credits on the books as payment for goods and services. It would operate by the familiar British system of overdrafts. Either system can be made to work, though the British proposal is simpler in operation and gives a clearer picture of results.

The most important difference is that, in the Clearing Union plan, each country agrees to accept "bancor" (the international unit of account) as payment for its exports and other credits and thus there is no limit to the extension of credit by one country to the rest except the decision of that country to use its "bancor" to buy imports and pay other debits. In the Stabilization Fund plan, each country contributes gold and its national currency to the Fund and that strictly limited amount apart from arranged loans is all that is available to meet the unfavourable balances of other countries. This limitation of commitment is a point of great importance in the eyes of the United States Treasury.

A related point is of equally great importance. The overdraft privileges of the Clearing Union plan are very generous, probably over-generous. The United States Fund is of distinctly narrow proportions and the present suggested figure of \$5,000,000,000, modified to an uncertain degree by borrowing powers, is quite inadequate for the purposes set out in the plan. The British figures are easily scaled down, but the United States figure involving as it does a cash contribution will be much more difficult to raise. However, it is thought that it is not hopeless to attempt it.

The Stabilization Fund requires a 4/5 vote for all important decisions and thus gives the United States a veto. This is a wholly unacceptable provision and

one that is quite unnecessary for the protection of United States interests. It can probably be modified but it has already been pointed out to Congress as a safeguard and it will not be easy to remove.

There are many detailed provisions in both plans concerning conditions and operations which are important but appear amenable to adjustment after discussion.

5. *A Canadian Plan*

It seems tactically wise, and more effective in presenting our own point of view, to put forward our suggestions in the form of a complete Canadian plan or rather of a Canadian merger of the two plans.

The reasons are:

(a) For reasons set out in your letter to Mr. Morgenthau, it is essential at an early stage to bring the two plans together, since separate discussions put us in the position of taking sides in an Anglo-American argument if we advance suggestions for the modification of each plan singly. The desired discussion between the British and the American can best be achieved if there is put before both groups a proposed merger of plans which will concentrate attention on the problems rather than the rival provisions of the plans. Our suggestions, if put forward as a whole in an integrated plan, will make clear that we are neither pro-London nor pro-Washington. It would contain approval and criticism of some features of both plans and might resolve the present dilemma.

(b) It would probably relieve many smaller countries of embarrassment. They do not wish to oppose either plan nor seem to take sides. A Canadian plan would bring discussion into the open and probably establish some merger of the two plans as to the desirable model.

(c) The United States Treasury does not command a great deal of support either in the country or in Congress. Canada has, on the other hand, an almost embarrassingly high position in banking and financial circles in the United States and is not without reputation in Congress where we at least have no taint of the New Deal about us. The numerous American banks have a significant political weight, in contrast to our own concentrated banking system. A Canadian plan would probably attract more support in the United States than a Treasury plan. It would give rise to no instinctive opposition such as a British plan.

The Canadian plan should be put forward purely as a proposal for discussion with no government commitment. This would be identically the attitude taken by the United Kingdom and the United States to the plans of their Treasuries.

The main features of the Canadian plan would be —

- (a) the adoption of the American form, i.e., a Fund;
- (b) the enlargement of the Fund by larger contributions and by agreed lines of credit to the Fund;
- (c) the elimination of the United States veto through providing in less objectionable ways for safeguarding the interests of the United States and other creditors;

- (d) modification of the rigidity of the United States plan without accepting the complete flexibility of the United Kingdom plan;
- (e) various detailed amendments designed to make the plan completely multilateral and to make the operative sections workable.

593.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, June 2, 1943

INTERNATIONAL EXCHANGE STABILIZATION

18. THE MINISTER OF FINANCE reported that the U.S. government proposed that representatives of the United Kingdom and the United States, Canada and Australia, Mexico and Brazil meet in Washington during June for informal discussion of the British and American draft plans.

The government's financial advisers felt that the prospects of international agreement on exchange stabilization were being prejudiced by the rivalry between the two plans. It was suggested, therefore, that the presentation by the Canadian representatives at the Washington meeting of a third plan to combine certain features of both the British and American documents would serve to bring the two groups together and enhance the possibilities of agreement.

19. THE PRIME MINISTER saw no objection to the course proposed, as long as the "Canadian" plan were not put forward as an official document expressive of government policy, but merely as the result of the studies of Canadian experts.

20. MR. ILSLEY said that it was not suggested that the plan should be put forward as representing government policy. It would be intended only for discussion with other representatives. The government would in no way be committed and would remain free to modify, revise or even repudiate it entirely.

21. THE WAR COMMITTEE, after further discussion, approved participation of Canadian representatives in the Washington discussions, and the presentation thereof by Canadian representatives of specific proposals, it being understood that the proposals so presented would in no way commit the government.

594.

DEA/6000-D-40

*Mémorandum**Memorandum*

STRICTLY CONFIDENTIAL

Ottawa, June 9, 1943

GENERAL OBSERVATIONS OF CANADIAN EXPERTS ON
PLANS FOR POST-WAR MONETARY ORGANIZATION

1. Officials of the Canadian Government have had an opportunity of exam-

ining the United States Treasury Department Preliminary Draft Outline of a Proposal for a United and Associated Nations Stabilization Fund, and have received explanations of this proposal from American officials. A similar procedure was followed in connection with the paper containing proposals by British experts for an International Clearing Union. The discussions with both British and American officials have been entirely exploratory and the Canadian Government has not been committed to any course of action as a result of these conversations. The American and British experts, for their part, have laid stress on the fact that their proposals are tentative in character, and have made it clear to representatives of the Canadian Government (as well as to those of other Governments) that they would welcome critical comment and constructive suggestions. Canadian experts who have been studying the British and the American proposals are, therefore, led to make certain observations of a general character and to submit an alternative plan. Like the British and the American plans, the proposals of the Canadian experts are provisional and tentative in character; they incorporate important features of both the American and the British plans and add to them certain new elements.

2. The main objectives of the American and the British proposals appear to be identical, namely, the establishment of an international monetary mechanism which will aid in the restoration and development of healthy international trade after the war, which will achieve a high degree of exchange stability, and which will not conflict with the desire of countries to carry out such policies as they may think appropriate to achieve, so far as possible, economic stability at a high level of employment and incomes. To aid in the achievement of these objectives, the British and American experts have proposed the establishment of a new international monetary institution. Their proposals are large in conception, but no larger than the problem itself. There is every reason to improve the structure and operation of the monetary mechanism on the basis of experience. But there is no reason why proposals should be based exclusively on the limited, and on the whole, bad experience of the last two decades. Unless dependable exchange and credit relations between countries can be achieved before the stresses and strains of the post-war period begin, there is little likelihood that irreparable damage can be avoided.

3. If plans for international monetary organization are to be successful, other problems — by no means less difficult or less important — will also have to be faced and solved by joint international action. It would, indeed, be dangerous to attach too much importance to monetary organization of and by itself, if this resulted in neglect of other problems which may be even more important and difficult, or in a misguided faith that with a new form of monetary organization the other problems would solve themselves. In the international field alone (to say nothing of the innumerable domestic problems involved in the profound changes in the structure of production and employment which have taken place in all belligerent and many non-belligerent countries due to the exigencies of the war) it will be necessary to attack frontally such problems as commercial policy, international investment, the instability of primary product prices — to name but a few. No international monetary organization, however perfect in

form, could long survive economic distortions resulting from bilateralist trade practices, continued refusal of creditor countries to accept imports in payment of the service on their foreign investment or to invest their current account surplus abroad, or enormous fluctuations in food and raw material prices such as characterized the years between the two wars. But the fact that there are many problems to be faced cannot be used as an excuse for facing none. A start must be made somewhere, and for the reasons given in paragraph 5, we believe that the problem of international monetary organization is a logical and fruitful starting-place.

4. The establishment of an international monetary organization is no substitute for the measures of international relief and rehabilitation which will be required as the war draws to its conclusion and afterwards; and in view of the Canadian experts any monetary organization which is set up should not be called upon to finance transactions of this nature. Some continuing and stable arrangements regarding international long-term investment are also clearly essential if equilibrium is to be achieved and maintained. Nor should it be thought that the proposed international monetary institution is merely an instrument of the transition period from war to peace. True, it has special importance in this period but it should be designed as a permanent institution and not as a stopgap to function during a relatively short period of time.

5. An important, perhaps the most important, feature of the British and the American proposals is the provision in both plans for the extension of credit between countries. The two plans differ as regards the precise techniques to be used in extending credit and as regards the amounts which may be involved; but both plans provide that foreign credits are to be available under certain conditions to countries having need of them, and that they shall be made available through an international monetary organization rather than through bilateral arrangements between pairs of countries. The provision for credit extension is nothing more nor less than a straightforward and realistic recognition of the fact that at the end of the war a large number of countries, whose import requirements will be considerable, will not have immediately available a sufficient reserve of foreign assets to enable them to expose themselves to the risk of participation in a world economic system. An interval will be needed to give time for adjustment and reorganization. If the penalty in foreign means of payment of certain important countries is to be allowed to fix the pattern of post-war trading and domestic policies, then all can look forward to penalty — no country, rich or poor, will escape the impoverishment resulting from the throttling of international trade which will result.

6. It is useful to consider what would happen if no action were taken to set up international machinery of the general character suggested by the experts of the United States and the United Kingdom. Theoretically, one alternative would be immediate cash settlement for all international transactions. But how can cash be produced for purchases abroad? Only by selling goods or services abroad, or by disposing of acceptable foreign assets such as securities and gold. The facts regarding the distribution of the world's monetary gold reserves and the changes which have taken place in the course of the war in various countries' holdings of foreign securities are too well known to require elaboration. Broadly

speaking, and allowing for certain exceptions and time-lags, a cash basis for the settlement of international transactions would mean that any country's capacity to export would be limited to the amount of its own currency it made available to foreign countries through its imports and other current payments abroad — in other words, trade would in effect be reduced to barter. In point of fact, however, there is no possibility that countries would for long allow themselves to be confined in such a strait jacket. Faced with the problem of an unsalable surplus of export goods and with consequent domestic unemployment, they would refuse to accept the penalty of disorganization of export trade if that penalty could be avoided, even temporarily, by the extension of credit. Countries would embark on bilateral credit arrangements, no doubt linked with deals relating to the purchase and sale of goods; and as soon as certain countries began to adopt this course others would find that they had to follow suit to protect their trade interests. It is difficult to imagine a more fruitful source of international dissension than a competitive trade and credit extension programme of this character.

The Canadian experts believe it to be true, therefore, that the Stabilization Fund or Clearing Union plans do not involve a decision as to whether foreign credits shall be extended or withheld. In some form or other, credit will in fact be extended; and the decision which has to be taken relates primarily to the method employed. For the reasons given above, international arrangements are greatly to be preferred to bilateral deals.

7. This leads to the question, how much credit should be made available through the international monetary mechanism? A vital feature of any plan of this sort is the provision it makes for the borrowing power of each participant and for the contribution to the resources of the organization by the participating countries through the provision of capital, the accumulation of balances or through loans. Some concern has been expressed in regard to the size of the commitment which may be assumed by prospective creditors. It is probable that Canada will be a creditor country on current account, and the Canadian experts have therefore given careful thought to this aspect of the arrangements.

8. There is one preliminary observation which should be made in this connection. It would be a distortion of the realities of the situation for any country, or its citizens, to regard the willingness to provide resources to an international organization of the general character proposed by the British and the American experts as an act of generosity which is performed for the sake of foreign countries. Resources are provided to the organization first, because all have a stake in re-creating a functioning international economic system and secondly, because for each individual country the realistic alternatives in the form of trade disorganization are costlier than the provision of resources. Moreover, and most important of all, the resources provided are not given away; they are fully secured by the organization's holdings of gold and national currencies. It can only lead to confusion of thought to regard participation in such plans as these as in any way similar in character to participation in international relief schemes, important and necessary though the latter may be.

9. It seems apparent that, in one way or another, substantial unregulated

movements of capital between countries will be prevented. In these circumstances, countries will, by and large, lose or gain foreign exchange to the extent, but only to the extent, of the imbalance in their current account transactions with the rest of the world. If a country is building up a substantial credit position, it will know that this situation is produced because it is selling more goods and services abroad than it is buying abroad. If it is dissatisfied with this position, if it wishes to reduce its credit balance, it has through participation in the proposed organization lost no single one of the courses of action ever open to it. True, it is by no means easy for a country, acting alone, to solve problems of imbalance. But as a last resort a country *can* find a solution by unilateral action. It can do the only things it ever could do in these circumstances; it can buy more abroad — goods, services or investments; or it can sell less abroad. It is therefore quite wrong to assume that countries participating in the proposed institution would, because of this participation, be left without control over their international commitments. It may be, and no doubt is, useful to erect danger signals at various stations along the road followed by both debtors and creditors. Such signals are useful reminders. But there is nothing to prevent either creditor or debtor from taking remedial action at any time.

10. If the foregoing is a correct analysis of the situation — and it would appear to be a simple statement of fact — creditors need not be unduly concerned about the possible size of their investment in the Fund, knowing that the ultimate actual size of their stake can be determined by their own course of action from day to day and from year to year. Nevertheless, even the appearance of an unlimited commitment is probably undesirable and in the tentative proposals of Canadian experts, a limit is placed on the obligation of each participant to provide resources to the institution. But there is less real danger to the interests of creditor countries in the establishment of a Fund or a Union whose potential resources are unnecessarily large (and may in consequence never be entirely used) than there is in the establishment of an institution whose resources are obviously too small. The interests of all will best be served by providing a fair degree of latitude, a satisfactory breathing-space — to debtors and creditors alike. If its objectives are to be achieved, the resources must be large enough to permit time for basic readjustments to be accomplished; they must be such that the organization will command general confidence in its own stability. For if this is not the case, what will happen? It will be believed that certain currencies are likely to become “scarce” currencies — a belief which will be reinforced by the reduction in the institution’s holdings of that particular currency. Countries which are likely to require a “scarce” currency will hasten to make their purchases which are payable in that currency. As the holdings of the “scarce” currency are used up, as discussions and arguments commence regarding an enlargement of the quota or some other form of extension of credit, grave misgivings in regard to the international situation will arise. The position will be very much akin to that of a bank whose cash reserves are feared to be insufficient. There will be a run on that currency in the institution; and if the currency concerned is an important one, the international effects will be very serious indeed. No form of international monetary organization can continuously

compensate for chronic maladjustments in the current account balance of payments of the countries which may be concerned, but it would be most unwise to set up machinery which stood a fair chance of facing a crisis at a comparatively early date.

11. To avoid misunderstandings it should be emphasized that it would be extremely dangerous to use short-term credits as a device to cover up basically unsound positions. This would be no less disastrous in the international than in the domestic field, and any monetary system which made such an attempt on a large scale would inevitably break down. A chronic imbalance in current account balances of international payments which is not matched by voluntary long-term capital movements — lending abroad by creditor countries, and borrowing abroad by debtor countries — is symptomatic of a deep-seated maladjustment which has to be dealt with if equilibrium is to be restored. No debtor country can live beyond its resources indefinitely; and no creditor country can persistently refuse to lend its surplus abroad or make other adjustments to its creditor position without ripping the international fabric. But time is required for adjustments to be made and for remedial measures to have their effects, and the contention of this paper is that the time allowed must be adequate. More time may be purchased at a smaller real cost than less time.

12. There is one final observation of a general character which should be made. The new international monetary institution which it is proposed to create will be neither omniscient nor omnipotent. It should create conditions in which member countries are free to carry out sound economic policies for the welfare of their own people and in which they will not be induced or forced, for lack of organized co-operation, to pursue policies which impoverish themselves and contribute to the impoverishment of the world. The organization should be international and not supernational. Nations should enter into the proposed agreement for common purposes and advantages, realizing that without such agreement the common purposes cannot be achieved. In their national policies, countries should be limited only by their own will in entering and remaining in the organization. If the proposed institution functions well, it will have at its disposal more information regarding the currents of international financial transactions and the causes of disequilibrium than has ever been available before. It will be in a position to offer informed and disinterested advice to its members. It may be hoped that the quality of the advice offered will be such that it will carry great weight. But no member state should be asked to bind itself in all circumstances to follow the advice given by the organization. Moreover, if a country feels at any time that its national interests are being jeopardized by actions of the organization, and is willing to sacrifice the advantages of continued membership, it should be free to withdraw, after making provision to liquidate its obligations to the organization or, if the country is a creditor, it should have returned to it its original contribution to the resources of the organization. The proposals here advanced are put forward in the belief that a soundly conceived international agreement can give greater scope for national policies than can exist outside it.

13. To sum up these general observations, it is suggested that:

- (a) An international agreement for the establishment of an international monetary organization which involves the extension of credit is essential if international cooperation in the post-war period is to be achieved.
- (b) Such machinery will deal with only one of the numerous problems which must be faced, but it is a logical and convenient starting place for joint international action.
- (c) The credit made available through the international monetary organization should be adequate to deal with that portion of current account surpluses and deficits which is not met by relief and other concerted international action in the years immediately after the war; it should be sufficient to provide a firm basis on which multilateral world trade can be re-established after the war; and it should provide time to countries which find their international accounts unbalanced to take the necessary corrective measures to adjust their position.
- (d) The extension of credit is not a cure-all; it merely provides time for adjustments; and unless unbalanced positions (except those accompanying long-term capital movements) are brought into equilibrium, any arrangements made will break down.
- (e) No country participating in the arrangements loses control of the size of its international commitments, since it can determine their size by its own action, if it wishes to do so.
- (f) No country participating in the arrangements loses control over its domestic economic policies.

[PIÈCE JOINTE/ENCLOSURE]

*Projet de propositions pour une Union de stabilisation du change étranger**Draft Proposals for a Foreign Exchange Stabilization Union*

SECRET

Ottawa, June 1, 1943

I. PURPOSES OF THE UNION

1. To stabilize exchange rates and provide an orderly method for their determination.
2. To provide a convenient clearing mechanism to settle balances in international payments.
3. To provide to all countries access to foreign exchange resources in order to reduce the danger that economic and commercial policies in the period immediately after the war will be largely determined by a shortage of foreign exchange and to enable countries thereafter to be guided in their economic and commercial policies by long-run considerations when faced with a temporary reduction of foreign markets.
4. To aid in the achievement of international equilibrium by measures designed to prevent excessive short-term borrowing through the Union or the excessive accumulation of uninvested foreign surpluses.
5. To contribute to the re-establishment and development of a multilateral trading system and to the elimination of discriminatory trading and currency practices.

II. RESOURCES OF THE UNION

Member countries shall agree to make the following resources available to the Union:

1. A capital subscription to the amount of the quota assigned to each member country, the aggregate of such quotas to be \$8,000 million.

Detailed provisions regarding 1 — Quotas and Capital Subscription:

(a) *Determination of quotas*

The quota for each member country shall be determined by a formula which will give due regard to the following factors: international trade, national income, and holdings of gold and foreign exchange convertible into gold. A special assessment may be levied in any case where this formula would be inappropriate.

(b) *Payment of capital subscription*

The capital subscription of each member country shall be paid up in full on or before the date set by the Board of Directors of the Union on which the Union's operations are to begin. Each member country shall pay in at least 15 per cent of its quota in gold and the balance in national currency; a country may substitute gold for national currency in meeting its quota requirements. The Union may make such arrangements as it deems appropriate to provide a period of time within which countries having less than \$300 million in gold or foreign exchange convertible into gold may pay up their gold contribution in full. Notwithstanding the provisions of subsequent paragraphs the Union shall sell foreign exchange to such member countries for the purpose of acquiring gold to pay their capital subscriptions.

(c) *Change in quotas*

The Board may from time to time change the quotas of particular member countries, provided, however, that in voting on proposals to increase quotas the voting strength of each member shall be increased or decreased to take account of the Union's net sales or purchases of the currency of each member country in accordance with the weighted voting formula set out in IX.3 below. No increase shall, however, be made in the quota of any country without the consent of the representative of the country concerned.

2. Loans to the Union, as required, in amounts not exceeding 50 per cent of the quota of each member country.

Detailed provisions regarding 2 — Loans to the Union:

(a) *Conditions of borrowing*

The terms and conditions of loans made by member countries to the Union under the provisions of paragraph II.2 shall be set out in the rules and regulations of the Union. The Union's authority to borrow from member countries up to 50 per cent of their quotas shall be a revolving authority. Such loans may be made in gold or national currency at the option of the member country. The Union shall not exercise its right to borrow until it has used its available gold resources to acquire additional supplies of the currency in question. Subject to the provisions of the preceding sentence, the Union must exercise its right to borrow when its holdings of the currency of any member country have been reduced to 10 per cent of the quota of that member country. When the Union

exercises its right under the provisions of paragraph II.2 to borrow additional supplies of the currency of any member country it shall have the duty to attempt to increase its disposal over the currency concerned by acquiring gold or the currency in question from the holdings of other member countries.

(b) *Conditions of Repayment*

The Union shall have the right to repay loans contracted under the provisions of paragraph II.2 at any time. The member country making the loan shall have the right to demand repayment in gold to the extent of the Union's gold holdings at any time and shall also have the right to demand repayment in its national currency provided that such repayment does not reduce the Union's holdings of that currency below 50 per cent of the quota of the member country. Member countries shall agree to give 30 days' notice of demand for repayment of loans made to the Union under the provisions of the present article.

III. MONETARY UNIT OF THE UNION

1. The monetary unit of the Union shall be the Moned⁶⁴ and it shall consist of 137 1/7 grains of fine gold. The accounts of the Union shall be kept and published in terms of Moneds.
2. The value of the Moned in terms of gold shall not be changed without the approval of four-fifths of member votes.
3. Member countries shall agree with the Union the initial values of their currencies in terms of gold or Moneds and, except as provided in paragraph IV.2 below, shall undertake not to alter these values without the approval of the Union.
4. Deposits in terms of Moneds may be accepted by the Union from member countries upon the delivery of gold to the Union. Such Moned deposits shall be transferable to other member countries. They shall be redeemable in gold and the Union shall maintain a 100 per cent reserve in gold against all Moned deposits.

IV. EXCHANGE RATES

1. The Union shall fix, on the basis of exchange rates initially agreed between it and each member country, the rates at which it will buy and sell one member's currency for another's and the rates in local currencies at which it will buy and sell gold. The spread between the Union's buying and selling rates for member currencies and for gold shall not exceed 1 per cent. Except as provided in paragraph IV.2 below, member countries shall agree not to change the initially agreed exchange rates without the approval of the Union and any country which alters the value of its currency without the consent of the Union shall be declared in default of its obligations and become subject to the penalties provided in XI.1 below.
2. Notwithstanding the provisions of paragraph IV.1 above, any member country which has, on the average of one year, been a net purchaser of foreign exchange from the Union (for other than capital account purposes) to the extent of 50 per cent of its quota shall be entitled to depreciate its exchange to the

⁶⁴ Ce terme fut abandonné avant que ne débutent les discussions à Washington.

⁶⁴ This term was abandoned before the discussions in Washington began.

maximum extent of 5 per cent; provided, however, that the provisions of this paragraph shall not apply to any country which holds independent official reserves of gold and foreign currencies freely convertible into gold in amounts exceeding 30 per cent of its quota. No country shall be entitled to repeat the exchange depreciation provided for in this paragraph without the specific approval of the Union.

3. No change in the value of the currencies of member countries shall be permitted to alter the value of the assets of the Union in terms of gold or Moneds. Thus if the Union approves a reduction in the value of the currency of a member country, or if a country depreciates its exchange under the provisions of the preceding paragraph, or if in the opinion of the Board a significant depreciation in the value of the currency of a member has in fact occurred, that country must on request deliver to the Union an amount of its local currency equal to the decreased value of that currency held by the Union. Likewise, if the currency of a particular country should appreciate, the Union must return to that country an amount in the currency of that country equal to the resulting increase in the value of the Union's holdings.

V. OPERATIONS OF THE UNION — PRIVILEGES AND RESPONSIBILITIES OF DEFICIT COUNTRIES

1. The Union shall have the power to sell to the Treasury of any member country (or exchange fund or central bank acting as its agent for the purpose) at the rate of exchange established by the Union, currency of any country which the Union holds, subject to the following provisions:

(a) Without special permission, no country shall be a net purchaser of foreign exchange from the Union except for the purpose of meeting an adverse balance of payments on current account and the Union may at any time limit the amounts of foreign exchange to be sold to any member country which it has reason to believe is permitting significant exports of capital while having an adverse balance of payments on current account.

Detailed provisions regarding (a) — Restriction of Right of Deficit Countries to Purchase Foreign Exchange to amounts required to meet an Adverse Balance of Payments on Current Account.

(i) A country shall be regarded as a net purchaser of foreign exchange if as a result of the Union's purchases and sales of currencies the Union's holdings of its currency rise above the amount originally provided to the Union by way of capital subscription.

(ii) The Union may require any member country which is a net purchaser of foreign exchange to furnish at periodic intervals statistics of its balance of international payments on current account and on capital account and statistics of gold and foreign exchange holdings, public and private. Each such member country shall agree to furnish officers of the Union with detailed explanations of the bases on which such statistics are computed. If at any time the Governing Board has reason to believe that an outflow of capital from any member country is resulting directly or indirectly in net purchases of foreign exchange by that country from the Union, it shall have the right to require a control of outward capital movements as a condition of making additional sales of foreign ex-

change to such country. Without limiting the generality of the foregoing, the Union shall normally require any member country which has been a net purchaser of foreign exchange to the extent of 25 per cent of its quota to impose restrictions on outward capital movements if none exist.

(iii) In considering applications from countries which have been net purchasers of foreign exchange from the Union for the special permission referred to in paragraph V.1(a) to purchase foreign exchange for purposes other than the meeting of an adverse balance of payments on current account, the Governing Board shall give careful attention to applications for foreign exchange to facilitate the adjustment of foreign debts where this is deemed to be desirable from the point of view of the general economic situation and shall also give special attention to applications for foreign exchange by member countries not in default on their foreign obligations for the purpose of maintaining contractual principal payments on foreign debt.

(b) In order to promote the most effective utilization of existing stocks of gold and foreign exchange, no member country shall have the right to be a net purchaser of foreign exchange from the Union so long as that country's holdings of gold and foreign currencies freely convertible into gold (including private as well as official holdings) exceed its quota.

Detailed provision regarding (b) — Restriction of Right of Countries holding Large Independent Gold and Foreign Exchange Reserves to Purchase Foreign Exchange from the Union

In interpreting this provision the Governing Board shall give special consideration to the position of certain Asiatic countries where gold has long been used as private treasure.

(c) In general, the Union shall have the power to sell foreign exchange for domestic currency to member countries up to 200 per cent of the quota of each such member country. Net sales of foreign exchange shall not exceed 50 per cent of the quota of each member country during the first year and the aggregate net sales shall not exceed 100 per cent, 150 per cent or 200 per cent during the first two, three and four years of the operation of the Union.

Detailed provision regarding (c) — Restriction of Sales of Foreign Exchange to Specified Limits.

On special vote of the Governing Board, in which voting strength shall be weighted to allow for the Union's net purchases and sales of each member country's currency in accordance with the provisions described in paragraph IX.3 below, the Union may purchase any currency in excess of these limits provided that (a) the country whose currency is being acquired by the Union agrees to adopt and carry out measures recommended by the Union to correct the disequilibrium in its balance of payments, or (b) it is the view of the Governing Board that the country's prospective balance of payments is such as to warrant the expectation that the excess currency holdings of the Union can be disposed of in a reasonable time.

(d) In order to promote the most effective utilization of existing stocks of gold and foreign exchange the Union may, as a condition of selling foreign exchange to any member country in amounts exceeding 50 per cent of its quota, require such a country to sell it, for its domestic currency, appropriate amounts

of any reserves it (or its nationals) may hold of gold or foreign exchange acceptable to the Union.

(e) When a member country is exhausting its quota more rapidly than is warranted in the judgment of the Governing Board, the Board may make such recommendations to that country as it thinks appropriate with a view to correcting the disequilibrium, and may place such conditions upon additional sales of foreign exchange to that country as it deems to be in the general interest of the Union.

2. A charge of 1 per cent per annum payable in gold shall be levied against member countries on the amount of their currency held by the Union in excess of the quotas of such countries.

VI. OPERATIONS OF THE UNION — PRIVILEGES AND RESPONSIBILITIES OF SURPLUS COUNTRIES

1. In order to promote the most effective utilization of the available and accumulating supply of gold and foreign exchange resources of member countries, each member country shall, on request of the Union, sell to the Union, for its local currency or for foreign currencies which it needs, all gold and foreign exchange in official reserves in excess of the amounts held immediately after joining the Union.

Detailed provision regarding 1 — Accumulating Supplies of Gold and Foreign Exchange

For the purpose of this provision, including computations, only free foreign exchange and gold are considered. To help achieve the objective set out in this paragraph each member country shall agree to discourage the unnecessary accumulation of gold and foreign exchange by its nationals and to furnish the Union with periodic reports of gold and foreign exchange holdings, public and private. The Union shall inform any member country when in its opinion any further growth of privately held gold and foreign exchange balances appears unwarranted.

2. When the Union's operations have resulted in excess sales of the currency of any member country to the extent of 75 per cent of the quota of that country the Union may, in order to increase its resources of the currency in question, attempt to arrange with the member country a programme of foreign capital investment or repatriation and may sell foreign exchange to facilitate such capital movements.

3. When the Union's holdings of the currency of a member country are being exhausted more rapidly than is warranted in the judgment of the Governing Board, the Board may make a report on the situation. Without restricting the generality of the foregoing, whenever the Union's operations have resulted in excess sales of the currency of any member country to the extent of 85 per cent of the quota of that country, the Union has the authority and the duty to render to the country a report embodying an analysis of the causes of the depletion of its holdings of the currency and recommendations appropriate to restore the equilibrium of the international balances of the country concerned. Such recommendations may relate to monetary and fiscal policies, exchange rate, wage policy, commercial policy and international investment.

3. Detailed provision regarding 3 — Report on Countries whose Currency is becoming Scarce

The Board member of the country in question shall be a member of the Union Committee appointed to draft the report. The report shall be sent to all member countries and, if deemed desirable, made public.

4. The Union shall have the right at any time to enter into arrangements with any member country to borrow additional supplies of its currency on such terms and conditions as may be mutually satisfactory.

5. The Union shall have the right to make special arrangements with any member country for the purpose of providing an emergency supply of the currency of any other member country on such terms and conditions as may be mutually satisfactory.

6. Whenever it becomes apparent to the Governing Board that the anticipated demand for any currency may soon exhaust the Union's holdings, the Governing Board shall inform the member countries of the probable supply of this currency and of a proposed method for its equitable distribution together with suggestions for helping to equate the anticipated demand and supply.

Detailed provisions regarding 6 — Rationing of Scarce Currencies

(a) The provisions of paragraph VI.6 shall come into force only after the Union has exercised in full its right in paragraph II.2 to borrow additional supplies of the currency of the member country and after the Union has taken such further steps to increase its supply of this currency as it has deemed appropriate and found possible.

(b) The privilege of any country to acquire from the Union an amount of other currencies equal to or in excess of its quota shall be limited by the necessity of assuring an appropriate distribution among various members of any currency the Union's supply of which is being exhausted.

(c) In rationing its sales of any scarce currency the Union shall be guided by the principle of satisfying the most urgent needs from the point of view of the general international economic situation. It shall also consider the special needs and resources of the various countries making the request for the scarce currency.

(d) Member countries shall agree that restrictions imposed by other member countries on the importation of goods from a country whose currency is being rationed by the Union shall, for the duration of such rationing, not be regarded as constituting an infraction of the most favoured nation obligations of commercial treaties except in the case of countries holding reserves of gold and/or the scarce currency, in amounts exceeding 30 per cent of their quotas.

7. Whenever the Governing Board has, under the provisions of the preceding paragraph, taken steps to ration the Union's supply of the currency of any member country, it may require the remaining member countries to prevent the sale by their nationals of each other's currencies, including bills of exchange, in the country whose currency is being rationed. In addition, whenever the Board has taken steps to ration the Union's supply of the currency of any member country, it shall have the duty to re-examine the exchange rates initially fixed

and to recommend such changes as it may regard as appropriate to the changed circumstances.

VII. POWERS OF THE UNION — GENERAL

1. The Union shall have the powers to take such actions as are required to carry out the operations enumerated in the preceding paragraphs. For greater clarity, the Union shall have the power to buy, sell and hold gold, currencies and government securities of member countries; to accept deposits and to earmark gold; to issue its own obligations and to discount or offer them for sale in member countries; and to act as a clearing house for the settling of international movements of funds and gold.

Detailed provision regarding 1 — General Powers of the Union.

Member countries agree that all of the Union's local currency holdings shall be free from any restrictions as to their use for payments within the country concerned.

2. When the Union's holdings of the local currency of a member country exceed the quota of that country the Union shall have the power to resell to the member country, upon its request, the Union's excess holdings of its currency for gold or acceptable foreign exchange.

3. The Union shall have the power to invest any of its currency holdings in government securities of the country of that currency, provided that the Board representative of the country concerned approves.

4. The Union shall have the power to buy and sell currencies of non-member countries, but shall not normally hold the currencies of non-member countries beyond 60 days after the date of purchase.

5. The Union shall have the power to levy upon member countries a *pro rata* share of the expenses of operating the Union, such levy to be made, however, only to the extent that the earnings of the Union are inadequate to meet its current expenses.

6. The Union shall make a service charge of one-quarter per cent on all gold transactions.

7. In conducting its own operations the Union shall have the power to deal only with or through (a) the Treasuries, exchange funds or fiscal agents of governments, (b) central banks with the consent of the member of the Board representing the country in question, and (c) any international banks owned predominantly by member countries. The Union may, nevertheless, with the approval of the member of the Board representing the country concerned, sell its own securities directly to the public or to institutions of member countries.

8. The Union shall have the power and the duty to cooperate with such other institutions of an international character as may exist or be established to deal with international economic matters such as international investment, commercial policy, etc.

VIII. ABNORMAL WARTIME BALANCE

During the first two years of operation the Union shall have the right to purchase abnormal wartime balances held by member countries in other member countries for the national currency of the country selling such balances or

for foreign exchange needed to meet current account deficits in such country's balance of international payments, in amounts not exceeding in the aggregate 5 per cent of the quotas of all member countries. At the end of two years of operation the Governing Board shall propose a plan for the gradual further liquidation, in whole or in part, through the Union, of abnormal wartime balances held by member countries in other member countries and other financial indebtedness of a similar character. If the Governing Board feels unable to recommend that the Union's resources be used for this purpose it shall have the duty to propose some other method by which the problem can be considered.

IX. VOTING POWER

1. Each member country shall have 100 votes plus one vote for the equivalent of each 100,000 Moneds of its quota.
2. All decisions, except where specifically provided otherwise, shall be made by majority of the member votes.
3. Notwithstanding the provisions of the preceding paragraph, in any vote on a proposal to increase the quota of any member country, member countries shall acquire one additional vote for each 100,000 Moneds of its contribution to the resources of the Fund (by way of original capital subscription or by way of loans made under the provisions of paragraph II.2) which has been utilized, net, on the average of the preceding year by the Union for sale to other member countries; and member countries shall lose one vote for each 100,000 Moneds of their net utilization of the resources of the Union on the average of the preceding year.

X. MANAGEMENT

1. The administration of the Union shall be vested in a Governing Board. Each government shall appoint a director and an alternate who shall serve for a period of three years subject to the pleasure of their government. Directors and alternates may be reappointed.
2. The Governing Board shall select a Governor of the Union and one or more assistants. The Governor shall become an *ex officio* member of the Board and shall be chief of the operating staff of the Board. The Governor and his assistants shall hold office for five years and shall be eligible for re-election and may be removed for cause at any time by the Board.
3. The Governor of the Union shall select the operating staff in accordance with regulations established by the Governing Board. Members of the staff may be made available upon request of member countries or of other institutions of an international character for consultation in connection with international economic problems and policies.
4. The Governing Board shall appoint from among its members an Executive Committee to consist of not fewer than eleven members. The Chairman of the Board shall be the Chairman of the Executive Committee and the Governor of the Union shall be *ex officio* a member of the Executive Committee. Meetings of the Executive Committee shall be held at least once every two months and more frequently if the Executive Committee shall so decide.
5. The Governing Board shall hold an annual meeting and such other meetings as it may be desirable to convene. On request of member countries casting

one-fourth of the votes the Chairman shall call a meeting of the Board for the purpose of considering any matters placed before it.

6. Net profits earned by the Union shall be distributed in the following manner:

- (a) 50 per cent to reserves until the reserves are equal to 10 per cent of the aggregate quotas of the Union;
- (b) 50 per cent to be divided each year among the members in proportion to their quotas.

XI. WITHDRAWAL AND EXPULSION FROM THE UNION

1. A country failing to meet its obligations to the Union may be suspended provided a majority of the member votes so decides. While under suspension the country shall be denied the privileges of membership but shall be subject to the same obligations as any other member of the Union. At the end of two years the country shall be automatically dropped from membership unless it has been restored to good standing by a majority of the member votes.

2. Any country which has been a net purchaser of foreign exchange from the Union may withdraw from the Union by giving notice and its withdrawal shall take effect one year from the date of such notice. During the interval between notice of withdrawal and the taking effect of the notice such country shall be subject to the same obligations as any other member of the Union.

3. Any country which has not been a net purchaser of foreign exchange from the Union may withdraw from the Union by giving notice and its withdrawal shall take effect 30 days from the date of such notice. During the interval between notice of withdrawal and the taking effect of notice such country shall be subject to the same obligations as any other member of the Union; except, however, that no country which has given notice of withdrawal shall be required to make loans to the Union under the provisions of paragraph II.2 above.

4. A country which is dropped or which withdraws from membership shall have returned to it an amount in its own currency equal to its contributed quota plus other obligations of the Union to the country and minus any sums owed by that country to the Union. The Union shall have 5 years in which to liquidate its obligation to such country.

XII. POLICIES OF MEMBER COUNTRIES

In addition to the obligations assumed under the preceding paragraphs, each member country shall undertake the following:

1. To maintain by appropriate action the exchange rates initially agreed with the Union on the currencies of other countries and not to alter exchange rates except under the provisions of paragraph IV.2 above, or with the consent of the Union and only to the extent and in the direction approved by the Union. Exchange rates of member countries may be permitted to fluctuate within a range not exceeding the spread fixed by the Union itself for its own purchases and sales of foreign exchange.

2. To abandon, as soon as the member country decides that conditions permit, all restrictions on foreign exchange transactions other than those required effectively to control capital movements with other member countries; and not

to impose any additional restrictions, except for the purpose of controlling capital movements, without the approval of the Union.

Detailed provision regarding 2 — Abandonment of Exchange Control other than on Capital Movements

The Union may make representations to member countries that conditions are favourable for the abandonment or relaxation of foreign exchange restrictions other than those required effectively to control capital movements and each member country shall agree to give consideration to such representations.

3. To cooperate effectively with other member countries when such countries, with the approval of the Union, adopt or continue controls for the purpose of regulating international movements of capital.

Detailed provisions regarding 3 — Cooperation in enforcing Approved Exchange Controls on Capital Movements

Cooperation shall include, upon recommendation by the Union, measures that can appropriately be taken

(a) not to accept or permit acquisitions of deposits, securities or investments by nationals of any member country imposing restrictions on the export of capital except with the permission of the government of that country and the Union;

(b) to make available to the Union or to the government of any member country full information on all property in the form of deposits, securities and investments of the nationals of that country; and

(c) such other measures as the Union may recommend.

4. Not to enter into any new bilateral foreign exchange clearing arrangements nor engage in multiple currency practices except with the approval of the Union.

5. To give careful consideration to the views of the Union on any existing or proposed monetary or economic policy the effect of which would be to cause a serious disequilibrium in the balance of payments of the country adopting such policy or of other countries.

6. To furnish the Union with all information it needs for its operations and to furnish such reports as it may require in the forms and at the times requested by the Union.

7. To adopt appropriate legislation or decrees to carry out its undertakings to the Union and to facilitate the activities of the Union.

595.

DEA/6000-D-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-2192

Ottawa, June 10, 1943

IMMEDIATE. Following for A.F.W. Plumtre from W.C. Clark; Begins: We have despatched today by special air mail diplomatic bag fifteen copies of strictly

confidential Draft Proposals of Canadian Experts for an International Exchange Union⁶⁵. After Council tomorrow I will teletype or telephone you again advising you whether you can release the document as indicated herein. If I advise you affirmatively you should call on Mr. Harry White and leave with him several copies of this document, saying that we have accepted his suggestion that we put our comments on his Stabilization Fund proposals on paper and that in order to make them intelligible and show how they hang together we have put them into the form of an integral plan. You should tell him that the essential features of the proposal suggested in this document will form the basis of our comments during the discussion of the stabilization fund plan next week. You should then go on to say that we feel as a matter of courtesy that we should provide this document to the others who are going to be present at the meetings next week. As we understand the British are to be there, you will be providing them with a copy after you have seen Mr. White, and you should find out from him what others will be present at the meeting next week so that you may provide copies to them. After seeing White, I would suggest you hand or send two copies to Phillips or Robertson⁶⁶ for the United Kingdom, explaining our intentions about it. Then you might provide copies to the representatives of the other countries who White tells me are going to be present at next week's meeting, with a suitable explanation of our intentions. You should emphasize of course that the proposals are only tentative draft proposals of experts and have not been approved by the Government which is not committed to them in any way.

I am sending some additional copies of this document by regular diplomatic bag leaving today, but I am forwarding the first set by air mail in the hope that this will enable you to provide them to Mr. White and others on Friday. If there is any question that occurs to you about the matter, I would be glad if you would get in touch with me either by wire or by telephone.

⁶⁵ Le document 594, y compris la pièce jointe, fut publié avec quelques modifications par la Commission d'information en temps de guerre. Ce document avait comme titre *Projet de propositions provisoires des experts canadiens pour une Union d'échange internationale* et fut présenté à la Chambre des Communes le 12 juillet 1943. Voir aussi J.K. Horsefield, *International Monetary Fund, 1945-1965*. Washington, D.C.: International Monetary Fund, 1969, volume 3, pp. 103-35.

⁶⁶ D.H. Robertson, conseiller, Trésorerie de Grande-Bretagne.

⁶⁵ Document 594, including the enclosure, was published in a slightly different form by the Wartime Information Board. The document was titled *Tentative Draft Proposals of Canadian Experts for an International Exchange Union* and was tabled in the House of Commons on July 12, 1943. See also J.K. Horsefield, *International Monetary Fund, 1945-1965*. Washington, D.C.: International Monetary Fund, 1969, Volume 3, pp. 103-35.

⁶⁶ D.H. Robertson, Adviser, Treasury of Great Britain.

596.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, June 11, 1943

INTERNATIONAL EXCHANGE STABILIZATION

1. THE MINISTER OF FINANCE referred to the discussion of this subject at the previous meeting.

Canadian officials had now prepared specific proposals for presentation to representatives participating in the Washington discussions. These proposals would be laid before the War Committee, beforehand, if it were so desired.

2. THE WAR COMMITTEE, after discussion, agreed that, in view of the fact that the proposals would be presented in such a manner as to avoid any commitment on the part of the government, it would not be necessary to have them submitted to or examined by the War Committee.

597.

DEA/6000-D-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre

Memorandum from Under-Secretary of State for External Affairs
to Prime Minister

[Ottawa,] June 11, 1943

Mr. Malcolm MacDonald saw Dr. Clark and me this afternoon on instructions from his Government, who were very anxious that the draft proposals of the Canadian experts for an International Exchange Union should not be circulated to the officials taking part in the monetary talks which are being held in Washington next week. Lord Keynes had seen a preliminary draft of our scheme and felt that if it were submitted for consideration the United States would refuse to examine the British scheme. The United Kingdom objected in particular to a number of points in our proposals and felt that if they were communicated to the Americans the latter might accept them and reject the United Kingdom alternatives. We were planning to have Plumptre give Mr. White of the United States Treasury an advance copy of our tentative plan today so that he could go over it before the meeting met. We also planned to give a copy at the same time to Sir Frederick Phillips, the United Kingdom Treasury Representative in Washington. In view of the importance the United Kingdom appeared to attach to their representations, we told the Legation in Washington to hold the draft until further instructions had been received. We told MacDonald that no decision could be taken in the matter of our going ahead with our expert plan until tomorrow.

We feel that if we hold up our plan, the discussions in Washington will be centred exclusively on the American proposals and probably degenerate into a

not very profitable debate between the United States and the United Kingdom experts. The latter appear to be hopeful that they can persuade the United States to abandon certain essential features of the American plan. Our feeling is that this is most unlikely and that, while there is some chance of the United States accepting our proposals, there is none of their accepting the United Kingdom proposals. We also feel that the chances of their accepting our proposals would be greater if our scheme were put forward for consideration at an early stage rather than held over as the United Kingdom experts wish.

It is quite possible that Malcolm MacDonald will receive instructions tomorrow to raise the general question with you yourself.

598.

DEA/6000-D-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1324

London, June 14, 1943

MOST IMMEDIATE. Following for Robertson from Mackintosh⁶⁷, Begins: Saw Sir David Waley⁶⁸ with Snelling⁶⁹, Keynes out of town. As result of discussion, I recommend that formal presentation of Stabilization Union Plan and informal circulation beyond United States and United Kingdom be deferred until it is possible to make decision during and in the light of the developments of the Conference. United Kingdom fears the finality and finished quality (flattery) of our plan may prevent adequate discussion on their points. They would also like to be satisfied in conference on United States attitude before abandoning their position.

The two points of substance where they feel our proposals fall short are first, inability to sell any second currency to the funds for unitas⁷⁰ when control rules out market transactions and second, rigidity of exchange rates in which they feel that Clearing Union probably went beyond what they and Parliament are now willing to accept.

They hope for drafting committees after Conference and perhaps after fur-

⁶⁷ W.A. Mackintosh était alors à Londres pour participer à des discussions sur la politique commerciale d'après-guerre.

⁶⁸ Secrétaire adjoint principal, Trésorerie de Grande-Bretagne.

⁶⁹ Secrétaire privé du sous-secrétaire d'État parlementaire aux Affaires des Dominions de Grande-Bretagne.

⁷⁰ Le terme pour l'unité monétaire du Fonds de stabilisation international dans le plan des États-Unis.

⁶⁷ W.A. Mackintosh was then in London to participate in talks on post-war commercial policy.

⁶⁸ Principal Assistant Secretary, Treasury of Great Britain.

⁶⁹ Private Secretary to Parliamentary Under-Secretary of State for Dominion Affairs of Great Britain.

⁷⁰ The term for the monetary unit of the International Stabilization Fund in the United States plan.

ther bilateral discussion between White and Phillips. They fear that if our plan [is] presented first, nothing in excess of it would get any discussion.

I emphasised that if we deferred circulation we should be perfectly free to circulate draft at any time during Conference which we judged to be desirable.

I feel the whole question raised can best be decided after it is seen how the Conference develops and Phillips has put forward his case.

Waley of opinion that United States would feel that our draft represented what British would be willing to concede and refuse to be persuaded that it did not.

As information Phillips has sent despatch showing how United States would calculate quotas for fund of ten billion dollars. Ends.

599.

DEA/6000-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1059

Ottawa, June 19, 1943

SECRET. The United States Chargé d'Affaires has enquired, on instructions from Washington, whether there was any information the Canadian Government could give him about the Commonwealth conversations on commercial policy now taking place in London. He was assured that the talks were informal and exploratory and that no specific decisions or commitments were likely to develop out of them. They would cover the general field of international commercial policy and would it was hoped be a preparation for the wider discussions envisaged under Article 7 of the Lend-Lease Agreements and corresponding provisions of the Canadian-United States exchange of notes on international commercial policy. The elaborate system of intra-Commonwealth commercial agreements made preliminary Commonwealth discussions almost a prerequisite to progress in the general direction of freeing trade on which all our governments were agreed.

Mr. Clark had received a copy of the instructions on this general subject sent the United States Ambassador in London, in which Mr. Winant had been asked to maintain the closest possible liaison with the conferees and to suggest, if he thought it advisable, that the United States Government might designate an observer to be present at the Commonwealth talks. I shall be glad to learn whether he has in fact put forward this suggestion and how it has been received. Since the discussions in London will be very largely concerned with the general conditions under which international trade can be restored after the war and will not deal with the consequential revision of individual Commonwealth trade agreements, we cannot see any serious objection to the presence of a United States observer. In fact the presence of a United States representative at the present talks in London might, from the Canadian viewpoint, have advan-

tages over the procedure contemplated in earlier Dominions Office telegrams on the subject from which it appeared that the United Kingdom had in mind initiating bilateral discussions with the United States after the conclusion of Commonwealth talks.

600.

DEA/6000-D-40

*L'adjoint spécial en temps de guerre du sous-secrétaire d'État aux
Affaires extérieures à l'adjoint spécial du ministre des Finances*
*Special Wartime Assistant to Under-Secretary of State for External
Affairs to Special Assistant to Minister of Finance*

Ottawa, June 23, 1943

Dear Mr. Mackintosh,

I thought it might be helpful to you to send you a short summary of what took place at the currency discussions in Washington, June 15 to 18th. The meeting, at which eighteen countries were represented, had no specific objective other than an informal exchange of views between experts on the principal issues involved. Hence nothing concrete was decided at the meeting regarding the various plans or future procedure. The meeting was simply one stage in a series of informal expert discussions and as such constituted a useful opportunity to hear at first hand the views of the experts of the different countries on the main features of the proposals. Furthermore it provided a convenient occasion for letting the representatives of the various countries get off their chests what they have to say.

When we received your message copies of the Canadian plan had already been given to White and Phillips. White was evidently pleased that we had gone to the trouble of putting our ideas into the form of a plan. Phillips continued to advise against circulation and thought it most unwise to put our plan forward at this time. We agreed to follow your recommendation. However, during the evening before the meetings began White asked us for sixty copies for circulation among those attending. He explained that in drawing up his agenda he had referred to each of the three plans, including the Canadian, under each item listed for discussion. Under the circumstances it would have been awkward to delay and inadvisable to refuse his request. Consequently copies of the Canadian plan were distributed on a confidential basis at the beginning of the first meeting to all present. During the meetings the provisions of the Canadian plan were discussed alongside the relevant proposals in the C.U.⁷¹ and S.F.⁷²

White presented a revised version of S.F. The revised version contains a number of improvements on the technical level. The most notable changes from the previous draft are 1) increase in the proportion of the gold contribution to

⁷¹ Clearing Union.

⁷² Stabilization Fund.

50% of the country quotas; 2) choice of national currency or securities for remainder of quota and 3) a number of special provisions for occupied countries. There was pretty general opposition to the suggested increase in the gold contribution. The aggregate of quotas in the revised S.F. is the same as in the earlier draft, namely, at least five billion. However, White indicated privately that he is convinced that a larger fund will be necessary and he mentioned the figure of ten billion. Opie of the British delegation made a statement in favour of the Clearing Union overdraft approach which received support from Australia, Poland and one or two other European Allies. White made an extended reply stating that limitations on commitments were necessary and if that is the case there is no basic difference between the two methods of approach. The overdraft scheme would be misunderstood in the U.S. and consequently if agreement was ultimately to be reached it was necessary to take the S.F. as the basis of discussion.

Soon after our arrival in Washington we were confirmed in our belief that the British have not yet had their bilateral discussions with the Treasury. This, we believe was an important element in their attitude toward the meeting and in their opposition toward the circulation of our plan. Naturally the British wished to forestall any crystallization of the matter until they have had their day in court and have had an adequate chance to explain their point of view. Consequently in considering future procedure we felt strongly that the U.S.-U.K. bilateral discussions should be held at the earliest opportunity. Before any further progress can be made it is absolutely essential for the British and Americans to come to some understanding on the main features of the proposals and that the British should learn for themselves the limits imposed by practical and political considerations in the United States. We urged both parties to get on with the bilateral discussions and before we left we learned that they were to begin on June 22nd. The Russians have not yet had their bilateral discussions and we suggested likewise that these be held as early as possible.

The Dutch and Belgians were anxious to establish a drafting committee in order to detach the national labels and to hasten the progress of the development of an acceptable plan. We felt that it was too early for this and thought that the British and Russian bilateral discussions should be gotten over first. Furthermore White thought that it would be inappropriate for a drafting committee to come out of an informal meeting which was not representative of all the United Nations. White also wished to have more time to assess the practical and political possibilities in the United States. White suggested to us privately that after the British and Russian bilateral discussions are over it might be possible to get together a small group who would try their hand at a draft. This small group, which might consist of the British, the Americans, ourselves and one or two others would proceed informally and see how far they could go in drawing up an agreed draft. We agreed that this would be the best course.

Yours sincerely,

JOHN J. DEUTSCH

601.

DEA/6000-A-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1411

London, June 24, 1943

Your telegram No. 1059 of June 19th, conversations on commercial policy.

I have raised the question of a United States observer with the United Kingdom authorities, who have handed me the following note on the subject, Begins:

On the 21st June the United States Ambassador approached the Foreign Secretary, on instructions from the State Department, asking to be kept closely and currently informed on the talks on commercial policy which it was understood were taking place in London. The Ambassador added that the State Department had given him authority to appoint an observer to the talks who would be either Mr. Riefler or Mr. Penrose. In reply it was suggested to the Ambassador that the Embassy should get in touch with the Board of Trade in the matter. The Board of Trade have not yet received any enquiry from the Embassy. Should they do so, it is proposed to invite the Embassy's attention, in a friendly way, to the explanation already given to the United States Government regarding the exploratory and non-committal talks now proceeding with Dominion experts (see Dominions Office telegram Circular D. 353)¹ and to say that it would appear from the State Department's enquiry as if they had misunderstood the character of these talks. There are many questions of commercial policy, some arising out of Article 7, which affect the relations between the different parts of the British Commonwealth and require discussion between them as a preliminary to discussion on any wider basis. The informal and exploratory talks now proceeding are thus of a quasi-domestic character.

2. It is expected that the talks will terminate at the end of this week. Ends.

602.

DEA/6000-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1101

Ottawa, June 25, 1943

IMMEDIATE. SECRET. Your telegram No. 1411 of June 24th. Discussions on commercial policy. While undoubtedly there are considerations regarding the place of Commonwealth preferences in post-war commercial policy which require discussion by the Commonwealth countries alone, we are somewhat concerned over explanations which the Board of Trade intends to give to the United States Embassy if they are approached on the subject of a United States observer at

these discussions. We have not received since the talks began any report on their scope and progress but our understanding has been that matters of general policy apart from Commonwealth preferences would be the central subject. In any case we do not like the description of the talks as "of a quasi-domestic character", and suggest that such a description should, if possible, be eliminated from any reply.

603.

DEA/6000-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1102

Ottawa, June 25, 1943

Following for the delegation on commercial policy.

Please see our telegram No. 1101 of today to High Commissioner on question of a United States observer. We are anxious that United States Embassy should not feel that they are being kept in the dark and suggest that Riefler or Penrose might be informed currently by you of the course and content of the discussions. We should be glad to receive a report on the progress of the talks.

604.

DEA/6000-A-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1432

London, June 26, 1943

Following from McKinnon, Begins: Your telegram No. 1102 of June 25th, post-war commercial policy.

We are of opinion it would be highly undesirable for us to inform Riefler or Penrose of course and content of discussions. In view of the emphasis on confidential nature of these, it would be necessary for us to apprise other participants of our intentions to inform the United States. Moreover, as meetings are being held in this country, and enquiry respecting discussions here have been addressed to United Kingdom authorities, it would seem appropriate that they should reply or communicate desired information⁷³. Ends.

⁷³ L'ambassade des États-Unis n'a pas poursuivi ses démarches auprès du Board of Trade.

⁷³ The United States Embassy did not pursue its enquiries with the Board of Trade.

CONSULTER SUR PLACE

605.

DEA/6000-A-40

*Rapport des représentants aux discussions de Londres
sur la politique commerciale d'après-guerre⁷⁴*

*Report of Representatives at the London Discussions
on Post-war Commercial Policy⁷⁴*

SECRET

Ottawa, July 16, 1943

I INTRODUCTION

1. The discussions were held at the invitation of the Government of the United Kingdom in order that officials of the Governments of the British Commonwealth might consider tentative proposals to be made by the United Kingdom to the United States as set out in Dominions Office Circular Telegrams 234-236⁷⁵. The talks were informal, and it was clearly understood that the views expressed by individual participants were in no way to be taken as representing the views of their Governments. The meetings were held at the War Cabinet Offices under the chairmanship of Sir Arnold Overton.

2. Mr. P. Liesching and Mr. J. E. Meade of the Board of Trade were the principal expositors of the United Kingdom proposals and together with Sir Arnold Overton carried the burden of the discussion for the United Kingdom. There were also present at most or all the meetings the following United Kingdom officials:

Mr. R. M. Nowell and Mr. R. J. Shackle, of the Board of Trade;
Mr. A. Mullins and Mr. A. M. Wiseman, of the Department of Overseas Trade;
Sir David Waley, of the Treasury;
Mr. P. A. Clutterbuck and Mr. S. L. Holmes of the Dominions Office;
Sir William Croft, of the India Office;
Mr. N. B. Ronald, of the Foreign Office;
Sir Alfred Hurst, of the Reconstruction Secretariat;
Mr. A. R. Manktelow, of the Ministry of Agriculture and Fisheries;
Sir Frederick Leith-Ross, Chief Economic Adviser;
Sir Henry L. French, of the Ministry of Food;
Mr. G. L. M. Clauson, of the Colonial Office;

Mr. A. W. Snelling, of the Dominions Office and Miss S. P. Barlow of the Board of Trade who acted jointly as secretaries.

3. Australia was represented by Dr. H. C. Coombs and Mr. J. Fletcher, and, from the fifth meeting on, by Mr. E. McCarthy. Mr. R. M. Campbell of the High

⁷⁴ Les représentants étaient J.S. Macdonald, W.A. Mackintosh, H.B. McKinnon, président, Commission des tarifs, ministère des Finances, et Y. Lamontagne, directeur, section des traités commerciaux, ministère du Commerce. Les discussions ont eu lieu entre le 15 et le 30 juin.

⁷⁵ Voir les documents 584 et 585.

⁷⁴ The representatives were J.S. Macdonald, W.A. Mackintosh, H.B. McKinnon, Chairman, Tariff Board, Department of Finance, and Y. Lamontagne, Director, Commercial Treaty Section, Department of Trade and Commerce. The discussions were held between June 15 and 30.

⁷⁵ See Documents 584 and 585.

Commissioner's Office in London represented New Zealand, and was assisted by Professor A. G. B. Fisher of Chatham House, who had been retained by the New Zealand Government for the discussions. South Africa was represented by a large delegation headed by Dr. J. E. Holloway. It included in addition Dr. H. J. Van Eck, Mr. F. J. du Toit, Mr. B. W. Kirby, Mr. R. Jones, Mr. D. G. Malan, and Dr. A. J. Beyleveld. India was represented by Sir Ramaswami Mudaliar, assisted by Mr. B. Lall and Mr. E. M. Jenkins. Mr. W. C. Robertson representing Southern Rhodesia attended as an observer.

4. Eleven full meetings and one meeting of the heads of delegations were held. All of these were devoted to the discussion of post-war commercial policy and specifically to the proposals set out in the draft aide-mémoire circulated by the Government of the United Kingdom. The discussions were, on the whole, frank and friendly throughout. In the open meetings, they were restricted by the failure of the United Kingdom representatives to give full introductory expositions of the several proposals made. The unwillingness of the United Kingdom over the past year or more to facilitate the negotiation of an Australia-United States trade agreement occasioned a degree of tension between the two delegations which resulted in discussion at times being more guarded and less informal than might have been desired.

II DOCUMENTATION

5. The basis and the course of the discussions are set out in five documents which are available for examination:

(a) Dominions Office Circular Telegrams Nos. 234-236. The first of these set out the intention of the United Kingdom to take the initiative in proposing to the United States the direction which discussions on post-war commercial policy under Article VII of the Mutual Aid Agreement should take. The second is a draft aide-mémoire outlining certain principles which the United Kingdom would be prepared to accept. The third[†] consists of supplementary instructions to Lord Halifax pointing out that the tentative proposals are to be considered as part of and subject to arrangements in other economic and in politico-strategic fields, and, further, that the proposals represent broadly the views of the United Kingdom as to what they would propose in the light of the interests of many nations and what they think there is likelihood of other nations accepting.

(b) An outline[†] to illustrate the draft aide-mémoire. This was put forward at the conference as an illustration of how the principles proposed might be worked out. The United Kingdom is not committed in any way to its details.

(c) The minutes of the discussions.[†]

(d) Summary of discussions[†] prepared after the completion of the discussions on the draft aide-mémoire as a summary record of the points of view put forward. Of this, the final draft is not available at the time of writing.

(e) Revised draft aide-mémoire[†] in which certain paragraphs were elaborated and clarified.

III THE COURSE OF THE DISCUSSIONS

6. After a general statement by Sir Arnold Overton in which he stressed the

informal and non-committal character of the discussions, Mr. P. Liesching made a statement on the attitude of the United Kingdom to Article VII of the Mutual Aid Agreement. They welcomed both principles of Article VII, viz., general expansion of production, consumption and economic activity and reduction of trade barriers and discrimination. He pointed out that some progress had been made with the Clearing Union proposal and with relief arrangements and that the results of the Food Conference had been encouraging. They attached great importance to taking the initiative in the field of commercial policy as a wrong start might lead to very unhappy results. Three considerations led them to this conclusion: (a) Few in the United States appeared to appreciate the scope of the measures which would be required. Indeed, the renewal of the Trade Agreements Act was referred to in the United States as "a major contribution". (b) Bilateral agreements were too slow and the generalization of benefits under the most-favoured-nation clause without concessions by third countries made it difficult for a country with such wide trading interests as the United Kingdom to go very far along these lines. (c) There might be a tendency for the United States to demand a ruthless cutting of preferences while offering very inadequate concessions in return.

7. In response to a request for a general statement of the attitude of each delegation to Article VII, Mr. McKinnon made a statement which is reported verbatim in the minutes. He made three main points: (a) The two aims of Article VII, expansion of production, consumption and employment and the reduction of trade barriers should be pursued as complementary, not alternative, aims. Neither can be fully achieved without the other. (b) Reduction of trade barriers commensurate with the language of Article VII cannot be accomplished by a succession of bilateral agreements. The method is too slow and the further power of the President too limited. (c) It is essential that consideration of the reduction of preferences should not at any time be divorced from consideration of the reduction of high tariffs and other impediments to trade. For these reasons, he stated that he was prepared to encourage and support, within the limitations of the discussion, an approach to the United States on the lines proposed.

8. Dr. Coombs, for Australia, attached very great importance to the positive (expansionist) aims of Article VII and implied that agreement on these should precede agreement on reduction of trade barriers. He advocated a conference, like the Food Conference, on problems of full employment. (Subsequently, in conversation, he modified this to a consultation of experts). With reference to trade, he recognized the value of a broader approach but insisted that Australia had much to gain by a bilateral agreement with the United States and suggested that the multilateral approach might be more acceptable after all parts of the Commonwealth had more nearly exhausted the possibilities of the United States Trade Agreements Act. The United States would then see the inadequacy of the trade agreements approach.

9. Mr. Campbell, for New Zealand, raised a number of queries but stated that the New Zealand Government would probably favour the imposition of an upper limit on tariffs and that he was in general agreement with the idea of a

commercial code. He asked whether consideration had been given to the possibility that the United Kingdom and the Dominions might abolish preferences as a gesture of goodwill without asking any *quid pro quo*.

10. Dr. Holloway, for South Africa, made a long and not always relevant statement, in which he rightly complained of his difficulty in avoiding a network of platitudes. His substantive statements were that he preferred the bilateral as the first approach to the problem and that a moderate ceiling on tariffs would be desirable but that step by step reductions were not equally appropriate to all countries.

11. In speaking for India, Sir Ramaswami Mudaliar avoided an explicit statement of his attitude but pointed out India's need for industrialization and the limited nature of India's protective tariff system. He did say that India would not be able to agree to proposals which constituted an impediment to a reasonable measure of industrialization.

12. Mr. Clauson, speaking for the Colonial Office, pointed out that a careful promotion of industrialization was a necessary and desirable part of colonial policy.

13. The subsequent discussions did not follow an orderly pattern, but in the main they were directed to the individual paragraphs of the aide-mémoire, supplemented by the illustrative outline. The broad lines of the proposal as elaborated and explained are as follows:

A multilateral convention of commerce should be negotiated, establishing a Commercial Union and embodying a commercial code. To this, the adherence of all friendly countries would be invited and that of present enemy countries might be required. The benefits of the conventions would be extended only to members though there was some question as to whether a member should be forced to refuse most-favoured-nation treatment to non-members. The convention would provide: (a) that all protective tariffs should be reduced by y per cent of their level at the outbreak of war provided that no duty should remain above x per cent *ad valorem* and no duty need be reduced below 10 per cent *ad valorem*. This would not affect revenue duties as such and would be subject to exception, approved by the Commercial Union in consultation with an international political authority, in the case of industries necessary on grounds of security; (b) that preferential margins should be reduced by z per cent but need not be reduced below 5 per cent *ad valorem* and that new preferences in existing preferential areas and new preferential areas could be established only with the approval of the Commercial Union. (c) That export subsidies or state trading which result in the sale of goods in foreign markets at prices lower than those corresponding to the prices charged in the home market should be forbidden but that over and beyond the protection permissible within the tariff ceiling, countries should be free to encourage home production by direct subsidies. (d) For a two-year period after the war, governments should be free to use quantitative import restrictions subject to consultation with countries which consider they are injured thereby and to conciliation by the Commercial Union. At the end of two years, countries would be obligated to remove import restrictions progressively over a three-year period except—

- (i) in respect of obligations of international commodity agreements approved by the Commercial Union;
 - (ii) on ground of balance of payments difficulties, as determined by some agreed objective test.
 - (iii) subject to the approval of the Commercial Union in consultation with a political international authority, for the protection of industries necessary to security.
- (e) Subject to the above, all arrangements should be on a non-discriminatory basis as defined in the commercial code. (f) State trading should be governed by rules of non-discrimination along the lines laid down in the United States Trade Agreements. (g) Provision should also be made for a quasi-judicial fact-finding body, under the Union, to which aggrieved states might appeal on matters of discrimination or non-compliance with the code. Each aggrieved country would be free to protect itself pending decision of the case.

14. In general, we strongly supported these proposals and made a number of suggestions in accordance with the report of the Economic Advisory Committee.⁷⁶ Many of the questions raised in that report were answered by the fuller explanations given during the discussions. Throughout, we insisted on the necessity of considering reduction of preferences as part of a general plan to reduce trade barriers. We argued that the interlocking of preferential arrangements made multilateral action the only feasible one in reality and that by accepting the bilateral form we should greatly weaken our position by frittering away our bargaining power vis-à-vis the United States. We questioned the exception, in respect of both the tariff ceiling and the quantitative import restrictions, in favour of industries necessary to national security, though we were willing to accept it if it were strictly safeguarded. We argued against the proposal to leave subsidies on home production unrestricted both because it would provide a method of unrestricted protection and because it would appear to the United States as a protective device more adapted to other countries than to their own. We urged that it would be necessary that all adherents to the convention assure each other of most-favoured-nation treatment, and urged, though not strongly, that it should be refused to non-members. We also suggested that it might be considered whether some limited exception to the tariff ceiling should not be made for recognized infant industries.

15. The attitude of the Australian delegation was broadly opposed to the whole aide-mémoire⁷⁷ though they opposed it in detail rather than as a whole and obviously did not want to find themselves in isolation. It appeared that their opposition arose from four circumstances: (a) Australia has a relatively high tariff and a tariff ceiling would require her to reduce it; (b) They think it possible to conclude a trade agreement with the United States giving them a 50 per cent reduction in the duty on wool; (c) They wish to be free to protect new secondary industries to which they look for post-war employment; (d) They

⁷⁶ Document 589.

⁷⁷ La note suivante était écrite sur l'original, au-dessus du mot aide-mémoire.

⁷⁷ The following note was written on the original, above the word aide-mémoire:

Mr. K. proposal.

contemplate reliance on import quotas in case of exchange difficulties. The whole discussion was coloured by differences which had arisen between the Australians and the United Kingdom over the desire of the Australians to push through their agreement with the United States and an unwillingness of the United Kingdom to facilitate this. The whole argument of the Australians was directed to minimizing the importance of the multilateral approach, urging the need for prior assurance on full employment policies and leaving the way open for their own bilateral negotiations.

16. The position of the South African delegation was not easy to define. They wished to retain freedom of action on quantitative restrictions because of their peculiar arrangements on steel. They wished freedom to protect new industries because of their wasting resources. They were sceptical of the possibilities of defining a tariff ceiling. They also were interested in pursuing their bilateral negotiations. On the other hand, they repeatedly urged that we proceed to the detailed drafting of a commercial code and seemed anxious that a precise and agreed document should result from the discussions. It was chiefly to meet their request for drafted results that the "summary of discussions" was prepared.

17. New Zealand did not take a definite position, but Mr. Campbell generally favoured the tariff ceiling, and seemed quite unconcerned about the problem of preferences. He asked a large number of leading and not always relevant questions.

18. Sir Ramaswami Mudaliar, for India, was less opposed to the proposal than might have been expected. He desired some greater latitude for industrialization in agricultural countries, while disclaiming interest in excessive tariffs. He opposed the home-production subsidy proposal. On the other hand, he favoured the multilateral approach and was very effective in criticizing the Australian position.

19. One session was devoted to the discussion of the relation of current bilateral discussion to the United Kingdom proposal. The Australian and United Kingdom representatives were the chief contributors. Australia wished to go ahead without regard to the multilateral approach. The United Kingdom obviously preferred that the Australian negotiations be dropped for the time being. There was a good deal of tension between the two groups. The United Kingdom insisted that bilateral negotiations were of little interest to them and could do little to ease their balance of payments problem, which was a problem of the whole sterling area. It was ultimately taken as the sense of the discussion that Australia would allow a reasonable interval for the United Kingdom to make its approach and discover the reactions of the United States, but that, on the other hand, the United Kingdom would not hold up the Australian negotiations indefinitely.

20. From outside discussions, we ascertained some significant information: (a) The aide-mémoire has been approved by War Cabinet and there was, therefore, a good deal of reluctance to alter the draft in any way. There is, within the Government, strong opposition to this approach, particularly in the Ministry of Agriculture where a continuation of import control and the present system of planned production programs is strongly favoured. It seemed clear, however, that the Treasury and the Board of Trade were strong in support of the proposed

approach to the United States and that there was a definite Government commitment to push it vigorously; (b) The British support of a multilateral convention seems to be influenced a great deal by the necessity they will be under of expanding exports in many countries, particularly on the continent of Europe. A broad agreement with the United States and the generalization of treaty rates would leave them without bargaining weapons for dealing with other countries. Their proposal that ex-enemy countries might be compelled to adhere to the proposed convention is probably very important to them; (c) Overton and Liesching indicated that they attached great importance to taking the initiative and that, if the United States were willing, they were prepared to go ahead with their proposal, even though some parts of the Empire such as Australia and South Africa should decide to stay out. They professed to consider Canada's attitude of decisive importance and Liesching expressed the hope that, if the United States would agree to some exploration at the expert level, the first discussions should include United Kingdom, United States and Canada.

IV CONCLUSIONS

21. On the final day of the discussions, the United Kingdom put forward certain amendments to the draft aide-mémoire designed to take account of some of the suggestions made during the discussions. The paragraphs as amended follow, with amendments by addition or substitution underlined and those by omission in double brackets:

(1) An international commercial policy capable of helping towards the solution of the post-war economic and political problems would have to be accompanied by *international policies conducive to a high level of employment, production and consumption; to improved standards of living; and, in general, to an expansive world economy. It requires some system for the free convertibility of currencies for trading purposes. Further, an essential condition of success is the development of effective political and strategic plans for the achievement of security.*

(2) The policy should also be based on the assumption of the multilateral commercial agreement embracing as many countries as possible. As Great Britain is compelled to rely on imports for a large proportion of its food and raw materials, some modus for exporting an equivalent amount is absolutely essential. Mere bilateral agreements, however advantageous, cannot meet the situation, whereas a multilateral agreement laying down certain principles for the freer exchange of commodities can be of great benefit. *The multilateral convention would not, of course, exclude supplementary bilateral agreements within the framework of the multilateral agreement.*

(4) We would accept a moderate ceiling for tariffs for incorporation in a multilateral agreement. *The question should be considered whether special provisions could be devised to meet, on a reasonable scale, the temporary needs of infant industries.*

(5) We should be prepared to make all our arrangements, including particularly quantitative restriction of imports, on a basis of mutual non-discrimination. Preferences (which we do not regard as discriminatory in a strict sense of the word) are dealt with below.

(6) *Any multilateral commercial arrangement should be compatible with the conduct of external trade by the State or by State-sponsored organizations, as well as by private enterprise. But it would be desirable that forms of trading promoted by State action should be conducted in accordance with a code to be agreed.*

606.

W.L.M.K./Vol. 350

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 467

London, July 29, 1943

IMPORTANT. SECRET. Post-war Commercial Policy.

We have derived great benefit from recent informal exploratory and non-committal exchange of views between our experts and Dominion delegations, and much appreciate action of Dominion Governments in sparing their officials for this purpose. We have now reviewed, in the light of these discussions, the whole question of the best immediate procedure for opening the matter with the United States and following represents method of approach which we now feel would be best calculated to further general aim we have in view.

2. As a result of points made by Dominion delegates, the draft aide-mémoire, contained in my telegram Circular D. 235, has been amended in certain respects and text as now revised is contained in my immediately following telegram. We have come to conclusion, however, that instead of presenting aide-mémoire in these terms forthwith as originally contemplated, it would be preferable to put it forward in the context of a broader approach to United States Government on the general programme under Article 7 as a whole. Recent indications from Washington suggest that the time is now ripe for such a move. This would have many advantages from our standpoint and we have reason to believe that the United States Government would welcome an initiative on our part which would assist them to clarify their ideas on the whole field of international economic relations and to draw up an orderly programme of discussion covering all the topics arising under Article 7, instead of leaving them to be dealt with piecemeal as hitherto. Further, by making such approach now, we should be able to take advantage of the favourable atmosphere created by the successful outcome of the Food Conference.

3. We accordingly propose to make very early approach to United States Government in following sense, if His Majesty's Ambassador at Washington concurs, Begins:

Having now been able to carry further our examination of the various topics, we feel that the moment has come to initiate with the United States Government informal and exploratory talks on the whole field covered by Article 7, and that it is important for these talks to start without delay. We see great advantages in handling the essentially interrelated matters covered by Article 7 as a coherent whole. We would accordingly propose, if the United States Government sees no objection, to send to Washington, not later than the first half of September, a strong delegation of officials, led by a Parliamentary Under-Secretary of State, which would be capable of dealing with all these subjects, including monetary policy, international investment, the regulation of primary pro-

ducts and commercial policy. We suggest that the primary object of such talks should be to obtain broad United States-United Kingdom agreement on an orderly agenda for the discussion of Article 7. We continue, as in the past, to regard with the greatest importance the attainment of prior agreement on such matters between our two Governments before they are discussed in a wide international field. If this suggestion is agreeable to the United States Government, we would proceed to nominate our delegation forthwith. Ends.

4. Under this procedure, which we hope will be acceptable to United States Government, development of our ideas on post-war commercial policy would be left until our delegation reaches Washington. This would have great advantage that our proposals could then be seen and studied in their proper perspective as an essential feature in the general solution of the problems covered by Article 7, and full weight would be given to essential interdependence of those problems. Intention would be that when dealing in these discussions with commercial policy, our delegates would be in a position to open their conversations with the United States authorities on the lines of the revised draft aide-mémoire. Concurrently they should be able to carry forward talks on monetary policy, international investment and regulation of primary products as a preliminary to broader international discussion, and also perhaps explore any other means of working towards the general objectives of maintenance of production and full employment.

5. We feel confident that such an exchange of views should do much to clear the air and also to avoid dangers which might arise from launching of Conferences on difficult and controversial topics without any agreed programme or adequate preparation. We will telegraph further as soon as we are able to say whether United States agree to our suggestion for despatch of delegation.

6. As regards commercial policy in particular, we appreciate that in the case of certain Dominions, negotiation of bilateral agreements with the United States under the limited powers of the Trade Agreements Act might offer substantial practical advantages, even though on a longer view much more comprehensive arrangements will be needed. At the same time we consider it of the utmost importance to bring home to United States Government circles, at this juncture, that a programme of bilateral agreements will fall far short of the necessities of the case, if real progress is to be made under Article 7, and we believe that Dominion Governments will share this view. Our proposals are not, in fact, incompatible with the negotiation of such agreements as an interim measure, if this should be regarded as desirable as a first step towards a wider goal. Position as we see it is that any suggestion for the resumption of bilateral negotiations if made to the United States before we had had an opportunity of developing to them the broader approach, would be bound to prejudice the reception of our more far-reaching proposals; on the other hand care must be taken so to develop our proposals as to leave room for resumption of the limited bilateral trade discussions, if this should prove in common interest, concurrently with exploration of wider conception of a multilateral commercial convention. We will keep these considerations very much in mind in developing the multilateral idea. Ends.

607.

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*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures**Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM CIRCULAR D. 468

London, July 29, 1943

SECRET. My immediately preceding telegram, paragraph 2. Following is revised text of aide-mémoire, Begins: As has been stated on many occasions, His Majesty's Government in the United Kingdom favours a commercial policy designed to promote general economic expansion and action directed towards the removal of the obstacles to international trade, and is especially desirous to cooperate with the Government of the United States in joint endeavour to promote these aims. While, during the transitional period immediately after the war when we are seeking to restore our balance of trade, we may have to retain some special measures of control, we hope that we and other countries will be able to emerge from this stage without undue delay. It is with this in mind, and as a contribution to the conversations to which we are committed under Article VII of the Mutual Aid Agreement, that His Majesty's Government in the United Kingdom submits for consideration certain points which form a practical approach to this problem, and which might prove suitable for discussion among the United Nations. It will be seen that the ground covered is somewhat wider than that which would be relevant to discussion of a normal bilateral trade agreement. This is not because His Majesty's Government is unmindful of the importance of the method of bilateral trade agreements or of the extent to which this method has already contributed to clearance of the channels of trade, but rather because it is felt that there are certain problems which are less susceptible to treatment in this manner, which nevertheless deserve consideration in point of view which Article VII invites us to take. The following are points which His Majesty's Government in the United Kingdom wish to present:

(i) An international commercial policy capable of helping towards the solution of the post-war economic and political problems would have to be accompanied by international policies conducive to a high level of employment, production and consumption; to improved standards of living; and in general to an expansive world economy. This requires some system for free convertibility of currencies for trading purposes. Further, an essential condition of success is development of effective political and strategical plans for achievement of security.

(ii) The policy should also be based on the assumption that a multilateral commercial agreement embraces as many countries as possible. As Great Britain is compelled to rely on imports for a large proportion of her food and raw materials, it is essential that she should be enabled to pay for these imports by means of exports. Bilateral agreements by themselves, however advantageous, cannot in our view fully meet the need, either of our own or of general situation; whereas a multilateral agreement, laying down certain principles for the freer exchange of commodities, can be of great benefit; the multilateral convention would not, of course, exclude supplementary bilateral agreements within the framework of multilateral agreement.

(iii) The United Kingdom, both by tradition and by experience, regards an increased freedom of trade as being in the interests of general world economy. We shall join in any movement to secure it and, when it comes down to practice, we should have every motive to encourage it, both from our own point of view and on account of the general international benefit. Our sympathy is entirely with those who are seeking to remove barriers to trade. Any qualifications we may have to make will be due to special difficulties of the immediate post-war period and the present uncertainty as to what will in fact lie within our power and that of other countries.

(iv) We would accept an upper limit of moderate height for tariffs for incorporation in a multilateral agreement. The question should [be] considered whether special provisions could be devised to meet, on a reasonable scale, the temporary needs of infant industries.

(v) We should be prepared to make all our arrangements, including particularly quantitative restriction of imports, on a basis of mutual non-discrimination. Preferences are dealt with below in (vi).

(vi) Quite apart from our own position, a general plan should leave room for special arrangements within political and geographical groups, since these are likely to be asked for and could be properly conceded in many cases. As part of a comprehensive scheme to betterment of the trade of the world as a whole, we should be prepared to play our full part in any general scheme for reducing preferences.

(vii) We consider that the quantitative regulation of imports should not ordinarily be employed for the primary purpose of protecting home industries, but rather regarded as a mechanism appropriate and useful for special purposes, including, among others, the safeguarding of a country's balance of payments. We suggest that common agreement might be reached concerning a more or less automatic and objective test of the conditions under which such action should be permissible; for example, it might be found that the statistics resulting from the creation of an international monetary authority could be used for this purpose.

(viii) We should be prepared to agree to measures designed to prevent export subsidies.

(ix) Any multilateral commercial arrangement should be compatible with conduct of external trade by the State, or by State (group corrupt) sponsored organization; as well as by private enterprise. But it would be desirable that form of trading promoted by State action should be conducted in accordance with a code to be agreed.

(x) We believe that these points could best be covered by the formulation of a general commercial code to which all countries would be invited to subscribe.
Ends.

608.

DF/Vol. 3989

*Le sous-ministre des Finances au sous-secrétaire d'État
aux Affaires extérieures*

Deputy Minister of Finance to Under-Secretary of State for External Affairs

SECRET AND PERSONAL

Ottawa, August 2, 1943

I have read with interest and much concern Circular D.467 of July 29 from the Secretary of State for Dominion Affairs and in an accompanying letter^f dealing with the proposed conference on post-war air transport I have made some personal observations which I shall not repeat here.

I am surprised to learn that the U.K. Government has amended its draft aide-mémoire, as originally contained in Circular D.235, and now proposes to put it forward in the context of a broader approach to the United States Government on the general program under Article VII as a whole. This broader approach would be intended to involve bilateral discussion of the whole field of economic relations and the drawing up of an orderly program of discussion of all the topics arising under Article VII including monetary policy, international investment, the regulation of primary products and commercial policy. The British delegation would be headed by a Parliamentary Under-Secretary of State and the primary objects of the talks would be to obtain broad United States-United Kingdom agreement on an orderly agenda for the discussion of Article VII. In this connection, it is said: "We continue, as in the past, to regard of the greatest importance the attainment of *prior agreement* on such matters between our two governments before they are discussed in a wide international field."

As I understand it, our Commercial Policy delegation encouraged the United Kingdom to make an approach to the United States along the lines of the original aide-mémoire, but there was no indication during the course of the London talks of the proposal to include all subjects arising under Article VII in the bilateral discussions. This must be a later development.

It would seem that the monetary policy proposal would cut across other discussions of this problem which have been forecast; it was Dr. White's idea that after submission of his finally revised plan to the Finance Ministers of the various United and Associated Nations, a drafting committee representing six or seven nations (including Canada) would be set up to prepare a final draft and agenda for a conference this fall of Finance Ministers or of experts. All through his monetary discussions the United States Treasurer was most anxious to avoid the appearance that the plan had been worked out by two or three of the great powers and most careful to give every small country an opportunity to participate in parliamentary discussions. Furthermore, while perhaps we cannot validly object to United Kingdom-United States explorations of the other subjects listed with the object of preparing an agenda as it were, for broader international discussions, I think we should object to their undertaking bilateral discussions with a view to reaching an agreement, to which they would then ask other countries to adhere. We should insist on having a share, at least in the formulation of any international agreement on these economic matters which are of such high importance to Canada.

It seems to me that we need to ask for definite clarification of the sentence

which I have quoted above. We should also consider whether we should make our views known in regard to the monetary discussions and as to the object or product of the discussions on other subjects.

W. C. CLARK

609.

DEA/6000-D-40

Le secrétaire au Trésor des États-Unis au ministre des Finances
Secretary of the Treasury of United States to Minister of Finance

Washington, September 14, 1943

My dear Mr. Minister,

On March 4, 1943, I sent to the finance ministers of the United Nations and the countries associated with them a tentative draft proposal for an international stabilization fund, prepared by the technical experts of the United States Treasury in cooperation with the technical experts of other departments of this Government. At that time, I asked the finance ministers to submit this tentative proposal for critical study by their technical experts and to send their experts to Washington for informal discussions with the technical experts of this Government.

These exploratory technical discussions have been going on for some time. The discussions have been very helpful in clarifying the problems connected with international monetary cooperation and in calling forth suggestions for modifications in the tentative proposal. As a result of these discussions, the technical experts of the United States have prepared a revised draft of the tentative proposal for an International Stabilization Fund. While this draft embodies some of the suggestions of the technical experts of other countries, it does not necessarily represent the views of the experts of any other country.

I particularly wish to express to you my appreciation for the contributions to the discussions made by the technical experts that you sent to Washington. The many conversations they held with the experts of the United States were extremely helpful to us and we hope to them. As you will note we have embodied in the revised draft a large number of their suggestions.

There is enclosed for your consideration the revised draft of the tentative proposal for an International Stabilization Fund. It is my intention to keep you fully informed of further developments in connection with the proposals for international monetary cooperation.

Sincerely yours,

H. MORGENTHAU JR.

610.

DEA/265s

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

SECRET

[Ottawa,] December 21, 1943

The attached teletype, WA-6340 of December 21st, contains the text of an aide-mémoire¹ delivered by the Department of State to our Legation in Washington this morning. The United States Government proposes "confidential exploratory conversations in the near future between officials of our two countries, for the purpose of reaching general agreement on an orderly agenda for future discussions of a more definitive character looking towards the implementation of the principles set forth in the Exchange of Notes of November 30th, 1942".

Conversations along these lines have already taken place between officials of the United States and United Kingdom Governments. These conversations were held in Washington in October of this year, when a United Kingdom group, headed by Lord Keynes and Mr. Liesching of the United Kingdom Board of Trade, discussed some questions of international commercial and financial policy with a group of United States officials headed by Mr. Myron Taylor. They reached a very large and encouraging measure of agreement as to the objectives and next steps. The United Kingdom officials took their progress report back to London for submission to their Government, with a view to resuming discussions with the United States early in the new year. It is expected that they will be back in Washington about the end of January or the beginning of February.

Mr. Hickerson, of the Department of State, told me not long ago that the United States Government hoped to have direct discussions on the same agenda with Canada before resuming discussions with the United Kingdom. They were not then in a position to suggest a date for these discussions because they had already invited the Russians to participate in similar exploratory talks, and felt they had to wait until definite arrangements had been made with the Russians before proposing a meeting with us. The Russians have been rather dilatory in replying, and the United States now propose that talks with Canada take place before talks with the U.S.S.R. This is a most important invitation, and particularly for Canada. I feel, very strongly, that what we do, or leave undone, in these next few months may determine the whole course of international economic relations. In this particular field Canada is in a key position because of the volume of our trading interest and of our special relationship with the United States and with the United Kingdom. The latter countries are working towards a programme of multilateral action to free world trade. It is a very ambitious and wide-ranging programme, which may be too ambitious for achievement during these next critical months when the essential decisions have to be taken. If the progress of the war in Europe permits of any slackening or diversion of our industrial war effort, business energies will be directed into the old channels. Tariffs and preferences, which have been for practical purposes inoperative for

three or four years, will become important again, and new vested interests will develop which are quite likely to prevent the really radical changes in trade relationships which the world needs, and Canada as much as any other country.

I think there may be a chance, right now, of securing a comprehensive and thoroughgoing trade agreement with the United States, which could be the first major instalment of the multilateral programme which nearly everybody recognizes as the desirable goal. The American invitation for general talks on economic policy is an opportunity to find out whether they would be ready to go along with us right now in something pretty big.

This is a pretty incoherent note, and I should like to have an opportunity of talking to you about some of its implications.

611.

W.L.M.K./Vol. 352

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 1168

London, December 24, 1943

IMPORTANT. SECRET. Article 7 discussions. Minister of State has reported that informal discussions with United States officials in Washington, September-October were held in a very friendly atmosphere and represented a useful and encouraging, though necessarily non-committal, exchange of views. At the conclusion of the talks certain documents were drawn up giving an agreed account of the discussions and a summary of the progress made under the various heads and it was felt that the respective groups of officials should report to their Governments with a view to arrangements being made, if this was mutually agreeable for the discussions to be resumed at a suitable opportunity in the New Year.

2. The documents resulting from the discussions have been submitted to the War Cabinet and are now being studied in detail with a view to further Ministerial consideration of the issues of policy involved. In the meantime a member of our Embassy at Washington, in a conversation at the State Department, has gathered that the Americans, on their side, are making progress with the examination of the documents and hope in about six weeks' time to be in a position to suggest resumption of the conversations between their officials and ours, with a view to matters being carried a stage further.

3. During the discussions in Washington steps were taken by our officials to keep Dominion representatives there broadly informed of the progress of the talks and copies of the agreed documents were sent last month to our High Commissioners in the Dominions with a view to their being communicated to Dominion Governments as soon as they had been submitted to the War Cabinet here. Copies of the documents¹ will thus be reaching you from our High Commissioner immediately after the receipt of this telegram. They cover broadly the following subjects. Monetary policy, commercial policy, commodity policy, maintenance of full employment and cartels.

4. No doubt your Government will feel as we have done that some time must be allowed for the study of these documents and of the main issues and implications arising out of them before discussion of these important and far reaching topics could usefully be carried further. In view, however, of the information received from the State Department in paragraph 2 above the time-table has become an important factor. If the United States officials are likely to be ready to discuss further with us by February we feel that it would be a mistake for us not to show corresponding readiness on our side to resume discussions at the earliest practicable moment. On the other hand we attach the highest importance to there being a further exchange of views between our respective officials before any steps are taken to resume conversations with the United States.

5. These considerations lead us to make the suggestion that as a preliminary to resumption of conversations with United States officials a further meeting between our officials and those of Dominion Governments and Government of India should be held in London in February on the several questions covered by the Washington documents. The two sets of discussions, which took place in London in October 1942 and June 1943, were in our view of the greatest possible value and we feel that the holding of a further meeting on the same lines would be greatly to be preferred to any attempt to exchange views and ideas by telegram over such a complicated series of subjects. We very much hope, therefore, that this suggestion will commend itself to you in which event perhaps you would agree that we might aim at say Monday, 21st February, as provisional date for opening of meeting.

6. If this suggestion is acceptable it would, of course, be most important to keep proposed arrangements secret as on previous occasions. Suitable opportunity would, however, be taken to inform United States Government of proposed talks. Ends.

612.

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Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 206

Ottawa, December 27, 1943

IMPORTANT. SECRET. Your cypher telegram Circular D. 1168 December 24th, suggesting further conferences of officials in London to supplement discussions held in October 1942 and June 1943.

On December 21st State Department suggested that informal exploratory and non-committal discussions be held in Washington between United States and Canadian officials early in January on "an orderly Agenda for future discussions of a more definitive character looking towards implementation of principles set forth in the Exchange of Notes of November 30th, 1942, between the United States and Canada, including commercial policy, the regulation of primary products and related subjects such as private international cartel problems". The invitation has been accepted and discussions will begin January 3rd. It is expected that the discussions will be along similar lines to those with United

Kingdom officials in September and October last. It is our intention to support strongly the views already put forward at London and since developed by your officials at Washington for the negotiation of a multilateral Convention of Commerce looking to the reduction of high tariff rates and the removal of barriers to international trade.

It is hoped that these conversations will throw further light on the attitude of the United States Government toward the early opening of general negotiations for the conclusion of a multilateral Convention of Commerce. We are strongly of the opinion that every effort should be made to push forward as rapidly as possible with this project and would be prepared to participate in the meetings you suggest in London on February 21st next or at an earlier date if you consider it practicable.

613.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 190

London, December 31, 1943

IMPORTANT. SECRET. Your telegram No. 206, Article 7 discussions. We are grateful for this information and are glad to know of attitude which will be adopted by your officials in proposed conversations in Washington. It would be very helpful if they could keep our representatives there in touch with the progress of the talks.

2. We are pleased to learn that suggestion for London meeting in February is acceptable to Canadian Government, and fully appreciate your desire that discussions should be pushed forward as rapidly as possible. It has been felt, however, that if full value is to be obtained from proposed meeting, some little time must necessarily be allowed to enable Dominion officials to study Washington documents and obtain instructions from their Governments. After allowing for this and for travelling time from more distant Dominions, February 21st seemed earliest date likely to be practicable.

3. I will telegraph further as soon as replies received from other Dominion Governments. In the meantime, you may wish to communicate to them substance of your telegram.

PARTIE 4/PART 4
 AVIATION CIVILE
 CIVIL AVIATION

614.

DEA/72-MK-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 206

London, April 7, 1943

MOST SECRET. We have now for some time past had under examination question of post-war civil aviation. It seems to us that time has now come when it

would be desirable for us to take the lead in approaching other Governments and in particular the United States Government in the matter. As you are aware, there has been considerable discussion in the United States in which divergent views have been expressed ranging from advocacy of "free air" policy to policy of internationalisation under United Nations control adumbrated by Vice-President Wallace.

2. We have now had two preliminary meetings on the subject with Dominion High Commissioners in London to whom we have communicated reports of the official committees whose advice we have received. As a result, we have reached conclusion that best course is for us now to put forward proposal of full internationalisation after the war of all air transport services. By this we understand a system in which all such services throughout the world would be controlled by one central authority. Such a system should prove most economical owing to advantages of rationalisation and large scale operation and also by securing abandonment of air transport as an instrument of national policy contribute substantially to the security and harmony of the world.

3. If it is generally agreed that this procedure should be adopted it would seem to be desirable that the first approach should be made to the United States Government and we should hope that you should agree also to join with us in commending the proposal to United States Government.

4. If as is quite possible the plan is rejected by United States or other Governments, the question arises what alternative plan would be most advantageous from our point of view and at the same time most likely to command general acceptance. We have, without reaching any final conclusions, given some preliminary consideration to this point and as indicated above have communicated to Dominion High Commissioners in London the results of the work done on this by our advisers. But we think, and trust you will agree, that the best procedure will be to put forward as our proposal the system of complete internationalisation and to invite those who reject that plan to propound their alternative plan for making adequate provision for the necessary development of air transport without imperilling security or provoking a serious clash of national interests. Ends.

615.

DEA/72-MK-40

*Le ministre des Munitions et des Approvisionnements
au sous-secrétaire d'Etat aux Affaires extérieures*

*Minister of Munitions and Supply to Under-Secretary of State
for External Affairs*

MOST SECRET

Ottawa, April 9, 1943

Dear Mr. Robertson,

Thanks for your letter of April 8th^t enclosing most secret Dominions Office Circular telegram No. D. 206 of April 7th, on the subject of post-war civil aviation.

I have read the despatch and your draft reply and am wholly in accord with your suggested reply.⁷⁸

In my opinion it will be most unfortunate if the United Kingdom Government force a discussion of post-war aviation at this time. The United States Government is in no mood to consider a policy of full internationalism after the war, and to open the subject would be to invite high pressure work from every commercial airline, with the probable result that the hand of Congress and the President may be forced in the direction of the opposite policy.

Having in mind that the United States have, and are likely to have for some years, a monopoly of modern air transport planes, it seems to me that the policy should be to let the United States lead the way in discussions of international aviation. Canada and the United States are likely to have a common viewpoint, as our problems in international aviation are identical.

Yours very truly,

C. D. HOWE

616.

DEA/72-MK-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 86

London, May 14, 1943

MOST SECRET. Canada No. 86, Union of South Africa No. 36. My telegram Circular D. 206 of April 7th, civil aviation.

Following is reply from His Majesty's Government in the Commonwealth of Australia in telegram No. 116 of May 13th, Begins: Addressed Secdomin, London, No. 116, repeated Prime Minister, Wellington No. 86. Your telegram Circular D. 206, post-war aviation. Commonwealth Government has carefully considered questions raised by you and agrees that it is desirable for an approach to be made to United States Government on this matter. We assume that if response is favourable early approach will also be made to U.S.S.R. and United Nations.

2. Our view is that the starting point should be an affirmation that civil aviation is subject to those principles of international collaboration which we also hope to see applied to the related problems of a world system of security and post-war economic reorganization. Feel that if any major post-war issue, such as civil aviation, is decided *ad hoc* along the lines merely of national interest, the general hopes for the settlement of other issues on the international plane will be undermined.

3. As regards the actual content of the approach, we fear that the presentation to the United States of a simple proposal for full internationalisation might arouse suspicion that it is aimed at limiting their undoubted potential advan-

⁷⁸ Pour la version finale de cette réponse voir le document 617.

⁷⁸ For final version of the reply see Document 617.

tage in air transportation and might immediately lead to the presentation of an alternative plan designed to conserve purely American interests. We would prefer a more general approach on the issue whether or not the principles and spirit of international collaboration which United States spokesmen have affirmed apply to civil aviation, and if so whether the United States would cooperate in considering ways and means by which such collaboration may be brought about for mutual benefit.

4. For its own part the Commonwealth Government holds the preliminary view that international collaboration in civil aviation for mutual benefit might best be secured through the

(a) General inclusion of all air transport services within the terms of a convention which would supersede and take over the powers of the International Convention on Aerial Navigation⁷⁹ with powers revised and extended to control all international air transport;

(b) Actual operation of certain services, (i.e., main international routes) by an International Air Transport authority.

Such a system should, we consider, be framed to allow:

(a) Devolution by the international authority of its management either within regions or on particular routes;

(b) Special arrangements for the conduct of international services and the conduct of short local services between neighbouring countries under bilateral or multilateral agreements subject to supervision by the International authority.

5. We would emphasize that these are preliminary general ideas only and would hope to be able to make a contribution to practical details of such a scheme at the appropriate time. It seems evident that the settlement of such details will depend partly on the parallel elaboration of a general system of security. Ends.

617.

DEA/72-MK-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 840

Ottawa, May 22, 1943

MOST SECRET. Dominions Office Circular D. 206 of April 7. Post-war civil aviation.

1. We have for some time been examining the question of post-war international air transport and, as you know, the Prime Minister made a general state-

⁷⁹ La Convention pour la réglementation de la navigation aérienne du 13 octobre 1919. Voir Grande-Bretagne, *Treaty Series*, 1922, N° 2.

⁷⁹ The Convention for the Regulation of Aerial Navigation of October 13, 1919. See Great Britain, *Treaty Series*, 1922, No. 2.

ment on the subject on April 2nd⁸⁰. Our Interdepartmental Committee on International Civil Aviation is now drafting its report and hopes to be able to submit it to the War Committee by the middle of June. Until the Government has received and considered the report we are not likely to be able to elaborate the statement of April 2nd.

2. We have studied with interest the reports¹ of the three advisory bodies which the United Kingdom Government have asked to report on aspects of post-war civil aviation⁸¹. These reports have been of great assistance to us.

3. We doubt the wisdom of putting forward to the United States at this stage "proposals" on air transport. Our impression is that to put forward proposals now, and especially proposals for all-out internationalization, would be to court rejection. We think there is much more likelihood of substantial agreement being reached among the United Nations on this important subject if the presentation of specific proposals is deferred for the time being. Moreover we have not yet completed our own examination of the question. When that examination has been completed we would be glad to begin preliminary talks with officials of the Governments of others of the United Nations especially the United Kingdom and the other nations of the Commonwealth, the United States (and the U.S.S.R.). We believe that discussions of this character are an essential preliminary to the making of proposals. It may be that as a result of these informal discussions between officials a number of Governments concerned will find that they are in substantial agreement and they can then put forward generally agreed proposals for the consideration of other Governments.

618.

DEA/72-MK-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 316

London, May 27, 1943

MOST SECRET. My telegram April 7th, Circular D. 206. Post-war civil aviation.

We have considered matter further in the light of the views expressed by the Canadian and Commonwealth Governments and such further indications as we have been able to obtain as to the probable attitude of the United States authorities on the subject. The United States authorities have suggested that they would like to begin preliminary discussions with us. Clearly it is very desirable that any such discussions with the United States should take place if possible while ideas in the United States are still fluid and before any definite line has been decided upon.

We are disposed to agree with the views expressed that it might be inadvisable to put forward directly to the United States authorities a plan for complete

⁸⁰ Voir Canada, Chambre des Communes, *Débats*, 1943, volume 2, pp. 1814-6.

⁸¹ Les rapports Shelmerdine, Finlay et Barlow.

⁸⁰ See Canada, House of Commons, *Debates*, 1943, Volume 2, pp. 1776-8.

⁸¹ The Shelmerdine, Finlay and Barlow reports.

internationalisation on the lines set out in paragraph 4 of my telegram. At the same time we feel that before we enter into informal discussions with United States representatives we should have attempted to reach some general conclusions as to the scheme of post-war air transport which would be generally acceptable to and best serve the interests of the members of the British Commonwealth.

With the object of making rapid progress in the matter and following up the suggestion made by the Canadian Government, we should like to propose that at the earliest convenient date arrangements should be made for a meeting which might be in London, if that is convenient to other Governments, of officials representing the several Governments on a purely informal and exploratory basis with a view to attempting to work out in greater detail the general ideas such as those set out in paragraph 4 of the Commonwealth Government's telegram of May 13th⁸² which could afford the basis for useful informal discussions with United States representatives.

In the meantime we shall continue our own examination of the problem. We shall hope to have some suggestion ready to put before such a meeting and we should welcome any suggestions which you may feel able to contribute. We have been given to understand that the United States representatives may be ready to discuss matters in the course of the next month and we should therefore like to arrange a meeting of representatives of the British Commonwealth at any rate by the middle of June by which time we gather that it is hoped that the Canadian Government will have completed their preliminary survey of the subject. Should be glad to learn as soon as possible whether an informal meeting on the lines suggested would be acceptable and if so whom you would wish to nominate as your representative. Ends.

619.

DEA/3-Cs

Mémorandum du bureau du Conseil privé au secrétaire du Cabinet

Memorandum from Privy Council Office to Secretary to the Cabinet

Ottawa, June 1, 1943

There was a brief discussion in War Committee last night on the subject of civil aviation when Mr. Howe raised the question of the despatch from the United Kingdom inviting Canadian participation in informal discussions.⁸³ The only positive attitude advanced in this connection was that of Mr. Howe who was definitely against participation in any negotiations and who emphasized that this aloofness would be the best method of maintaining a strong and independent position for Canada. If the War Committee through lack of interest in the general subject should accept Mr. Howe's position, Canada might find herself relegated to the rank of a minor power in aviation. There is undoubtedly going to be some measure of internationalization in civil aviation, even though

⁸² Voir le document 616.

⁸³ Le document précédent.

⁸² See Document 616.

⁸³ Preceding document.

it be limited merely to the establishment of an international regulatory body. Canada has the right to be considered one of the major powers in this field, but unless Canada participates actively from the outset in the steps taken towards establishment of whatever agency is set up in the discussions on general international air policy, the government may find itself in an even more difficult position than it did in the Relief and Rehabilitation discussions. It may be added that there would be sound grounds for political criticism of the administration if it even became known that Canada had pursued an isolationist attitude by avoiding these discussions.

J. R. BALDWIN

620.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, June 2, 1943

POST-WAR CIVIL AVIATION—PROPOSED LONDON MEETING

8. THE SECRETARY read a communication from the U.K. government, proposing early informal discussions in London between Commonwealth representatives, as a preliminary to discussions between the United Kingdom and the United States.

Copies of the communication had been circulated to Ministers concerned.

(Telegram Circular D. 316, Dominions Office to External Affairs, May 27, 1943).

9. THE MINISTER OF NATIONAL DEFENCE FOR AIR reported the view of the Air Staff that Canada should take part in the discussions proposed; R.C.A.F. personnel should be included among the Canadian participants.

(Memorandum, Air Member for Air Staff, Department of National Defence for Air to the Chief of the Air Staff, June 2, 1943[†]).

10. MR. POWER felt that Canada should avoid anything which would create the impression that a common front was being established by the members of the Commonwealth. When the time came for international discussion on a broader basis, the government should be in a position to participate therein without previous commitment.

11. THE MINISTER OF MUNITIONS AND SUPPLY expressed the opinion that, when the time came for an international conference, Canada should be a major participant, on her own account, not as one of a Commonwealth group. Participation, beforehand, in discussions now proposed by the British Government would, in this respect, prejudice the Canadian position later on.

12. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS suggested that Canadian interests were perhaps even more closely connected with those of the United States than with those of the United Kingdom. Further, the subject was

one upon which the views of the U.K. and U.S. governments were likely to be sharply divergent.

Preliminary Commonwealth discussions might be misconstrued in Washington and thereby prejudice subsequent discussions with the United States. Furthermore, it should be noted that the United Kingdom were not proposing multilateral discussions in Washington, following the London meeting, but bilateral discussions with the United States, at which the United Kingdom would represent the interests of the Commonwealth. This would hardly be satisfactory from the Canadian point of view.

It might be preferable to bring the United States into the discussions from the outset at an informal meeting with Commonwealth representatives which might be held at Ottawa.

13. THE PRIME MINISTER agreed with the observations of the Under-Secretary. Without refusing participation in prior Commonwealth discussions, the government might suggest to the U.K. government the preferable alternative of discussions in Ottawa, to which the United States should be invited. If this suggestion were not acceptable to the U.K. government, their proposal for a purely Commonwealth meeting could be reconsidered.

14. THE WAR COMMITTEE, after further discussion, agreed that, as an alternative to the proposed Commonwealth meeting in London, it be suggested to the U.K. government that informal discussions be held in Ottawa and that both Commonwealth and the United States representatives be invited to participate.

621.

DEA/72-MK-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 96

Ottawa, June 6, 1943

MOST SECRET. Your telegram Circular D. 316 of May 27th, post-war civil aviation.

Canadian Government agree that early discussion of the international aspects of post-war civil aviation is desirable. We do not feel, however, that preliminary Commonwealth discussions preparatory to United Kingdom discussions with the United States will provide the best approach to mutually satisfactory general arrangements. The suggested analogy with the procedure agreed on for preliminary Commonwealth talks in the field of commercial policy is not very close.

Having in mind that our connections in the civil aviation field with the United States are as close and numerous as our connections with any of the Commonwealth countries, we see obvious objections to course of preliminary consultation in London which might be construed as an attempt to formulate a concerted Commonwealth policy before we had had an opportunity of exchanging views direct with the United States.

In the circumstances we think there is much to be said for inviting the United

States to participate from the beginning in the exploratory conversations about civil aviation policy, and would be glad to have such talks take place in Ottawa as soon as the other countries concerned could arrange to be represented here. If this suggestion commends itself to the United Kingdom Government we would be glad to ascertain whether the other Commonwealth Governments and the United States would be ready to take part in such an informal exploratory meeting.

622.

DEA/72-MK-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1336

London, June 16, 1943

SECRET. My telegram No. 1283, June 9th.

Yesterday afternoon I attended meeting of Special Cabinet Committee called for purpose of discussing proposal for meeting in Ottawa on post-war transport, as conveyed your telegram to Dominions Office No. 96, June 6th. 11 Ministers, 4 High Commissioners and representative of India on War Cabinet were present. There appeared to be general agreement that Ottawa was appropriate place for proposed exploratory conversations and that United States should be invited to meet with United Kingdom and Dominion representatives. It was felt, however, by the meeting that British Commonwealth Governments should have opportunity of exchanging views on, and considering principles relating to post-war civil aviation before entering into conference with United States or other Governments. Secondly, it was also felt that Soviet Government would misunderstand a meeting for such a purpose held between United States and British Commonwealth delegations to which they were not invited, as Russia has such a great interest in the problem of post-war aviation. The Foreign Secretary said that on his return from North America, Soviet Ambassador had made inquiries as to whether subject of post-war aviation policy had been discussed in Washington.

On the first point it was assumed that United Kingdom and Australian, New Zealand and South African delegates would arrive in Ottawa a week or so in advance of the meeting for informal talks with Canadian authorities.

It was decided at the meeting that a brief statement should be drafted immediately by United Kingdom Government giving their views as to the main principles which they think should govern policy. This will be telegraphed to the four Dominions for their consideration, in the hope that these views might be generally acceptable as a basis for discussion. When these exchanges have taken place I am hopeful that United Kingdom Government will agree to proposal for Ottawa meeting, but I think you may assume that they will propose that it should be widened to include representatives of Governments of Soviet Russia and China.

I stressed the inadvisability of confronting the Americans with a cut and

dried plan, and I also urged importance of engaging in conversations with the United States authorities with the least possible delay. The meeting appeared to agree with the importance of both points.

Would greatly appreciate early reply giving your views on above for my guidance.

MASSEY

623.

DEA/72-MK-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1074

Ottawa, June 22, 1943

SECRET. Your telegram No. 1336 of June 16. Proposed meeting in Ottawa on post-war air transport.

1. Please inform the United Kingdom Government that, while the Canadian Government sees no objection to an exchange of views between the Commonwealth Governments prior to the proposed meeting, it would not favour preliminary talks in Ottawa between Commonwealth officials since these talks would be open to the same objections as the proposed preliminary conversations in London (see our telegram No. 96 of June 6 to the Dominions Office).

2. You may add that

(a) We are looking forward to receiving from the United Kingdom Government a statement of their views as to the main principles which should govern the post-war organization of air transport and shall be glad to comment on this statement.

(b) We shall be glad to give favourable consideration to a United Kingdom proposal that representatives from the U.S.S.R. and China be invited to the Ottawa meeting, though we feel that if other countries in addition to the Commonwealth countries and United States are invited it will be increasingly difficult to preserve confidential character of discussions and to exclude others of United Nations with obvious interests in post-war civil aviation policy.

(c) In our opinion the meeting in Ottawa should be between officials and not on the ministerial level; it should be informal, exploratory and non-committal.

624.

DEA/72-MK-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 114

London, June 30, 1943

IMPORTANT. MOST SECRET. Post-war civil aviation.

Your telegram June 6th, No. 96, and further comments communicated

through High Commissioner for Canada on June 24th have been carefully considered by War Cabinet. We are glad to note that Canadian Government agree that early discussion of international aspects of this question is desirable and we welcome suggestion that discussions might be held in Ottawa. United Kingdom Government would be happy to send representatives to a conference either at Ottawa or elsewhere, as may be convenient, at which other British Commonwealth Governments and United States Government would be represented. Having regard, however, to general relations with Soviet Government and to interest which they have shown in civil aviation (Soviet Ambassador has reverted to subject with Foreign Secretary again since date of my telegram April 27th, Circular D. 243¹), we should consider it essential that Soviet Government should be invited to any such conference. If this were to result in United States Government pressing that China should also be invited we should not object and would not consider it a necessary consequence that invitation should be extended to other foreign Governments.

2. We note that Canadian Government are agreeable to an exchange of views between Governments of British Commonwealth prior to proposed international meeting. With a view to facilitating this exchange we are drawing up, and will shortly communicate to Dominion Governments, a statement of our views as to principles on which an approach to an international settlement of problem could most usefully be founded. We shall welcome views of Dominion Governments on this statement, but it seems to us impracticable to deal with this matter fully and satisfactorily by telegram and we consider it essential that there should be an opportunity for preliminary discussions between representatives of members of British Commonwealth on basis of such an exchange of views before entering into international discussions. We attach utmost importance to closest possible collaboration with United States Government on this as on other matters and we well understand special importance to Canada of such collaboration, particularly in field of civil aviation. But we cannot accept position that United States authorities can properly take exception to preliminary consultations between members of British Commonwealth or that there is a serious risk of antagonising United States Government by making arrangements for such consultations. Naturally we should be prepared to give, or join in giving, suitable intimation in advance to United States authorities of our intention to do so. For our part, therefore, we feel bound to make an endeavour to arrange a meeting with representatives of such other members of British Commonwealth as wish to take part in advance of proposed international meeting. Such a meeting might be held either at place of the international meeting or at some other convenient place.

3. As regards status of our representatives at proposed international meeting, our view is that important issues of policy will arise which will call for handling on the Ministerial level. This would, in our view, correspond to probable status of United States delegates, and we think that for this reason also Ministerial representation at proposed conference seems essential.

4. Should be grateful for early expression of further views of Canadian Government in light of above.

625.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 2, 1943

INTERNATIONAL CIVIL AVIATION; PROPOSED CONFERENCE

20. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that the U.K. government had now replied to the Canadian proposals regarding the nature and composition of the proposed meeting.

The U.K. government were agreeable to the discussions taking place in Ottawa and including the U.S. government. They continued to feel, however, that preliminary discussions should take place between members of the Commonwealth. They also felt that the U.S.S.R., and possibly China, should be invited, along with the United States. In their view, too, the conference should take place on the ministerial level.

(Telegram, No. 114, Dominions Office to External Affairs, June 30, 1943).

21. MR. ROBERTSON suggested that this reply did not meet the Canadian government's point that the proposed meeting would be more likely to succeed if the United States participated from the outset rather than following Commonwealth discussions.

Furthermore, a "ministerial" conference and the inclusion of China and the U.S.S.R. would inevitably involve publicity and would place on Canada responsibility for excluding other United Nations which might well feel that they were entitled to participate.

22. THE MINISTER OF MUNITIONS AND SUPPLY pointed out that civil air transport policy was closely linked with post-war military security. It should be possible, at an international discussion, to agree on certain broad principles which would be acceptable to the United Nations. General international discussions, however, should, if possible, be delayed until the countries concerned were prepared to come to some agreement.

While it would be in Canada's interest to delay action, it appeared that other countries were anxious to proceed with discussions. Further, decisions as to the organization of post-war civil air transport could not be delayed until the conclusion of hostilities. It would be in Canada's interest to play a leading role and nothing should be done to prejudice the chances of Canadian participation in discussions with the United Kingdom and the United States.

23. THE PRIME MINISTER expressed the opinion that Canada could not agree to the U.S. government being excluded from discussions in the initial stages. On the other hand there was no reason why there should not be preliminary exchanges of view in writing between the nations concerned. We should not agree to holding in Canada, at this time, a large international conference of the nature now proposed by the U.K. government.

24. THE WAR COMMITTEE, after further discussion, agreed that the Under-Secretary of State for External Affairs prepare, in the light of the discussion, a draft reply to the U.K. government.

626.

DEA/72-MK-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 388

London, July 2, 1943

MOST SECRET. My telegram of May 27th, Circular D. 316, post-war civil aviation. Our further examination of the problem has now led us to formulate provisionally certain general principles which we should ourselves be ready to adopt as part of a general agreement and to put forward as basis for international discussion. These are set out for consideration of other British Commonwealth Governments in my immediately following telegram. Should be glad to learn your views as soon as possible.

627.

DEA/72-MK-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 389

London, July 3, 1943

IMPORTANT. MOST SECRET. Repeated to Southern Rhodesia No. 234. My immediately preceding telegram. Following is statement, Begins: It is now clear that full internationalization of post-war air transport will not meet with general acceptance and it is important that, in the preparation of forthcoming International Conference, the members of the British Commonwealth should reach agreement among themselves on certain general principles, as a basis for discussion with the United States and other nations. The following principles are suggested:

1. The members of the Commonwealth will endeavour to achieve the maximum degree of international cooperation in the development, operation and regulation of air transport in the interests of mankind as a whole.

2. They will support establishment of an International Air Transport authority to administer a convention which would:

(1) Define whatever doctrine of freedom of the air is accepted and require its acceptance by ratifying States (see four below);

(2) Prescribe safety regulations, such as those contained in 1919 Convention, e.g., rules of air, airworthiness, licensing of personnel and aircraft, ground signal meteorological procedure, prohibition of carriage of dangerous goods,

etc.; and provide for enforcement of regulations by maintenance of a qualified inspectorate;

(3) Provide for standardization, so far as possible, of radio equipment and technique, ground services and meteorological facilities;

(4) Deal with customs and immigration procedure together with sanitary regulations;

(5) Lay down conditions for exemption of fuel and oil from customs and excise duties;

(6) Provide that States would license only those agencies which both undertook to observe the International Convention and agreed to abide by rulings of Operators Conference (see nine below) as regards rates of carriage, frequencies, etc. States should undertake to withdraw license from any airline which disregarded these obligations;

(7) Provide that if any State failed to withdraw a license in the circumstances referred to, the other States participating in the Convention would deny facilities to airline concerned;

(8) Provide for collection and review of information about services maintained, operational costs, nature and extent of subsidies, rates of carriage, landing fees, etc.;

(9) Secure recognition of principle that all states should be responsible for provision in accordance with specifications laid down in the Convention of ground facilities needed in their territories. (In the case of countries unable or unwilling to provide for the necessary facilities, special arrangements involving financial assistance would probably be necessary; in the case of ex-enemy countries, the facilities would need to be administered and controlled internationally);

(10) Provide for arbitration machinery to decide appeals against imposition of unreasonable landing fees and servicing charges, etc.

3. The members of the Commonwealth will support the establishment of international operating agencies on particular routes or in particular areas, especially in the case of services now operated by enemy airlines in Europe and in the Far East.

4. In principle, His Majesty's Government in the United Kingdom would welcome a greater measure of "freedom of the air" than existed before the war. They hold the view, however, that this question cannot be considered as a separate and self-contained issue and that extent to which freedom of the air can be realized must depend on general acceptance of an enlightened international settlement.

5. Subject to the above, "freedom of the air" is understood by the United Kingdom Government to mean the following:

(1) The right of innocent passage;

(2) The right to land for non-traffic purposes (e.g., refuelling, repair, emergency, etc.);

(3) The right to land passengers, mails and freight embarked in aircraft's

own country of origin.

6. The Convention should not preclude its signatories from dealing with the following rights by direct negotiations between any two or more countries concerned:

(1) The right to embark passengers, mails and freight destined for aircraft's own country of origin;

(2) The right to convey passengers, mails and freight between two countries neither being the aircraft's own country of origin;

(3) The right to convey passengers, mails and freight between two points in any one country not being the aircraft's own country of origin. These last three questions appear to be appropriate for negotiations between individual signatories to general Convention and this would give fullest scope for members of Commonwealth to make individual arrangements, both amongst themselves and also with foreign countries.

7. The members of the Commonwealth will, subject to above principles, seek to develop intra-Imperial services on a co-operative basis to fullest extent, either by joint arrangement between chosen instruments of United Kingdom and Dominion Government respectively by creation of a Commonwealth Air Transport Operating Corporation, or by any other method.

8. The members of the Commonwealth will combine to develop aeronautical education, research, and technical developments to fullest extent.

9. In order to eliminate uneconomic competition as far as possible, and to keep subsidies within reasonable bounds, it would be desirable to regulate by agreement the frequency of services and quotas, the standards of passenger accommodation, the rates of carriage, etc. Some of these questions are perhaps not best handled in first instance by Governmental negotiation and it might be preferable to leave them to be agreed to by operating agencies concerned through some machinery similar to that of a shipping conference, subject to endorsement where appropriate by international authority. Agreement on rates, frequencies, etc., combined with right to adequate ground services by countries concerned, should help to limit scale of cash subsidies.

10. The problem of continental Europe is a particularly difficult one in which considerations of security must necessarily play a primary part. It will probably have to be settled in principle (in conjunction with United States and U.S.S.R.) within framework of post-war security before it can be discussed with other United Nations. Provision will have to be made for various trunk routes which will necessarily pass through continental Europe, but, as regards continent's internal services, it might be desirable to secure agreement upon constitution of a single international operating organization to undertake the operation of all services in continental Europe, the whole continent being regarded as one unit for this purpose. It would, however, be necessary to take account of desire of certain countries, e.g., France, the Netherlands, etc., to operate services of their own from their European territories to their overseas possessions. Ends.

628.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 7, 1943

INTERNATIONAL CIVIL AVIATION; PROPOSED CONFERENCE

1. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted a draft telegram to the U.K. government, prepared in the light of the discussion of the British proposals at the meeting of July 2nd.

It was proposed that the U.K. government be informed that Canada would be unable to participate in a prior Commonwealth meeting in advance of discussions with the United States on the grounds that the chances of substantial international agreement would be lessened by such a prior meeting. Moreover, in view of the proposed extension of the conference to include the U.S.S.R. and China and to place the discussions on a ministerial level, the Canadian government no longer felt that the meeting should be held in Ottawa.

(Draft telegram, External Affairs to Canadian High Commissioner, London, July 7, 1943¹).

2. THE WAR COMMITTEE, after discussion, approved the despatch of a communication to the U.K. government in the sense of the draft submitted, and agreed that it be revised in certain particulars.

INTERNATIONAL CIVIL AVIATION; GENERAL POLICY

3. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted a message from the U.K. government proposing that the members of the Commonwealth reach agreement on certain general principles to govern post-war international air transport as a basis for discussion with the United States and other nations. The message contained a statement of such principles for the consideration of Dominion governments.

(Telegrams D. 388 and D. 389, Dominions Office to External Affairs, dated July 2 and 3, 1943).

4. MR. ROBERTSON pointed out that the arguments against a prior Commonwealth meeting were also applicable to the adoption by members of the Commonwealth of agreed general principles in advance of an international conference or consultation with the U.S. government. There would not be the same objection, however, to a preliminary exchange of views upon the principles suggested by the United Kingdom.

The U.K. government's message expressed the view that full internationalization was not now feasible. The Canadian government had not expressed themselves as opposing internationalization but had pointed out that the time did not appear suitable for proposing such a policy to the United States. The present British proposals went not nearly so far in this respect.

5. THE PRIME MINISTER expressed the view that, while full internationalization might not prove acceptable, nevertheless it should not be ruled out, at this stage, before general international discussions had taken place.

The Commonwealth countries should exchange views on these questions but should not seek to reach prior agreement which might prejudice the course of subsequent international discussions.

6. THE MINISTER OF MUNITIONS AND SUPPLY felt that internationalization would not be an acceptable or workable policy.

Canada should retain full control of all landing rights on Canadian soil, and should negotiate with each country wishing to obtain permission to land at Canadian points. Moreover, Canada should insist that negotiations for such rights be carried on between governments and not between private companies.

7. MR. ROBERTSON suggested that Canada had a special interest in internationalization of her northwestern air routes between the U.S.S.R. and the United States.

8. THE WAR COMMITTEE, after further discussions, agreed:

(a) that the Under-Secretary of State for External Affairs prepare, in the light of the discussion, a draft communication to the U.K. government regarding the proposal that the members of the Commonwealth reach agreement on general principles of air transport policy as a basis for wider international discussions; and,

(b) that the general principles of policy suggested by the U.K. government be referred to the Interdepartmental Committee on Air Transport for consideration and report.

...

629.

W.L.M.K./Vol. 346

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1181

Ottawa, July 9, 1943

MOST SECRET. Your telegram No. 1472 of July 2^l. Post-war civil aviation.

Please give the United Kingdom Government a reply to Dominions Office telegram No. 114 of June 30 along the following lines:

1. Desirability of prior Commonwealth consultations:

We regret that the earlier exchanges of views have not made our position clear. Our opinion that it would be inadvisable to hold a meeting between the nations of the Commonwealth prior to the planned meeting with the United States was based on our belief that in this field of air transport policy the chances of getting substantial international agreement on a desirable policy would be lessened by the holding of prior Commonwealth discussions. We fully recognize the force of the general arguments for holding prior Commonwealth discussions, but we feel that in this case the disadvantages outweigh the advantages. Our view, which is supported by the advice of our Legation in Washing-

ton, is that there is a real danger that the proposed discussions would be misunderstood in Washington and that any such misunderstanding would be an inauspicious beginning for the wider talks. This is the sole basis for our attitude toward the United Kingdom proposal that prior Commonwealth consultations should take place.

2. For these reasons the Canadian Government regrets that it would be unable to participate in a meeting with representatives of the other nations of the British Commonwealth in advance of the proposed international meeting with the United States. We feel that the beneficial results which the United Kingdom Government would expect to emerge from such prior discussions can be achieved by a preliminary exchange of views in writing between Commonwealth Governments. Indeed we are at present engaged in preparing our comments upon the United Kingdom's suggested statement of general principles.

3. Place and character of discussions:

When in our telegram No.96 of June 6, we said that we would be glad to have talks on air transport take place in Ottawa, we were thinking in terms of discussions which would be restricted to officials of the Commonwealth nations and the United States, which would not be on the ministerial level, and which would be informal and exploratory. Our view has been that a conference on the ministerial level should be postponed until there was reason to believe that some form of fairly specific agreement could be reached. We felt that a considerable amount of purely informal, exploratory and noncommittal discussions between officials would be required before initiating discussions between ministers. It is now proposed by the United Kingdom not only to extend the discussions to countries other than the Commonwealth nations and the United States but also to place the discussions on the ministerial level. In the circumstances we are not in a position to undertake the calling of the meeting.

4. The issues involved in the forthcoming international discussions on air transport are very large. Unless the United Nations can reach agreement on satisfactory air policies, the prospects of achieving an enduring peace settlement will be slight. This is why we feel as we do about a line of preliminary approach which, it seems to us, may prejudice the chances of successful agreement.

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DEA/72-HA-1-40

*Le Comité interministériel sur la politique de transport aérien
au secrétaire, le Comité de guerre du Cabinet*

*Interdepartmental Committee on Air Transport Policy
to Secretary, Cabinet War Committee*

MOST SECRET

Ottawa, July 20, 1943

REPORT FROM THE INTERDEPARTMENTAL COMMITTEE ON
AIR TRANSPORT POLICY ON THE DRAFT PRINCIPLES
OF POST-WAR AIR TRANSPORT POLICY FORWARDED BY
THE UNITED KINGDOM GOVERNMENT

1 The United Kingdom Government has drafted for the consideration of

the other nations of the Commonwealth a provisional statement of the general principles of air transport policy which it would be ready to put forward as a basis for discussion with the United States and other nations and to adopt as part of a general international agreement. The United Kingdom believes that it is important that, prior to the forthcoming international discussions on air transport policy, the five nations of the Commonwealth should reach agreement on a statement of this character. They have, therefore, asked for our comments on their draft statement.

II The Interdepartmental Committee on Air Transport Policy recommends that a reply along the following lines be sent to Mr. Massey by despatch for transmission to the United Kingdom Government, and that summaries of the reply be cabled to the Canadian High Commissioners in Australia, New Zealand and South Africa for transmission to the Governments of those countries:

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum

Memorandum

MOST SECRET

Ottawa, July 16, 1943

COMMENTS OF THE CANADIAN GOVERNMENT ON THE PROVISIONAL STATEMENT
OF POLICY ON AIR TRANSPORT CONTAINED IN DOMINIONS OFFICE
CIRCULAR TELEGRAM NO. D.389 OF JULY 3, 1943

1. The Canadian Government welcomes this most useful draft statement of United Kingdom views and is glad to accept the invitation of the United Kingdom Government that it offer its comments for the consideration of the United Kingdom and the other Commonwealth Governments.

2. The Canadian Government, however, is of the opinion that it would be premature at this stage for any group of governments to attempt to reach agreement on a joint statement of the character proposed by the United Kingdom Government. At a later stage in the international discussions over air transport policy it may be desirable for groups of governments to present joint agreed proposals for the consideration of other governments. Such a procedure was indeed contemplated in our reply of May 22, 1943⁸⁴, to Dominions Office circular telegram D. 206 of April 7. One advantage in postponing the presentation of joint agreed statements until after preliminary informal and noncommittal international conversations have taken place is that the statements can then be framed in the light of the ideas and interests of other governments as expressed in these discussions. The authorship of the principles set forth in the statement thus becomes ambiguous — an advantage in international discussions of this character where it is unwise for alternative schemes to be identified with particular actions. In our opinion there is danger that the success of subsequent negotiations will be prejudiced by the presentation of joint agreed statement at this stage. In this connection we have noted with interest the view of the South African Government that a precise or complete formulation of policy before

⁸⁴ Document 617.

discussions with the United States is unnecessary and we concur in their opinion that "It might well, in fact, prove to be a positive advantage in this difficult and specially susceptible field to engage in preliminary United States conversations without any cut and dried scheme allowing positive ideas to emerge from an initial acceptance of the need for collaboration".

3. Our opinion is that at this stage it is more important that any statement of national policy stress broad principles and objectives than that it advocate any particular method of attaining these objectives. We concur in the opinion of the Australian Government (their telegram No. 116 of May 13)⁸⁵ that the starting point in the forthcoming international discussions should be an affirmation that air transport must be made subject to those principles of international collaboration which we also hope to see applied to the related problems of a world system of security and post-war economic reorganization and that if any major post-war issue, such as civil aviation, is decided ad hoc along the lines merely of national interest, the general hopes for the settlement of other issues on the international plane will be undermined. The intimate relationship between air transport policy and any future world system of security might well be emphasized, namely, the effect on the disarmament efforts in the inter-war period of the failure to subject air transport to effective international control, the dangerous pre-war Axis penetration of the air transport systems in Latin America, the fact that national air transport companies and national aircraft industries constitute a war potential of great and ever-increasing importance, the danger that unless there is a wise and far-seeing settlement of air transport policy international controversies over air transport will embitter international relations and thus make more difficult the task of preserving peace. There might also usefully be included in the statement an appreciation of the vital role which air transport, freed from national rivalries and uneconomic competition, might play in developing the resources of the world and in increasing understanding among the peoples of the world. This would indicate the close relationship between future air transport policy and world prosperity.

4. We also believe that a statement of the kind envisaged by the United Kingdom might usefully set forth the larger considerations, so clearly put forward in the Shelmardine, Finlay and Barlow reports, which have been influential in leading the United Kingdom government to decide to reject as undesirable both the pre-war system of bilateral and multilateral bargaining and unrestricted freedom of the air.

5. We note that the United Kingdom government is of the opinion that it is now clear that full internationalization of post-war air transport will not meet with general acceptance. While we have expressed doubts about the tactical wisdom of the previous United Kingdom proposal to put up a scheme of all-out internationalization to the United States, we believe that no policy which might prove feasible should be eliminated from discussion in advance of the international meetings and we are therefore of the opinion that the forthcoming international meetings should discuss the merits and demerits of full international-

⁸⁵ Voir le document 616.

⁸⁵ See Document 616.

ization and of partial internationalization and of any other policy which might prove feasible.

6. Three of the main proposals of the United Kingdom are:

- (a) the establishment of an international air transport authority which would administer an international air transport convention;
- (b) the establishment of international operating agencies on particular routes or in particular areas such as the continent of Europe; and
- (c) cooperation by the members of the Commonwealth in technical developments and in the development of aeronautical education and research.

There would appear to us to be advantages in setting up a single world authority which might have three main divisions: a regulatory division with functions of the character of those proposed by the United Kingdom for an international air transport authority; an operating division which would control and supervise airlines on such routes and in such areas as it may be found desirable to subject to international operation; a research division which would encourage the development of aeronautical education and research. Such a single world authority would be the international instrument for attaining the high purposes set forth in the first paragraph of the United Kingdom statement; the achievement in the interests of mankind as a whole of the maximum degree of international cooperation in the threefold aspects of air transport — regulation, operation and development. Under the world authority regional authorities might usefully be set up.

7. Subject to the considerations set forth above, we have the following more detailed comments to make on the United Kingdom provisional statement:

- (a) Paragraph 1 and subparagraphs 2,3,4,5 and 8 of paragraph 3: We agree.
- (b) Subparagraph 1 of paragraph 2 and paragraphs 4 and 6 — Freedom of the air. We agree that the extent to which "freedom of the air" can, in the general world interest, be granted depends on the acceptance by the nations of the world of an enlightened international settlement on air transport. In any discussion of freedom of the air, we consider that it would be wise to adopt the terms used by Mr. Payne, Chairman of the Civil Aeronautics Board of the United States, in his speech of April 9th, 1943: the right of commercial air transit and the right of commercial outlet. The former includes the right of innocent passage and the right to land for non-traffic purposes. The latter includes the right to land in order to take on and discharge passengers, mail and freight. In view of Canada's position on a number of the most important international air routes, Canada would be making a considerable sacrifice of immediate national interests if, under an international air transport convention, it gave to the aircraft of all signatories of the convention the right of commercial air transit over Canada. Our agreement to the right of commercial air transit would thus constitute a substantial contribution by Canada to an enlightened international settlement and our agreement would therefore be contingent on the other signatories to the convention being willing to make comparable contributions in order to make possible the establishment of an effective and satisfactory world authority which would be capable of achieving the development, operation and regulation of air transport in the interests of mankind as a whole.

(c) Subparagraphs 6 and 7 of paragraph 2 — Licensing. We agree that states should license only those agencies which undertake to observe the terms of the international convention. We have doubts, however, about the proposals for operators' conferences. (See subparagraph (i) below).

(d) Subparagraph 9 of paragraph 2 — Ground facilities. Owing to the large area of Canada and its position on major international air routes, this proposal raises questions of such direct and immediate importance to Canada that we are not prepared at present to comment. We are giving the matter further consideration.

(e) Subparagraph 10 of paragraph 2 — Arbitration machinery. The international convention should provide that in the imposition of landing fees and services charges, where the operating conditions and the size of the aircraft used are similar, there should be no discrimination between domestic aircraft and the aircraft of any signatory of the convention. The arbitration machinery to decide appeals against the imposition of unreasonable fees and charges should be provided by the world regulatory authority.

(f) Paragraphs 3 and 10 — International operating agencies on particular routes such as those now operated by enemy airlines in Europe and the Far East and in particular areas such as the continent of Europe. We agree that an international operating agency for the continent of Europe may well be desirable. We also agree that the ex-enemy powers should certainly not be permitted, for at least a probationary period, to own and operate airlines and we would add that, in order to accomplish this objective, it will be necessary to prevent those powers from securing control of airlines in other countries under the cloak of dummy companies. We do not think that the fact that a particular airline outside Europe may now be operated by enemy interests constitutes of itself sufficient grounds for deciding that it should be operated by an international agency.

(g) Paragraph 7 — Development of intra-Commonwealth services on a co-operative basis. In our opinion it would be premature at this stage, when no international discussions have taken place, to attempt to define with any precision the nature of the post-war cooperation between the nations of the Commonwealth on the development of air services between them.

(h) Paragraph 8 — Aeronautical education, etc. We believe that cooperation in the development of aeronautical education and research should be on the widest possible basis. That is why we suggested in paragraph 6 above that this should be one of the three main functions of the world authority.

(i) Paragraph 9 and subparagraph 6 of paragraph 2 — Operators' conferences. We are doubtful of the wisdom of encouraging the holding of operators' conferences for the purpose of reaching agreement on frequency of services, standards of passenger accommodation and rates of carriage. One objection we see to this proposal is that operators' conferences would not contain representatives of users' interests in each country or of the interests of countries which are not operating airlines on that route. We agree that there must be some control of subsidies but we are not yet ready to propose a method of attaining this objective. We are giving the matter further consideration.

(j) Paragraph 10 — The problem of the continent of Europe. While we agree that considerations of security must necessarily play a primary part in determining the proper organization of air transport in the continent of Europe, we feel that the problem in Europe differs only in degree from problems elsewhere in the world and that it would be unwise to withdraw consideration of the European problem from the general international discussions. Indeed, we think that a discussion of the European problem can provide a useful introduction to the whole question of the relationship of air transport policy to problems of world security and would make clear the necessity of considering the problems of air transport not as predominantly commercial problems but as predominantly political and security problems. Unless the nations of the world can make this common approach to the problems of air policy, the prospects of achieving an enlightened international settlement of this question will be slight.

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DEA/72-MK-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1699

London, July 23, 1943

MOST SECRET. Your telegram No. 1181, July 9th, and my telegram No. 1583, July 13th[†], Air Transport Policy.

I have received the following communication from the Secretary of State for Dominion Affairs, Begins:

2. As regards the question of prior Commonwealth consultations, we are of course, entirely in sympathy with the main object which I understand your Government has in view, namely the need for securing a satisfactory agreement with the United States Government on this subject. At the same time, we are anxious to ensure that the fullest possible measure of agreement is reached between members of the British Commonwealth, and we feel that, in view of the importance of the issues raised, it may not be possible to secure agreement by correspondence. While we do not wholly share the view of your Government that preliminary discussion between the members of the Commonwealth should lead to difficulties with the United States Government, we are anxious to find some solution of this problem which should not be open to the difficulties which your Government see in the matter. We therefore suggest that, when the replies of the various Governments to our telegrams of the 3rd July⁸⁶, setting out our general provisional views on the question are received, there should then be a meeting between members of the Government here and yourself and the other Dominion High Commissioners in London, attended, if practicable, by any necessary experts who may be coming from the Dominions to attend the proposed international meeting. This meeting which need not be publicized in any way should, we suggest, take place about a fortnight in front of the date of the

⁸⁶ Documents 626 et 627.

⁸⁶ Documents 626 and 627.

international gathering which we hope that the Canadian Government would call to meet in Canada.

3. As regards the question of representation at the proposed international gathering, we agree that the work of such a conference must inevitably be of a consultative and exploratory character. The United States and Soviet representatives at such a meeting are unlikely to be Ministers of Cabinet rank and moreover, it is clear that full decisions could not be taken by such a conference but would have to be left to a subsequent conference representative of all the United Nations, or at any rate those mainly interested in civil aviation.

4. At the same time, for Parliamentary reasons here, we feel that it would be inadvisable that the United Kingdom representation at such a conference should consist solely of officials, and we think that the most useful precedent would be that of the delegation sent to the recent Food Conference at Hot Springs, at which, it will be recalled, a delegation of officials was headed by a Parliamentary Under-Secretary.

5. I should be glad to learn whether the above suggestions would be acceptable to the Canadian Government. If so, we suggest that the next step would be that the Canadian Government should issue the necessary invitations to the United States and Soviet Governments and to the other members of the British Commonwealth to attend a consultative and exploratory conference in Canada and that we should at the same time issue an invitation to the members of the Commonwealth to agree that, when their replies to our talk [*sic*] of July 3rd have been received, these should be discussed at a meeting in London between United Kingdom Ministers and the respective High Commissioners attended by such experts as can be made available in order to clear up any outstanding points.

6. I should be glad to learn as soon as possible the views of your Government on the above suggestion.

MASSEY

632.

DEA/72-MK-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1374

Ottawa, August 3, 1943

SECRET. My despatch No. 710 of July 20¹ on air transport policy.

War Committee approved the report of the Interdepartmental Committee.⁸⁷ Please therefore present to the United Kingdom authorities and to the High Commissioners in London for Australia, New Zealand and South Africa the memorandum⁸⁸ enclosed with my despatch No. 710.

2. Our High Commissioners in Australia, New Zealand and South Africa

⁸⁷ L'approbation avait été donnée le 28 juillet.

⁸⁷ Approval had been given on July 28.

⁸⁸ Ce mémorandum indiquait les grandes lignes du document 630.

⁸⁸ This memorandum was based on Document 630.

were sent memorandum on July 20 by airmail but will not receive it for some weeks. Consequently we are cabling them a summary for transmission to the government to which they are accredited.

633.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Quebec, August 11, 1943

INTERNATIONAL CIVIL AVIATION

25. THE UNITED KINGDOM PRIME MINISTER referred to the difference of opinion between the U.K. and Canadian governments with regard to the advisability of special Commonwealth discussions, in advance of a meeting with the United States and other countries.

It was difficult to see how the U.S. government could reasonably take exception to such prior Commonwealth discussions. It would be a natural and proper thing for the nations of the Commonwealth to hold a "family council" in such circumstances.

26. THE MINISTER OF MUNITIONS AND SUPPLY referred to the position of the United States air lines who were laying plans for large expansion after the war, including extensive developments northward, over Canadian territory.

Under these conditions it would be unwise for Canada to embark upon any formulation of policy with other nations, without some prior opportunity for obtaining the views of the U.S. government.

27. THE CANADIAN PRIME MINISTER said that it was the view of the Canadian government that the institution of prior Commonwealth discussions, on these important questions, would create, in the United States, the impression that the members of the Commonwealth were seeking to achieve a common policy before consulting the U.S. government, and would thereby prejudice the course of any subsequent international conference and the hope of achieving a satisfactory result.

This was true in other fields of post-war policy, as well as in civil aviation.

28. MR. CHURCHILL said that he had recently made international air transport his own special concern. It was his intention to hold preliminary discussions, on the subject, with the President. During the coming week Mr. King would participate with him in discussing the subject with Mr. Roosevelt.

The U.K. government and other members of the Commonwealth were, however, anxious to have exploratory discussions among themselves. For that reason it was intended to proceed on this basis, whether or not Canada felt able to participate.

At the same time, Canada's position vis-à-vis the United States would be strengthened if members of the Commonwealth could reach common agreement.

29. THE MINISTER OF MINES AND RESOURCES pointed out that Canada's reluctance to participate in Commonwealth discussions arose not so much from fear that the U.S. government itself would misunderstand the purpose of such discussions, but rather from apprehension as to the influence upon American opinion and policy of the powerful private companies which controlled air transport in that country.

Discussions on general post-war air policy, from which the United States were excluded, would present the private air lines with an opportunity to exert powerful pressure which would prejudice satisfactory international negotiations on a wider basis.

30. MR. CHURCHILL said that this was an element in the Canadian position which had not, perhaps, been appreciated by the U.K. government. The Lord President of the Council would bring it to the attention of their colleagues in the War Cabinet, upon his return.

31. IT WAS UNDERSTOOD that the general question would be raised by Mr. Churchill, at Hyde Park, and be discussed further in subsequent conversations between the President, Mr. Churchill and Mr. King.

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PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Quebec, August 31, 1943

INTERNATIONAL CIVIL AVIATION; COMMONWEALTH CONFERENCE; POLICY

11. THE UNITED KINGDOM PRIME MINISTER said that he had not had an opportunity, since last meeting with the War Committee, of going into this question with President Roosevelt. He intended to do so, however, during his forthcoming visit to Washington. The Canadian government would be kept informed of the results of these discussions.

Meanwhile, the U.K. government remained of the opinion that early Commonwealth discussions were an essential preliminary to any broader international conference. It was unlikely that the U.S. government would take any exception to such a prior meeting and he proposed to raise the point with Mr. Roosevelt. We could not forego our right to "family" councils on these matters.

12. THE PRIME MINISTER pointed out that the Canadian objection to a prior Commonwealth meeting had arisen from a desire to avoid creating an unfavourable impression in the United States which would prejudice the prospects of a satisfactory solution of these important international questions.

If, in advance of any Commonwealth discussions, it were clearly understood by U.S. authorities that such a meeting would be informal and exploratory and that it would in no way prejudice the freedom of action of the participants, the Canadian government would be prepared to reconsider their objections to being represented at a meeting in London.

As to the locale of any subsequent international gathering, when Canada had suggested that discussions might be held in Ottawa, it had been contemplated that they would be confined to representatives of the Commonwealth countries and the United States. Subsequently, the United Kingdom had proposed the inclusion of Soviet and, possibly, Chinese representatives (though not of other United Nations). This proposal had altered the situation. In the light of developments the Canadian government were not prepared, at this time, to undertake the sponsoring of an international conference.

13. MR. CHURCHILL read from a paper of June 22, 1943⁸⁹, which contained a statement of his own provisional views on civil aviation and had been prepared for consideration by the U.K. War Cabinet. He would welcome the comments of the Prime Minister upon the views therein set out.

Many people felt that at present complete internationalization was an unattainable ideal. There was much to be said for the principle of "a fair field and no favour".

14. THE MINISTER OF MUNITIONS AND SUPPLY expressed the opinion that Canadian policy should be based upon free interchange of air traffic with each country exercising a reasonable control over its own territory.

A strong international board should be set up by international agreement with powers of control and regulation.

15. THE WAR COMMITTEE, after further discussion, noted that Mr. Churchill would, in the near future, discuss with President Roosevelt the subject of post-war international air transport and would communicate the result of these discussions to the Canadian government, and agreed:

(1) that Canada consent to be represented at a preliminary Commonwealth meeting on the subject, in London, in the near future, on the understanding that the meeting be informal and exploratory and involve no commitment on the part of the government, and that the nature of the meeting be fully understood, in advance, by the U.S. government; and,

(2) that the questions of the basis and locale of any subsequent international conference stand over for subsequent consideration.

[PIÈCE JOINTE/ENCLOSURE]

*Mémorandum du Premier ministre de Grande-Bretagne
au Cabinet de guerre de Grande-Bretagne*

*Memorandum from Prime Minister of Great Britain
to War Cabinet of Great Britain*

SECRET

London, June 22, 1943

POST-WAR CIVIL AVIATION

I circulate for the consideration of my colleagues some provisional views on

⁸⁹ Ce mémorandum est reproduit comme une pièce jointe de ce document.

⁸⁹ The memorandum is printed as an enclosure to this document.

civil aviation.

The difficulty of getting agreement among the Dominions at this stage should not prevent the formulation of British policy after consultation with them. At the same time it is important and urgent to ascertain the views and wishes of the United States. Everything will be much easier if an informal understanding is reached with them. It would be well in the first instance to find out what the President thinks about it all, and after we have somewhat shaped our views I shall be ready to address him personally.

W. S. C[HURCHILL]

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum

Memorandum

SECRET

London, June 22, 1943

CIVIL AVIATION

1. The background of present discussions about Post-War Civil Aviation is dominated by memories of pre-war chaos and fears of the intentions of certain American interests. Before the war practically every country ran highly subsidised and uneconomic air lines in cut-throat competition with its neighbours; small Powers levied blackmail on lines passing over their territories; military prohibitions on numerous frontiers entailed long detours. Since the war United States interests have, in the course of coming to our aid, established themselves on a number of routes; and their aircraft industry is in a better position than ours to step into civil aviation the moment war ends.

2. Excessive hopes are, I fear, founded upon the widespread belief that after the war we shall have to build civil aircraft in great numbers, and that here is a field in which the means of avoiding unemployment may be found. In fact, however, there is no industry which will undergo a more intense and severe contraction than the aircraft industry, including all branches of its splendid, skilled personnel. We must not lose our sense of proportion in presence of the vast scale of the war effort in the air, or imagine that anything like this prodigy of wartime flying can be maintained by mankind in the present age. No doubt as recovery from war devastation sets in, many more people will travel by air; but this will occupy hardly a tithe of the aircraft now carrying bombs to Germany. Civil aircraft last so long, perhaps four years, they are exposed to so few risks and have such a quick turn-round, that a very large traffic can be supported by a very small annual output.

3. Taking our own country as an example, less than a million and a half passengers left this island for Europe by sea and air in a good pre-war year. If all of these were carried by air, they would not require, I am informed, more than about 150 aircraft in running order with, say, an additional 100 for holiday periods. The number of travellers from here to other Continents was under 150,000. Having regard to the longer turn-round, these could be carried in, say, another 150 planes. Hence, even if *all* passengers leaving these shores went by

air, a fleet of 1,000 civil aircraft would be more than ample to carry them. Considerably less than 40 new aircraft built a month would suffice to maintain this fleet as compared with the 400 heavy bombers a month we shall soon be making. These figures are merely illustrations. It will probably be many years before the development of mail, freight and passenger traffic will supersede this general picture.

4. Our two earliest studies of post-war civil aviation[†] have recommended complete internationalisation. If by this is meant a kind of Volapuk Esperanto cosmopolitan organisation managed and staffed by committees of all peoples great and small, with pilots of every country from Peru to China (especially China), flying every kind of machine in every direction, many people will feel that this is at present an unattainable ideal. It is unnecessary, however, now to consider the argument for and against this and kindred proposals, since they are clearly unacceptable to the United States, the Dominions and probably Russia. We must agree upon some less high-spirited line of approach to guide us in the forthcoming international discussions.

5. After the war some world organisation, or some grouping of Continental Councils, will be set up for maintaining peace. Air power resulting from civil aviation will necessarily be subject to the control of this body or bodies. We must be careful not to stereotype development, and there is much to be said for the principle of "a fair field and no favour". Any disputes that arise should be referred for adjustment to bodies set up under the world organisation.

6. Within this framework the three main facets of our policy seem to be:

1. For strategic and political reasons, we must develop under our control large, efficient air lines binding the British Commonwealth and Empire together. Owing to the long hauls, low payloads, and the need for services which cannot be justified on purely commercial grounds, these will be costly.

2. We should, of course, expand internal air lines so far as practicable. This expansion is unlikely to be large because distances in the United Kingdom are so short that the time taken to reach the airfields from the city centres will make it hard for the air lines to compete with our excellent railway and motor services, at any rate until helicopter feeding services or some equivalent are developed.

3. The best size for an air transport system is an area containing large towns 200 or 300 miles apart, like the United States of America, or the U.S.S.R., or Europe. We should make a strong British effort to excel in the profitable European traffic.

7. The following fundamental topics will have to form part of a general convention:

1. Everyone agrees that some minimum of international regulation is necessary concerning navigation devices, safety standards, meteorological services, customs, quarantine, etc. Methods of putting this into effect and financing it will have to be agreed.

2. It is reasonably assumed (on the analogy of roads, lighthouses, etc.) that each Government will provide airfields, ground facilities, meteorological services, etc., in its own territory. (Assistance might have to be given to small countries like Iraq.) Methods of fixing landing charges, etc., will have to be agreed.

3. We have also to find a fair *via media* between the principle of a nation's sovereignty over its own air (which strictly applied would hamper development) and the doctrine of the Freedom of the Air, which unbridled would be rejected.

8. This third topic is likely to be the most difficult. The main stages involved are:

(i) The right of innocent passage.

(ii) The right to land for non-traffic purposes.

(iii) The right to land passengers and freight embarked in the aircraft's own country of origin.

(iv) The right to embark passengers, etc., destined for the aircraft's own country of origin.

(v) The right to embark and set down passengers, etc., at two intermediate points (whether in the same country or not) en route.

(vi) The right of nationals of any country to run an air service between one foreign country and another.

(vii) The right of nationals of any country to run air services inside other foreign countries.

Points (i), (ii) and (iii) are, I observe commended in the Memorandum by the Minister without Portfolio (W.P. (43) 251)¹. Points (iv), (v) and (vi) are more controversial; but, subject to certain safeguards about subsidies to be mentioned presently, we should press for them if our basic policy is to be "a fair field and no favour". Whether these safeguards would also justify us in adopting point (vii) should be carefully considered.

9. A convention containing these points alone would not prevent the evils and shortcomings of pre-war days, and we should perhaps be inadequately protected against Pan-American infiltration in the immediate post-war period. These difficulties could, however, be largely met if the scope of the body or bodies working under the World Council or under Continental Councils dealing with aviation comprised the ascertainment and regulation of any subsidies paid. Admittedly this is a difficult task, but it should not be beyond the wit of man to deal with it. In America, I understand Congress already insists upon the publication of detailed accounts as a condition of giving subsidies.

10. If we could discover what subsidies were being received, the difficulties about accepting points (iv), (v) and (vi), and possibly (vii), could be met by a condition that no subsidised air line — or at any rate no line subsidised beyond an agreed general minimum — could of right take up or set down passengers or freight in another country's territory. Any government would be free to sub-

idise its own internal lines as much as it wished. Such an arrangement would enable us to subsidise our Commonwealth and Imperial Air Lines, as we shall have to do, but would save us from unfair competition in running services between various sovereign European countries. Possibly special intra-Empire arrangements might be wanted to safeguard air lines inside certain Dominions against British competition.

We should, of course, closely investigate whether and to what extent Mr. Berle's alternative suggestion about an agreement on rates might meet the ends we have in view.

11. It might be convenient to form some, ostensibly, international corporation to run all the Air Services in Western Europe. With Germany and Italy forbidden ownership of aircraft, and the remaining countries newly rescued from them, and dependent on us for all sorts of help, it should not be impossible for us to play a leading part in this body. Whether the Americans would agree to this territory having (for purposes of the above-mentioned subsidy privilege) the status of a national unit will have to be explored. Perhaps we could offer them an acceptable *quid pro quo* in South America.

Questions not conflicting with the general agreements could be dealt with by bilateral negotiations.

12. These notes concern themselves only with the international aspects of civil aviation. Many arguable domestic issues will arise in applying these principles. Should there be one corporation controlling all British air lines or a number of rival companies, what should be the position of the shipping and railway lines; on what system should British subsidies, if any, be paid; what should be the degree of Government control; what Ministry should be responsible and so forth? Discussion of these points should not obstruct or delay the creation of the main international framework.

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*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1569

Ottawa, September 4, 1943

SECRET. Your telegram No. 1699 of July 23. Discussions on air transport policy.

1. The question of the holding of a preliminary Commonwealth meeting to discuss air transport policy has been discussed by the War Committee on two occasions with Mr. Churchill. Mr. Churchill is also going to bring the matter up in his discussions with Mr. Roosevelt this week. He is to give us a report of these discussions and as soon as we receive this report I shall transmit it to you.

2. As a result of the discussions with Mr. Churchill, he was informed at the meeting of War Committee on August 31, that the Canadian government would participate in a preliminary Commonwealth meeting in London in the near future on the understanding that the meeting be informal and exploratory and involve no commitments on the part of the government and that the nature of the meeting be fully understood by the United States government.

3. As to the locale of any subsequent international gathering, it was made clear to Mr. Churchill at the War Committee meeting that when Canada had suggested that discussions might be held in Ottawa it had been contemplated that they would be confined to representatives of the Commonwealth countries and the United States. Subsequently, the United Kingdom had proposed the inclusion of Soviet and possibly Chinese representatives (though not of other United Nations). This proposal had altered the situation. In the light of developments the Canadian government is not prepared, at this time, to undertake the sponsoring of an international conference.

4. We are now preparing a statement of our views on the nature of the Commonwealth and international discussions. As soon as this is approved I shall send it to you for transmission to the United Kingdom government.

5. I should be interested in learning whether the United Kingdom government expects to receive soon the replies of the Australian, New Zealand and South African governments to their circular telegram of July 3 setting forth a provisional statement of their views on air transport.

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Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, September 8, 1943

INTERNATIONAL CIVIL AVIATION; COMMONWEALTH CONFERENCE

27. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that the U.K. government had now been notified of Canada's willingness to participate in Commonwealth discussions, in accordance with the decision of August 31st, and submitted a draft despatch as to the nature of the conference and subsequent international meetings on civil aviation questions. Copies had been sent to those immediately concerned.

(Draft despatch, Secretary of State for External Affairs to Canadian High Commissioner, London, Sept. 4, 1943¹).

28. THE MINISTER OF MUNITIONS AND SUPPLY felt that it would be inadvisable for Canada, in any way, to commit herself in advance of the London discussions. It would be preferable to withhold our expressions of view until the meeting itself.

At the same time, it would be desirable to obtain, informally, some indication of U.S. views before the Commonwealth meeting took place.

29. THE PRIME MINISTER pointed out that comments on the U.K. Prime Minister's memorandum on air transport, submitted at the meeting of August 31st, should be made available to the U.K. government at an early date.

30. MR. ROBERTSON expressed the opinion that, at an early stage in the London meetings, Canada should attempt to clarify the position with regard to the 1935 Agreement.⁹⁰

31. THE WAR COMMITTEE, after further discussion, agreed that the communication submitted be not sent and that consideration of the general question be deferred pending further study of Mr. Churchill's memorandum.

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W.L.M.K./Vol. 338

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 141

London, September 14, 1943

IMMEDIATE. MOST SECRET AND PERSONAL. Following most secret and personal from the Prime Minister for the Prime Minister, Begins:

1. I have discussed civil aviation question with the President. I made it clear that we regard a preliminary Conference as purely British Empire and Commonwealth affair, but that, on account of our present intimate relationship, I should like to know how he felt about it. He did not see any objection to our talking things over amongst ourselves beforehand and I am sure he will put no unfavourable construction upon it. I hope, therefore, you will send a Canadian representative or delegation to a meeting in London where we can explore topic with intention of doing best we can for ourselves and our American friends without ignoring interest of other Powers.

2. As regards proposal [for an] international Conference, President considers that this should wait until matter has been discussed at forthcoming tripartite Anglo-Soviet-American meetings.

3. I understand preliminary American views to be that:

- (I) There should be private ownership.
- (II) Key points should be available for international use on reciprocal basis.
- (III) International traffic should be reserved to international companies.
- (IV) Government support may be required on an international basis for certain non-paying routes. Ends.

⁹⁰ Accord entre la Grande-Bretagne, le Canada, l'Irlande et Terre-Neuve sur les services aériens transatlantiques. Voir le volume 6, documents 225 et 226.

⁹⁰ Agreement between Great Britain, Canada, Ireland and Newfoundland on Transatlantic air services. See Volume 6, Documents 225 and 226.

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Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 149

Ottawa, September 22, 1943

IMMEDIATE. MOST SECRET AND PERSONAL. Reference your telegram No. 141 of September 14. Following most secret and personal from the Prime Minister for the Prime Minister, Begins:

1. I am very glad to learn the upshot of your discussion on civil aviation with the President, and to know that he will put no unfavourable construction on the preliminary Commonwealth meeting. You will recall, from the discussions at your meeting with our War Committee on August 11, that our primary concern was not about the President's attitude but rather that we feared that well-organized special interests in the United States might succeed in presenting to the United States people a mischievous picture of the purpose of the Commonwealth meeting.

2. We have accepted your invitation to send Canadian representatives to a preliminary meeting in London and will be glad to learn the date proposed for the meeting and the lines which you think the discussions can best take.

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Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 150

Ottawa, September 22, 1943

MOST SECRET AND PERSONAL. Following from the Prime Minister for the Prime Minister, Begins:

"My colleagues and I have studied with care your memorandum of June 22 in which you set forth some provisional views on post-war civil aviation. We are glad to take advantage of your invitation to comment. We feel, as you do, that there are great advantages in a full exchange of views before minds are definitely made up.

2. With much of what you have written we are in agreement. We agree that it is essential that our thinking on the post-war problem should not be coloured by unwarranted optimism about the probable scale of post-war air traffic. Clearly, too, some minimum of international regulation is necessary concerning navigation devices, safety standards, meteorological services, customs, quarantine etc. The main problem is to find some working compromise between the two principles of a nation's unrestricted sovereignty over its own air and unbridled freedom of the air.

3. Instead, however, of commenting at length on the points on which we are in agreement we think that, in order to make progress, it would be best if we were to concentrate on the points on which we are most likely to differ.

4. We note that, in your opinion, complete internationalization of air transport and kindred proposals are clearly unacceptable to the United States, the Dominions and probably Russia. So far as Australia, New Zealand and Canada are concerned, there seems to be some misunderstanding here since, according to the cables which we have received from the Dominions Office, Australia favours the internationalization of the main transfrontier routes and New Zealand favours the internationalization of all transfrontier routes, while we have deliberately not committed ourselves one way or the other except to say that, in our opinion, the forthcoming international discussions should include the advantages and disadvantages of internationalization.

5. We would, of course, welcome the establishment and maintenance of efficient airlines between the several parts of the Commonwealth. We feel, however, as we know you do, that there are a number of considerations to be kept in mind in setting up airlines within the Commonwealth. One is that some of them might require subsidies out of proportion to their economic, strategic or political value. Another is that, in order to limit the amount of subsidy, efforts, which in the long run might prove to be unwise, might be made to shield British Commonwealth airlines from competition from other airlines, perhaps by the establishment of something like an "imperial preferential" system in air transport. It might be argued that the establishment of such a system would be contrary to the spirit of article VII of the various mutual aid agreements between the United States and the several other United Nations and to the corresponding provision of the Canada-United States agreement.⁹¹ These agreements, it will be recalled, pledge the signatories to "the elimination of all forms of discriminatory treatment in international commerce".

6. So far as the specific proposal on subsidies which is set forth in the memorandum is concerned, it seems to us unlikely that the United States would agree to it since under this proposal the British countries could subsidize airlines from North America to Northern Europe, Australia and Africa while the United States could either not subsidize comparable services or could give them only limited subsidies.

7. While the Canadian government is not wedded to any specific scheme for the organization of post-war civil air transport, we are of the opinion that a truly representative international authority must be established and must be given extensive powers to control and regulate international services, possibly through licensing and through the control of rates, schedules and standards of operation. From the control of this authority we would except domestic services and those international services which are merely short transfrontier extensions of domestic services to contiguous countries. Ends.

⁹¹ Voir Canada, *Recueil de traités*, 1942, No 17.

⁹¹ See Canada, *Treaty Series*, 1942, No. 17.

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*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

SECRET AND PERSONAL

[Ottawa,] September 28, 1943

AIR TRANSPORT DISCUSSIONS IN LONDON

1. The Interdepartmental Committee on Air Transport Policy agreed yesterday on a report to the War Committee setting forth the Committee's views of the Canadian interest in and approach to the post-war organization of air transport. This report, if approved by the War Committee, is for the use of the Canadian representatives to the Commonwealth discussions in London next month. It will come before the War Committee at its meeting tomorrow.

2. The report does not go as far in the direction of recommending international operation as some of the members of the Committee, including Dr. Clark and myself, would have liked. It merely recommends that Canada "should seriously consider" the setting up of international operating companies. I think that the majority of the members of the Committee feel that Canada should, in the forthcoming discussions, be prepared to support or, if necessary, to initiate proposals for the international operation of the main international routes. They feel very strongly that such a policy would help to lessen the risks of new rivalries between countries which in their turn might involve the risks of new wars.

3. Mr. C.P. Edwards and Mr. H.J. Symington were opposed to a recommendation in favour of internationalization. They stated that Mr. Howe concurred in their views. Where we differed was in attempting to gauge how much weight should be given to political and security arguments in favour of international operation when weighing the advantages and disadvantages of such a policy in comparison with those of continued operation of the main international lines by national airline companies.

4. The importance of the decision which will have to be made during the next year or so on the post-war organization of air transport may be a key one. If we can settle this problem right we shall have gone a long way to establishing a new world order of security. If we don't settle it right our chances of another world war in the foreseeable future are greatly increased.

5. As one of the lesser powers our influence on the solution of the problem of post-war military security will not be very big. We are, however, an important air power, — important both in war and in peace — and we are thus in a position to have something to say about the settlement of international air transport policy and thus indirectly to a sound settlement of the whole problem of post-war security.

CONSULTED AIR FILE

6. You will remember the statement of general Government policy approved by the War Committee on July 28th and communicated to all the Commonwealth governments, that the problems of air transport must be considered "not as predominantly commercial problems but as predominantly political and security problems" and your statement to the House of Commons on April 2nd that Canada is "prepared to support in international negotiations whatever international air transport policy can be demonstrated as being best calculated to serve not only the immediate national interests of Canada but also our overriding interest in the establishment of an international order which will prevent the outbreak of another world war."

7. The real question is what legitimate national ambitions in the air Canada is willing to consider foregoing on the chance that this will help to prevent another world war. If it could be conclusively demonstrated that the giving up by Canada and other countries of national ambitions to operate transfrontier air services would reduce the danger of another world war by ten percent or even one-tenth of one percent, nobody would hesitate. But the trouble is that we are dealing with uncertainties, and all we can say is that we believe that the chances of maintaining peace would be greater if the main international air routes were operated by internationalized airlines than by national companies. I think that an argument could be made which would convince most Canadians that it was right to base Canadian policy in Commonwealth and international discussions on air transport on the supremacy of considerations of international security over considerations of national and commercial prestige. It may be that due to the opposition of the United States and other powers proposals for international operation may not get very far. But if the job is to be attempted now is surely the time to do it.

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DEA/72-HA-1-40

Rapport du Comité interministériel sur la politique de transport aérien

Report of Interdepartmental Committee on Air Transport Policy

MOST SECRET

Ottawa, September 28, 1943

(Approved by the Cabinet War Committee, October 6, 1943.)

The Interdepartmental Committee on Air Transport Policy submits for approval the following notes on questions of policy likely to arise during the forthcoming Commonwealth discussions in London on air transport policy:

The understanding on which the Canadian government has accepted the invitation of the United Kingdom government to participate in Commonwealth discussions in London is "that the meeting be informal and exploratory and involve no commitments on the part of the government". In view of this understanding the Canadian representatives will not be expected to support or reject any specific proposal on the organization of air transport. For use in these discussions the following provisional statement of the Canadian interest in and approach to the post-war organization of air transport has been prepared.

GENERAL CONSIDERATIONS

1. Canada believes that a policy of international collaboration and cooperation in air transport is necessary and will support whatever air transport policy is best calculated not only to serve the immediate national interests of Canada but also to contribute to the establishment of an international order which will prevent the outbreak of another world war.

2. Because of the close connection between air transport and security, the international problems of air transport are more political and security problems than commercial problems. Any proposed international agreement on air transport will have to help solve the political and security problems of the post-war world and be judged by its contribution to the establishment of a permanent system of general security.

3. The post-war settlement of air transport problems must also fit in with those principles of economic collaboration which have been accepted by the United Nations and which have as their object the freeing of international trade. These principles include "the elimination of all forms of discriminatory treatment in international commerce" and the "reduction of tariffs and other trade barriers". Consideration should be given to the question whether the establishment of preferential arrangements in air transport would conflict with these undertakings.

4. Effective control will require an international air transport authority, established under an international air transport convention. All signatories of the convention should be entitled to representation at periodic meetings of the authority. Those countries, large or small, which are of the greatest importance in international air transport should be represented on the governing body of the authority.

5. The problem is to find some method of international control which will be effective and, at the same time, generally acceptable. The pre-war system under which the legal principle of unrestricted national sovereignty over the air was used to enforce a "closed sky" would be far too restrictive in practice. Relaxation of the application of the principle of national sovereignty, even though limited to freedom of air transit, if unsupported by effective international controls, would probably lead to the domination of the international air routes by certain great powers and the virtual exclusion of other countries from participation in international traffic. However, since some form of freedom of air transit may be advocated by the United States in the international discussions its implications should be faced at the London meetings by Canada and the other Commonwealth countries. In view of Canada's position on a number of the most important international air routes, agreement by Canada to the right of commercial air transit would constitute a substantial contribution to the solution of the problem of international air transport. Our agreement on this point should, therefore, be contingent on the other signatories to the convention making contributions of comparable importance.⁹²

⁹² La note suivante était dans l'original:

The right of commercial air transit is the right to cross any country and to land for servicing. It does not include the right to pick up or discharge passengers and cargo. This right is known as the right of commercial outlet

⁹² The following note was in the original:

PROBABLE UNITED KINGDOM PROPOSALS

6. The kind of proposals which the United Kingdom may put forward in the London talks are:

(a) That intra-Commonwealth services be reserved to a jointly-owned and controlled Commonwealth airlines corporation or corporations or to the airlines of the various parts of the Commonwealth on the ground that these are "domestic" or "internal" services. The reservation of intra-Commonwealth services to Commonwealth airlines would not be of any particular material advantage to Canada. It appears to be incompatible with the spirit of the undertaking against discriminatory treatment in international commerce and might lead to the creation of rival closed imperial systems.

(b) That an Empire air board be constituted with power to allocate routes within the Empire to the airline companies of the several parts of the Empire. Canada could get little out of an Empire air board and there is danger that such a board might give a decision reserving the North Atlantic, the route Canada is chiefly interested in, to the United Kingdom or might force Canada into a joint operation with the United Kingdom.

(c) That an Empire airlines corporation or a series of regional Empire airlines corporations be established to operate routes from one part of the Empire to another part and perhaps to operate routes to foreign countries as well. The reluctance of the United Kingdom to terminate the 1935 Anglo-Irish-Canadian Agreement indicates that they will seek to establish a joint Commonwealth operating company on the North Atlantic dominated by them and to extend the principles of the 1935 agreement to other Empire air services. Such proposals are not in accord with the actual line of development of Canadian civil aviation and might involve Canada in the payment of subsidies which would be disproportionate to the economic, political or security value to Canada of the subsidized services. Canadian airline operators might also find it difficult to work efficiently with the operators of United Kingdom airline companies. These disadvantages from the Canadian point of view do not appear to be offset by any comparable advantages in the economic, political or security field except that, if the proposal were successful, it would increase the aggregate strength of the Commonwealth in civil air transport and thus increase its aggregate striking power in war.

(d) That, if more ambitious proposals fail, the air services of the members of the Commonwealth should at least be granted preferential treatment within the Commonwealth. One form this preferential treatment might take is that Commonwealth airlines be exempted (within the Commonwealth) from any international rules which may be agreed upon limiting the amount of subsidies paid by nations to airline companies engaged in international traffic. This particular proposal on subsidies is probably unrealistic as a basis of discussion with the United States since its tendency would be to give Commonwealth airlines a monopoly on the principal routes between North America, and Northern and Western Europe, Africa and Australasia. This and other proposals to establish some sort of imperial preferential system in air transport also appear to be incompatible with the spirit of the undertakings against discriminatory treatment in international commerce.

A further general criticism which can be made against all four proposals and kindred proposals is that none of them makes allowance for Canada's special relations with the United States and that they involve a rather challenging extension of the doctrine that membership in the British Commonwealth entitles Commonwealth countries to grant each other special and exclusive privileges. Their tendency would be towards the granting of tariff preferences to British aircraft. These might be so high as to force Canadian airline companies to use aircraft which would be less efficient for their purpose than United States aircraft. Finally the proposals are all more or less incompatible with the kind of international regime which we would like to see in air transport since they would not help to prevent after the war a revival, on a greatly enhanced scale, of the pre-war international rivalry in air transport which led, especially in Europe, to wasteful competition, excessive government subsidies, failure to meet genuine air transport needs on an economic basis, and international friction.

7. These and kindred proposals will be put up by the United Kingdom as something to fall back on if, because of the opposition of other powers, it should prove impossible to achieve a sound international settlement. It will be argued that agreement by the nations of the Commonwealth on this kind of second-best policy will strengthen the bargaining position of the Commonwealth in the forthcoming discussions with their principal competitor in air transport — the United States, whose position will be very strong because of the activities of its military air transport commands, the hold it will have on many countries because of assistance given in the building of air bases, the size and efficiency of its aircraft industry, and the power, experience and aggressiveness of its airline companies. The argument will also be made that for political and security reasons the Commonwealth must have as large an air transport organization (and as large an aircraft industry) as possible. One weakness in these arguments from the Canadian point of view is that Canada would put into the Commonwealth not more bargaining counters than it would get out even if the combined Commonwealth bargaining strength were to be used in the interests of the whole Commonwealth. The danger in the proposals is that their adoption by the members of the Commonwealth prior to the holding of discussions with the United States would prejudice the chances of success in these discussions. In order successfully to combat these proposals it will not be sufficient for the Canadian representatives to adopt a negative attitude which would lay the Canadian government open to the charge of being uncooperative. The Canadian representatives should therefore be prepared to raise for discussion at the Commonwealth meetings some positive and feasible alternatives to the proposals which the United Kingdom is likely to put forward.

8. One point which they might make at the very outset is that, in view of the undesirability of creating a closed imperial preferential system in air transport, the meeting should canvass the possibility that, in the event of failure to achieve a sound general international settlement, it should be open to non-Commonwealth states to adhere at any time as full and equal members to any Commonwealth scheme of cooperation in air transport. The Commonwealth states would thus become partners in a wider association of nations which were willing to accept the obligations of membership in a cooperative scheme in return for its

privileges. This association, if successful, could be the nucleus of an eventually universal system of international cooperation in air transport. One of the chief arguments for this proposal is that a nuclear association of this kind, even though its members granted each other preferential treatment, could probably be framed so as not to violate the undertaking against discrimination. The analogy would be a low tariff club open to any nation which agreed to reduce its tariffs against other member nations by a stated amount or to a stated level.

INTERNATIONALIZATION

9. The Canadian representatives should be prepared to discuss or, if the War Committee believes it desirable, to raise an even more fundamental proposal — namely that the main international airlines, or most of them, should be owned and operated, not by national companies but by internationally owned companies.

10. In the opinion of the Department of External Affairs, if international airlines are to be owned and operated by national airline companies and if rights of transit and commercial outlet are to be negotiated by bilateral agreements, Canada's position athwart the main strategic air routes between Europe and North America and Asia and North America may be difficult especially if the relations between the United States and any of the major powers of Europe or Asia should become strained. The joint operation of the airlines on these routes by international corporations rather than by competing national companies would ease this situation as, of course, would the granting of general freedom of transit by a multilateral convention. Canada has, therefore, a certain security interest in the international operation of the routes across the North Pacific, the Arctic routes and possibly the North Atlantic routes. Moreover, internationalization might provide a politically feasible method of sharing equitably between the users the very heavy costs of constructing and maintaining in the Canadian north the necessary ground facilities which would cost a good deal more than their direct value to Canadian services. There is also a general interest in the formation of joint international operating companies on the main international routes based on the contribution which this would make to world security. This argument for internationalization does not apply with the same force to domestic services or to transfrontier extensions of domestic lines to contiguous countries. The objections set forth in this paragraph to the operation of the main international routes by national airline companies apply with even greater force to a proposal to establish a Commonwealth airlines corporation.

11. Internationalization would also contribute to the rationalization of air transport leading to a lowering of the costs of carriage of passengers, mail and freight. If, for example, there is free competition on the North Atlantic, the airline companies of some eight or ten countries or groups of countries may, five years or so after the conclusion of hostilities in Europe, be operating transatlantic services — the U.S.S.R., Scandinavia, Poland, the Netherlands, France, Great Britain, Canada, the United States, and perhaps Switzerland and Ireland. A single joint international company on this route could probably operate more cheaply and efficiently than eight competing companies. Similarly on the north

Pacific route and the route between North America and Australia there will probably not be enough traffic for many years to come to warrant the operation of more than one company except at a considerable loss. This argument for internationalization, like the security and political arguments for it, does not constitute an argument for a Commonwealth airlines corporation, at least on the North Atlantic, since the formation of such a corporation would merely reduce the number of competing national companies from eight to seven.

12. The practical operational difficulties in the way of internationalization are great. Clearly, one centralized operating body would be impracticable and it would be necessary to set up a number of regional operating organizations which would exercise powers delegated to them from a central authority. Another possibility would be for the nations concerned in the airlines in a particular region to form a joint operating company in which all the nations principally concerned could participate.

INTERNATIONAL AIR TRANSPORT AUTHORITY

13. Whatever is done about the setting up of international operating companies, it will be necessary to establish an international air transport authority with effective regulatory powers over such matters as rates, schedules, subsidies, safety regulations and standards of operation.

14. The international air transport authority might be given not merely regulatory powers but also powers to license the air transport companies of the various signatories to the convention to operate transfrontier routes (subject to the exception of transfrontier services between two contiguous countries). Services to which the air authority had issued a certificate of public convenience and necessity would possess freedom of air transit over those foreign countries prescribed in the certificate but they could not land in a foreign country to take up or discharge passengers and cargo without the permission of the country concerned secured through diplomatic channels.

15. CONCLUSIONS

(1) Canada favours the establishment of an international air transport authority which should cooperate closely with whatever general security organization is established and whose powers would include:

(a) the establishment of safety regulations and their enforcement by a qualified international inspectorate;

(b) the standardization, so far as possible, of radio equipment and technique, ground services and meteorological facilities;

(c) the collection and review of information about services maintained, operational costs, the nature and extent of subsidies, rates of carriage, landing fees, etc.;

(d) the control, if possible, of subsidies to national services operating over international routes;

(e) the elimination of discriminatory treatment between domestic aircraft and the aircraft of any signatory of the convention in the imposition of landing fees and services charges where the operating conditions and the size of the aircraft are comparable;

(f) the establishment of arbitration procedure to decide appeals against the imposition of unreasonable or discriminatory fees and charges; and

(g) the facilitating of the exchange of information on technical air developments.

(2) Canada should seriously consider the giving of licensing powers to the international air transport authority if preliminary discussions with the nations principally concerned show that there is general agreement on the principles which should guide the authority in granting or withholding licenses and that the application of these principles would result in a fair and equitable division of routes and services between the airline companies of the various nations.

(3) Canada should seriously consider the formation of joint international regional organizations to operate the airlines on the main international routes if practicable schemes for their operation can be worked out and if there is a reasonable chance of their securing the support of a sufficient number of the powers of chief importance in the air. The regional operating organizations might be set up by a central international corporation which would be owned and controlled by the nations of the world or each regional organization might be independently organized and be owned and controlled by the nations principally concerned or by the designated airlines of those nations.

(4) Membership on the governing body of any regulatory, licensing or operating authority should be granted to those countries large or small which are of the greatest importance in international air transport.

(5) Consideration should be given to the fact that on grounds of security and of rationalization, Canadian interests in north Pacific services would be adequately protected by Canadian participation in a joint company which would operate all commercial air services between North America and Northern Asia.

(6) No international authority should be given control of domestic traffic or transfrontier extensions of domestic lines to contiguous countries (e.g. Canada-United States services).

(7) Any international settlement which permits national airline companies to operate across the North Atlantic should permit Canada to operate its own airline company on that route. Any international settlement should also guarantee that a Canadian airline is given treatment on other international routes no less favourable than that accorded under like circumstances and conditions to the airlines of other nations. The other international routes in which Canada is likely to be especially interested are:

(a) Canada - West Indies - Brazil, with possible branch extensions in the Caribbean and to adjacent countries;

(b) Canada - Australasia;

(c) Canada - Far East;

(d) Canada - Mexico.

J. R. BALDWIN
Secretary

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*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Assistant Under-Secretary of State for External Affairs
to High Commissioner in Great Britain*

SECRET

Ottawa, October 4, 1943

Dear Mr. Massey,

I enclose a copy of a report, dated September 28th, which the Interdepartmental Committee on Air Transport Policy has made to the Cabinet War Committee. If this is approved by the War Committee, it will serve as the general instructions for the Canadian representatives at the discussions in London on air transport policy. We shall, of course, communicate with you officially about this report after the War Committee meets on October 6th.

You will note that reference is made in the latter part of this report to the advantages of international operation. I think that it would be very useful to have a thorough discussion in London of the possibilities in this respect. The first two reports submitted to the United Kingdom Government — the Shelmerdine and Finlay reports — advocated it, and the Barlow Committee gave it general support. Nothing has happened since these reports were written to make less cogent the arguments which they advanced. There should, therefore, be some readiness on the United Kingdom side to consider international operation. In a memorandum from the New Zealand Government, dated June 24th[†], it was stated that they supported the general principle of internationalization, subject to the retention of internal services by the national authority concerned. The Australian Government also informed the Dominions Office (their telegram No. 116 of May 13th)⁹³ that they favoured "the actual operation of certain services (i.e. the main international routes) by an international air transport authority".

We may assume, therefore, that the general arguments pro and con will be brought up at the meeting. You may find some useful material in the attached Departmental memorandum by Escott Reid, dated August 2nd, the purpose of which is to develop the distinctively Canadian arguments which favour internationalization. Although this is addressed to the Prime Minister, it has not been submitted to him, and it is sent to you for your personal use. I enclose, also, a later memorandum by the same author, dated October 1st, which deals particularly with the question of bases in the Canadian north.

There may be a tendency on the part of some of those participating in the London meeting to consider that the future of commercial air transport should be determined primarily on commercial grounds, and should start from the assumption that the victorious United Nations will have achieved an operative security system. This is, of course, a very dangerous assumption to make. A good many of us here feel that an effective means of regulating air transport is an integral part of post-war security and that if we cannot devise a working system

⁹³ Voir le document 616.

⁹³ See Document 616.

in this field there will be a good deal smaller chance of our enjoying peace for the remainder of our somewhat harassed lives.

This, furthermore, is one aspect of post-war organization in which Canada has a special right to make known her views. We occupy a strategic position, our own security might be endangered if bitter international rivalries in the air were to occur, and we are also an important air power, both in war and in peace, both by the extent of our own air development and by our control over parts of vital air routes.

You are, I think, already familiar with the opinions that we are inclined to hold here about further development of international policy in this field. You are also familiar with the reasons which led to our reluctance to have prior Commonwealth discussions. There may be an attempt in London to secure some sort of informal agreement on a Commonwealth air transport scheme. As the first enclosure shows, there is strong opposition in Ottawa to any such plan.

This is rather a disjointed letter, written late at night, and it may not be very helpful to you. We should appreciate being kept informed of the progress of the London talks.

Yours sincerely,

H. H. WRONG

[PIÈCE JOINTE 1/ENCLOSURE 1]

Mémorandum du deuxième secrétaire

Memorandum by Second Secretary

SECRET

Ottawa, August 2, 1943

CANADA'S POSITION ON THE MAIN AIR ROUTES BETWEEN NORTH AMERICA AND NORTHERN AND CENTRAL EUROPE AND NORTHERN ASIA; SOME GENERAL POLITICAL AND SECURITY CONSIDERATIONS

1. An air map of the world, such as that which is attached, shows clearly Canada's position athwart most of the important intercontinental air routes between North America and northern and central Europe and northern Asia. The main air routes from the middle and eastern United States to Siberia and the Far East pass over Canada either by the Northwest Staging route or by the Mackenzie River basin. All the direct air routes from the United States to Scandinavia and European Russia pass over Canada, as do most of the routes from the United States to central and eastern Europe.

2. Before the war it was possible to say that Canada was fortunate both in its neighbours and in its lack of neighbours. This statement is increasingly becoming less and less true. All the countries of the north are now neighbours of Canada, and, what is more important, we have become a potential buffer state between the two most powerful nations of the world — the U.S.A. and the U.S.S.R. Throughout all our history we have been to some extent a buffer state between Great Britain and the United States. But though because of this we know something of the difficulties and disadvantages of being a buffer state we have not for many decades had the experience of being a buffer state between

two powerful nations whose relations may from time to time become dangerously strained.

3. During the nineteenth century first class powers, in order to strengthen their military position, kept pushing their naval bases farther and farther out from their own shores. The United States, for example, was not content to make the Caribbean a United States lake. It established naval bases in Hawaii and the Philippines. Unless, after this war, we all come within some effective system of collective security it would seem likely that first class powers, in order to strengthen their military position, will push their air bases farther and farther out from their own home territories. To protect the Panama Canal, which is a lifeline of the United States, the United States may want air bases on the east coast of South America as far south as Belem and Natal and on the west coast as far south as Lima. To protect itself from attack across the North Atlantic it may want air bases in Iceland, Greenland, Newfoundland and possibly Labrador. To protect itself against attack from Asia and northern Europe it may want bases not only in Alaska and perhaps the Japanese Kuriles but also across northern Canada. It is perhaps significant that the *Fortune* article of May 1943 on Canada and air transport concluded with a reference to the possibility that the United States might want to acquire the right "to set up some kind of defenses along Canada's vast open subpolar frontier".

4. If the United States wanted to construct a Maginot line of air defences in the Canadian North we would be put in the unhappy position of Belgium in the three or four years preceding the war. In an effort to maintain some freedom of action on the grave issues of peace and war, we would be most reluctant to have bases built on our territory by one of our great neighbours. To construct and maintain them ourselves would involve us in enormous expense. Moreover to construct bases directed against one of our great neighbours and not the other would line us up in one of the opposing camps — the very thing which we would be trying to avoid.

5. It would not, of course, be merely a simple question of bases. If relations between the U.S.A. and the U.S.S.R. were strained we would, on a whole host of questions, be subjected to competing pressures and pulls from the U.S.A. and the U.S.S.R. and we would have a most unhappy time trying to preserve a nice balance between them.

6. The granting of rights to the commercial airlines of other countries to fly the intercontinental air routes across Canada would involve us in particularly acute embarrassments and dangers. By the time the war in the Far East ends it seems probable that the public of the United States will, under the combined influence of the actual facts of air warfare and of the preachings of Seversky as interpreted by Walt Disney and other popularizers, be thinking in terms of the dangers of future intercontinental air warfare, of "World War III" beginning with a dozen simultaneous Pearl Harbours in San Francisco, Seattle, Chicago, Detroit, New York, Philadelphia, Baltimore, Washington, San Diego and Norfolk. Unless the people of the United States can be assured of security by some other method, they may not only demand outlying air bases to protect the United States; they may also demand that potentially unfriendly powers should

not, by flying intercontinental commercial routes to North America, gain experience which would be valuable in future military air operations. The United States might, in consequence, try to restrict Soviet flights very severely and might expect Canada to follow suit. If Canada, in deference to United States fears, were to subject Soviet aircraft to restrictions more onerous than those to which the aircraft of other nations, such as the United States, Great Britain, Sweden and France were subjected to, the Soviet Union would consider that the act was unfriendly. If Canada were not to discriminate against Soviet aircraft, the United States would consider that the act was unfriendly, certainly not that of a good neighbour with which arrangements for the defence of North America had been concerted through a Permanent Joint Board on Defence.

7. In the inter-war period Canada's support of collective security was based almost entirely on our long run general interest in the creation of an ordered and prosperous world. We felt that we were producers of security rather than potential consumers. We did not fear involvement in war by either a direct attack on our own territory or by an attack on the United States over our territory. The danger of attack on Canada was, as you said in your speech of May 24, 1938, "minor in degree and second-hand in origin". We were reluctant to play an active role in threatening sanctions against possible aggressors because if the aggression occurred and the sanctions were applied and led to war, the brunt of the disaster and the sufferings would fall not on our peoples and cities but on the peoples and cities of those countries on the spot. The revolutionary developments in air transport and air warfare which have already occurred and which are likely to be accentuated in the next decade are changing all that. As the main guardian of the northern approaches to North America and as a potential buffer state between the U.S.S.R. and the U.S.A. we will in another ten years or so be in danger of being involved in a future war either by a direct attack on our own territory or by an attack launched against one of our neighbours over our territory. We are thus potential consumers of security in the future and may expect to draw out of a pool of international security as much as we put in. Canada is also likely to have greater freedom of action within a collective security system than within the alternative system of bilateral and multilateral defensive alliances under which the United States would think of us in terms of the contribution which we could make to the defence of North America. Certainly we would be better off with United Nations air bases in Northern Canada than with United States bases there.

8. Not only have air developments thus strengthened the case for our supporting the establishment of an effective collective system, they have also, it seems to me, provided good reasons for our supporting or, if necessary, initiating proposals for the internationalization of at least the more important intercontinental air routes. Our position athwart strategic international air routes in a world in which there may be strained relations between the U.S.S.R. and the U.S.A. might, as has been pointed out above, become embarrassing and dangerous if intercontinental airlines were nationally owned and were regulated only by bilateral agreements. We might be a good deal better off if we were to forego the possibility of extending Trans Canada Air Lines into foreign countries in

order to secure the internationalization of all airlines operating between North America and the Soviet Union.

9. I have not in this memorandum thought it necessary to touch on the general long run arguments in favour of the establishment after this war of an effective system of collective security and of such agencies of the world order as internationalized airlines and an international air police force. The arguments are the same as those advanced before the war but because of the greater destructiveness of war and the diminishing size of the world they are more compelling today. We must in some way, as you said in 1938, "adjust our international relations to the economic forces, the scientific inventions which have made all nations neighbours, adjust our theories and practices of national sovereignty to the requirements of world co-operation." We must develop "the new political machinery, the new political attitudes, the new political experience and capacity that are required for living together in such close quarters." That new political machinery, it seems to me, can be invented and constructed only as the result of a supreme effort of social imagination and social invention based on intellectual integrity and intellectual courage of a high order. One of the things which worries me is that the leaders of the principal United Nations will be so emotionally, intellectually and physically exhausted by the end of hostilities that their power to imagine, to invent and to construct the new international political and economic institutions of which the world stands in need will be at a low ebb.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Mémoire du deuxième secrétaire

Memorandum by Second Secretary

SECRET

Ottawa, October 1, 1943

THE CONSTRUCTION AND MAINTENANCE OF AIR
FACILITIES IN THE CANADIAN NORTH

During the next ten or twenty years the northern air routes over Canada will become increasingly important for the carriage of transit air traffic over Canada. (By northern air routes is meant air routes north of a line from Goose Bay to The Pas to Prince Rupert). The use of these air routes by large, long-distance, intercontinental aircraft would necessitate the construction and maintenance in northern Canada of a considerable number of first class air bases, intermediate landing strips and other airways facilities which would either not be required for domestic Canadian traffic or would be required on a much more modest scale.

2. When, due to the development of northern flying, a request comes to Canada in the future from foreign companies or governments that airports be built or extended in the Canadian north, Canada will have to choose between the following courses of action:

- (1) Refuse to build the ports or to allow anyone else to build them.

(2) Build them on condition that the companies using the fields agree to pay landing fees and service charges sufficiently high to amortize the cost of construction and cover the cost of maintenance.

(3) Build them with the aid of financial contributions from the countries or companies which intend to use the ports.

(4) Permit the foreign companies or countries which intend to use the ports to build and maintain them.

3. The first course is scarcely feasible politically; it would be difficult, if not impossible, for Canada to play dog-in-the-manger and thus be put in the position of wilfully and unreasonably obstructing the development of international air traffic. Moreover, such an exercise of sovereignty over the Canadian Arctic might well result in other nations questioning the basis of Canada's claim to sovereignty over the islands which lie between the Canadian mainland and the North Pole.

4. The second course would not result in Canada being reimbursed unless the companies used the bases for a long period of time and our experience during the war with the northern bases shows how experts in the United States can so quickly change their minds about the value of northern air routes. In order to meet this difficulty the companies might be bound by a contract to pay fees and charges of not less than so much a year for so many years. The danger in this would be that the general public in the country of the companies using the bases would grow to feel in the course of time that since their companies were in fact putting up the money for the bases they had a moral right to use them not only in peace but in war.

5. Thus, the second course is open to the same objections as the third and fourth possible courses of action namely that permitting foreign governments or foreign companies to build and maintain airports in Canada would limit Canada's freedom of action in the event of international political tension.

6. It is interesting to note that the third course is the one which has been followed by Canada, though reluctantly, during this war. Thus, we built the airfields on the Northwest Ferry Route to a standard which we considered adequate. When the United States required a higher standard we let them pay the additional costs with the result that there seems to be a growing body of opinion in the United States which feels that since the United States government helped to pay for these bases United States commercial airlines ought to have the right to use them in perpetuity.

7. The following description of the sort of thing which may happen in future unless there is international operation of the intercontinental air routes over the Canadian north may help to make the problem clear. To begin with, there will be a high pressure campaign in the press, on the radio and in the legislatures and municipal councils in the central and western United States about the desirability of establishing a direct air service to the British Isles from such cities as San Francisco and Denver. The United States promoters of the scheme will enlist the support of interested groups in Saskatchewan and Manitoba since direct air routes from the Pacific Coast of the United States and from the United States Middle West to England would go over those two provinces. After the

public campaign in the United States and Canada had gathered momentum the Canadian government would receive a request from the United States government for permission for a United States airline company or companies to operate from San Francisco and Denver to Great Britain over northern Canada. While the Canadian government was considering the matter a campaign would break out in the United States press to the effect that Canada was playing dog-in-the-manger and was holding up the development of essential air routes. Canada might then reply to the United States government that it would be happy to give the necessary permission for the establishment of these services if it were not that they involved very considerable expenditures for the construction and maintenance of air bases in the Canadian north and that for the present the Canadian government could not contemplate making a commitment for expenditures of this size. The United States might reply that, in view of the importance of the early establishment of these routes, the United States government or the commercial companies concerned would be glad to construct and maintain the bases. All the time the agitation in the press of the Western and Pacific United States and in Manitoba and Saskatchewan would gather force. The Canadian government would thus be neatly placed in a position in which its choice would be limited to alternatives which were all undesirable from the Canadian point of view.

8. In view of the considerations set forth above it would appear that Canada has a direct and immediate national interest in the international operation of the intercontinental air routes over the Canadian north since internationalization would provide a politically feasible method of sharing equitably between the users the very heavy costs of constructing and maintaining in the Canadian north the necessary ground facilities which would cost a good deal more than their direct value to Canadian services.

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PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, October 6, 1943

INTERNATIONAL CIVIL AVIATION; REPORT OF INTERDEPARTMENTAL
COMMITTEE RE FORTHCOMING COMMONWEALTH MEETING

12. THE SECRETARY referred to the report of the Interdepartmental Committee on Air Transport Policy, submitted at the meeting of September 29th. The Canadian delegation would consist of the Minister of Munitions and Supply, the Canadian High Commissioner in London, Mr. H.J. Symington, and Mr. J.R. Baldwin, Secretary. Copies of the report had been circulated.

(Report of Interdepartmental Committee, Sept. 28, 1943 — C.W.C. document 626).

13. THE ASSISTANT UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS observed that the question of further international discussions would probably arise during the London meetings, since it was understood that this subject would be considered at the forthcoming conversations in Moscow between the United Kingdom, the United States and the U.S.S.R.

14. THE PRIME MINISTER felt that, as a major air power, Canada was entitled to be represented at any future international conference on civil aviation. This should be clearly understood in London.

Any international conference called subsequent to the London meeting should not be held in Canada.

15. MR. KING drew particular attention to and read paragraphs 9 to 12 of the Interdepartmental Committee's report with respect to internationalization. These paragraphs stated that the Canadian representatives should be prepared to discuss the proposal that the main international air lines or most of them be owned and operated by internationally owned companies. This proposal was supported by strong military and political considerations of great importance to Canada and to the maintenance of world peace.

16. MR. HOWE expressed the opinion that the report should be approved.

Canada would have little to gain, however, by initiating proposals for internationalization. On the basis of experience under the 1935 Agreement, operation by internationally owned corporations would not meet Canadian requirements nor afford us a measure of control consistent with our position. On the other hand, there would be certain regions where international operation would be desirable.

A preferable solution was the proposal, contained in the Interdepartmental Committee's report, for the establishment of an international licensing authority, which would divide and allocate routes and services between the various nations.

17. THE WAR COMMITTEE, after further discussion, approved the report of the Interdepartmental Committee on Air Transport Policy as a provisional statement of the Canadian interest in and approach to post-war organization of air transport, for the guidance of the Canadian participants in the forthcoming Commonwealth discussions.

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*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2488

London, October 13, 1943

MOST IMMEDIATE. SECRET. Further to my telegram No. 2414, October 7th[†], air transport policy.

1. Conversations ended today with acceptance of reports of three Sub-Committees.
2. The Sub-Committee on security with particular reference to internationalisation, composed of High Commissioners and United Kingdom Minister of State, Richard Law, agreed paramount importance security consideration in air transport. Therefore, although civil aviation of fundamental importance, it should be examined by competent defence authorities and any international air authority should be responsible to any security organisation. Agreed this problem should receive immediate consideration.
3. Sub-Committee under Parliamentary Under-Secretary of State for Air, Captain H.H. Balfour, attended by Mr. Symington and Mr. Baldwin, recommended an international convention establishing the first four freedoms described in paragraphs 5 and 6 of Dominions Office telegram Circular D.389, July 3rd, 1943. Acceptance of these freedoms to be subject to establishment in same convention of an international air authority with extensive powers of regulation and allocation. Powers of allocation considered satisfactory and our interests safeguarded.
4. Sub-Committee on intra-Imperial co-operation, composed of Dominions Secretary, Viscount Cranborne, Lord Beaverbrook, Mr. Howe and High Commissioners, suggested each Government put forward proposals and be responsible for operation of sections of all-British route adjacent to its territory. This scheme would not be preferential and is entirely subject to proposed international authority. Consider we have very adequate share of routes.
5. All conclusions tentative and intended only as basis for further exploration and discussion with other nations. Final report of conversations[†] follows by air bag tomorrow.
6. Lords Beaverbrook and Leathers and Mr. Howe, were requested by the meeting to proceed to Washington at the end of next week for further conversations in the light of the views expressed in the conversations here.

MASSEY

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DEA/3-Cs

*Le secrétaire, la délégation aux conversations du Commonwealth
sur le transport aérien, au deuxième secrétaire*

*Secretary, Delegation to the Commonwealth Air Conversations,
to Second Secretary*

PERSONAL

London, October 13, 1943

Dear Escott [Reid],

Herewith my personal impressions on the conversations which ended in a blaze of glory in the amazing period of two-and-a-half days.

We reached London Saturday afternoon after a very cold crossing. Sunday evening I spent several hours with the High Commissioner going over all as-

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pects of the coming discussions and trying to bring out particularly those points relating to security which the Department was anxious to have emphasized.

On Monday morning the discussions began formally, and it was at once evident that the Chairman, Lord Beaverbrook, wished to get them finished as rapidly as possible. He is not, of course, a technical expert on the subject of air transport, and he has given the general impression of a man who has been made responsible for doing a certain job and is more anxious to get that job finished than to embark on long and tedious wrangling. From that point of view he was a good Chairman, and showed every disposition to meet the views of the Commonwealth rather than to sit back and argue. I suspect, however, that he puts more stress on the idea of an all-Red route than upon the establishment of effective international authority. That again may have been a good thing from our point of view since he raised no objections to the proposals for such an authority.

Internationalisation came up at the very beginning of the discussions, and it was obvious at once that as far as the majority of the United Kingdom people were concerned the prospect of internationalisation had been discarded completely. Suggestions for a modified or regional internationalisation did not receive any hearing, and it was only with some difficulty that Mr. Massey and Mr. Bruce (Australia) kept the subject open. In consequence the matter was referred to a special Sub-Committee and you will see from the accompanying report that at least the door has been kept open although the report may be less than was hoped for. The two main points are:

- (1) Provision to bring the International Authority under a World Security Organisation, and to allow nations to suggest joint operations to the Authority for security reasons, and
- (2) Provision for further study of the security considerations involved.

The right of commercial transit and the right of commercial outlet as between countries at terminals of services proved to be generally acceptable on the understanding that a satisfactory regulatory authority would be established. Commercial outlet in intermediary countries would be subject to bilateral governmental agreement. The general question of the powers and functions of an authority were referred to the Sub-Committee which Mr. Symington and myself attended. It turned out that apart from ourselves one or two of the United Kingdom people were the only ones who had given serious consideration to the nature of an international Licensing Authority with the result that the United Kingdom and Canada between them did most of the drafting. The document that was finally produced and approved covers only broad principles since there is a general disposition to leave lesser details for later consideration after the United States have been brought into the picture. Moreover, whenever a major problem arose, while considerable discussion might ensue there was no attempt to reach agreement on solution, on the grounds that it would be better to leave these broad problems to be thrashed out more thoroughly in Washington and at subsequent international conferences. For your information the main points which provided difficulty were:

- (1) The relationship between the Assembly and the Operational Executive;

- (2) The method of choice of the membership of the Executive;
- (3) The standards to be used in case proportional voting should be employed in the Assembly;
- (4) The definition of internal and international services.

I think you will find, however, that the document produced follows fairly closely the lines we were developing in Ottawa.

The Sub-Committee on Intra-Imperial Co-operation was the cause of some worry, particularly since Mr. Howe has seen a great deal of Lord Beaverbrook privately, and has discussed this matter at length. I have managed, however, to breakfast with Mr. Howe almost every morning and find out what happened on the previous day from him. The proposals that were brought forward and accepted should, I believe, be studied very carefully in Ottawa to see if acceptable. They appear to leave plenty of opportunity for independence of action, and while they included an expression of opinion in favour of an all-Red route, responsibility for development and operation is pretty well left to each Government concerned. I made certain it was clearly understood that any such scheme must not be preferential and that to protect against this the international sections of Empire air links must be completely subject to the International Authority. As a matter of fact, in conversations Lord Beaverbrook has agreed:

- (1) That Canada should be allowed equal rights on the route between the United Kingdom and Canada, i.e. each to operate a service;
- (2) That Canada should operate to the British territories in the West Indies and Latin America without United Kingdom competition;
- (3) That a Pacific route would be operated jointly by Australia, New Zealand and Canada without United Kingdom participation.

I have received the impression that the United Kingdom is primarily concerned in getting a free hand in Europe, the Mediterranean and the Middle East.

Mr. Howe is going to Washington towards the end of next week with Lord Beaverbrook and Lord Leathers, as you know. I understand that Lord Beaverbrook will probably be taking one or two, or even more, special advisers with him. I think the evidence here has demonstrated clearly that it is very desirable that Mr. Howe should have someone with him as well. He has assumed so far that Mr. Symington and I will travel to Washington with him (possibly in the same plane with Lord Beaverbrook and Lord Leathers). We have both, however, asked him not to make any arrangements in this connection at present, since other arrangements may be desired by Ottawa. I imagine Mr. Howe will send a word to Ottawa on this subject tomorrow. My own plans remain somewhat vague. I shall spend the next two days in the War Cabinet Office here in any case. It may be desirable for me to make a full report in Ottawa before the Washington discussions, and for the moment I am thinking of trying to get the first plane possible out of here to Canada next week. Mr. Symington may do the same. This, however, will depend upon Mr. Howe's desires, and upon such comments as may be received from Ottawa.

In case Mr. Howe should go on his own I am preparing a complete memorandum for him covering those points in connection with the International Licens-

ing Authority which caused most controversy, and which remain unsettled, as well as a number of the lesser points which were not raised at all in the discussion here. I hope, in addition, that a quite complete statement of opinion from Ottawa will be forthcoming by the end of the week, or at the earliest at the beginning of next week, for his guidance. I assume, of course, that the discussions in Washington will centre primarily around the proposed International Authority, although here again I think every precaution should be taken to see that security considerations are brought into the picture.

You may wish to show a copy of this letter to Mr. Robertson and Mr. Heeney.

Yours sincerely,

JOHN R. B[ALDWIN]

P.S. I want to explain one more matter, namely, the United Kingdom press release on the conversations. I mentioned this yesterday to Mr. Howe, and both he and Mr. Massey discussed it with Lord Beaverbrook this morning. I discovered at lunchtime, however, that no arrangements had been made to forward the proposed release to Ottawa or to notify you of the time of release. We at once got a copy of the release from Lord Beaverbrook's office and it is being put on the wires now, but I am afraid it will arrive in Ottawa just about the time it is given to the press here. It was, I am afraid, a very unfortunate oversight. Very sorry about this, but it was at level beyond my reach!

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DEA/3-Cs

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] October 14, 1943

You have received copies of telegrams Nos. 2488, 2491^t, 2493^t and 2494^t of October 13, regarding the Civil Aviation discussions in London. They finished up very quickly and, so far as we can see from the summary of conclusions, quite satisfactorily.

You will note in para 6 of telegram No. 2488 that Lord Beaverbrook, Lord Leathers and Mr. Howe were requested by the meeting to proceed to Washington at the end of next week for further conversations in the light of the views developed at the meeting in London. This looks as if they would be going to Washington as a single delegation representing the "British Commonwealth and Empire". The political implications of a Canadian Minister forming part of a joint delegation responsible to the Commonwealth Governments collectively, are pretty important, and you will, I imagine, wish to have them considered in the War Committee. In whatever capacity Mr. Howe is to take part in the discussions in Washington, whether as a representative of Canada or as one of the representatives of the Commonwealth meeting in London, it would I think

be desirable to have him come back to Ottawa to talk things over with the War Committee before the discussions with the United States authorities begin.⁹⁴

Mr. Churchill's insistence on the "family" character of the discussions, his reiterated use of his new phrase "Commonwealth and Empire" and its pendant "The Dominions and India" are significant straws. Recent developments in civil aviation and related fields are, I am afraid, going to force us to look pretty seriously at the implications for Canada of the prevailing trend towards Imperial centralization. Smuts' thinking has been in this direction for a number of years, and within the last two months Curtin and Evatt have come round to recommending a Central Consultative Commonwealth Council⁹⁵. My own feeling has been that we were maintaining a pretty satisfactory working relationship with the countries of the Commonwealth and with the other members of the United Nations outside it. I see no good reason for attempting to tip the present balance one way or another, but I am rather afraid that efforts in other quarters to strengthen and tighten the Imperial connection at the expense of our relations with other countries may not only have some bad effects on our relations with those other countries, but may reopen domestic political differences about our relationship to the Commonwealth and to the international community in general. It is very difficult to see clearly the shape of things to come after the war is over or to be dogmatic about the sort of orientation of international relationships in which Canada's true interest lies. At the same time we should I think be pretty careful about accepting any modification of our present relationships with the countries of the Commonwealth, the United States, or other foreign countries, until we are clear in our minds as to just what these altering relationships may imply.

647.

DEA/72-MK-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1828

Ottawa, October 16, 1943

IMMEDIATE. Following from Prime Minister for Howe, Begins: I hope you will not fail to return to Ottawa and report to War Committee on your discussions in London before proceeding to Washington. Telegram received would seem to imply you, Leathers and Beaverbrook were going to Washington as a single delegation representing "The British Commonwealth and Empire". Please advise. Ends.

Foregoing message from Prime Minister was received for dispatch prior to receipt of your unnumbered telegram of October 15th reporting that party are planning to return to Ottawa by first available plane after October 21st.

⁹⁴ Note marginale:

⁹⁴ Marginal note:

⁹⁵ Voir le document 819.

By all means.

⁹⁵ See Document 819.

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648.

DEA/3-Cs

*Mémoire du deuxième secrétaire au sous-secrétaire d'État
aux Affaires extérieures*
*Memorandum from Second Secretary to Under-Secretary of State
for External Affairs*

SECRET

Ottawa, October 19, 1943

I attach despatch No. A.330 of October 14, 1943 from Canada House[†] transmitting the reports on the Commonwealth Conversations on Air Transport Policy. I have marked the references which I have made, which are the usual references.

I also attach the original and three carbons of a personal letter to me from Baldwin,⁹⁶ I have kept one carbon for myself. I would suggest that Mr. Heaney, Mr. Pearson and perhaps the Prime Minister be sent copies of Baldwin's personal letter.⁹⁷

I am hoping that in accordance with the request which we made of him, Mr. Massey will send us a full report on the discussions.

The issues raised in the reports are important, and I should not like to comment on them until I have given the matter careful consideration. At the moment all I am prepared to say is that I feel that these reports should be carefully considered by both the interdepartmental committee and the War Committee before Canada participates in any further intergovernmental discussions. I shall give you a memorandum on these reports tomorrow morning.

I hope that the War Committee tomorrow will decide to request the interdepartmental committee for recommendations on whether or not the government should concur in these reports and on the nature of the instructions which should be given to our representatives in the forthcoming Washington meeting. In view of the importance of the subject and of the Washington meeting, I hope that the War Committee will be in favour of Canada's being represented by a sizeable delegation which should, in my opinion, include from the interdepartmental committee yourself and myself, as well as Hanna,⁹⁸ Symington and Baldwin. It would also be desirable to have Pearson included, and either Wer-shof or Miss Bingay. I assume it would also be necessary to include Edwards. Perhaps, indeed, to avoid hard feeling, it would be politic to make the interdepartmental committee the delegation to Washington, adding Mr. Howe.⁹⁹

⁹⁶ Document 645.

⁹⁷ Notes marginales:

⁹⁷ Marginal notes:

Agreed. R[OBERTSON].

Done. E. R[EID].

⁹⁸ Directeur, plans interarmes, division de l'état-major de l'Air, Aviation royale du Canada.

⁹⁸ Director, Joint Plans, Air Staff Division, Royal Canadian Air Force.

⁹⁹ Note marginale:

⁹⁹ Marginal note:

We won't be able to fix the character of the Washington discussions Mr. Reid. We'll have to see what kind of delegations the U.S. and U.K. send and on what level they will meet.

The most important objective at the moment should, I think, be to keep the issues open. The British, as you will note, have done their utmost to thrust to one side proposals for the international operation of all the main international air lines. We ought, I think, [to] make certain that these proposals are discussed in full and sympathetically at the conference of nations principally interested in air transport. We can push the door open by using the first clause of the annex to the report of the London discussions where it is stated that it was decided "that the security aspect of civil aviation was of fundamental importance and should be examined by the competent authorities at the very earliest opportunity". The competent authorities are clearly the defence departments and the foreign offices.¹⁰⁰

You will have seen the account in the *Gazette* this morning of Mr. Howe's press conference, in which he is reported to have said that the Empire is united on a plan of post-war aviation. If this is the way the *Gazette* headlined it, I assume that the headlines are similar in the London press. We are being made to look very foolish in the eyes of members and officials of the United Kingdom government, who are familiar with the long exchange of correspondence which we had with the United Kingdom on the convening of this preliminary Empire meeting. Not only have we gone back on what we insisted on for three months, but we have advertised to the world that we have agreed to a united front—the very thing that we said would prejudice the success of future international discussions.

Since there is clearly danger that Mr. Howe may give further press conferences, either in the United Kingdom or on his arrival in Montreal and Ottawa, could not something be done to persuade him not to say anything more to the press until the War Committee has had a chance to discuss the matter with him?¹⁰¹

E. R[EID]

649.

DEA/3-Cs

*Le secrétaire, la délégation aux conversations du Commonwealth
sur le transport aérien, au secrétaire du Cabinet*

*Secretary, Delegation to the Commonwealth Air Conversations,
to Secretary to the Cabinet*

PERSONAL AND MOST SECRET

Washington, October 19, 1943

Dear Arnold [Heeney],

I have already sent Escott some preliminary comments on the discussions. I presume you have seen these. There is a certain amount that, naturally, I do not

¹⁰⁰ Notes marginales:

You might prepare a letter to the Chiefs of Staff Committee asking them for an appreciation of this question. R[OBERTSON].

¹⁰⁰ Marginal notes:

Noted. R[EID].

¹⁰¹ Note marginale:

¹⁰¹ Marginal note:

No. R[OBERTSON].

wish to put on paper. The following observations may, however, be helpful in case weather delays our return.

As regards the Washington conversations, you will recall that before the discussions here took place it was suggested by the Dominions Office that Lord Beaverbrook, after the International meeting, proposed that United Kingdom and Canadian representatives should hold informal exploratory discussions in Washington to see if any agreement could be reached on broad principles. It was apparent as soon as we arrived that this was strongly in his mind and he at once invited Mr. Howe to accompany him. Mr. Howe at first accepted but, after subsequent discussion, was persuaded that it would obviously be desirable for him to return first to Ottawa. Both Mr. Symington and I felt quite strongly on this point.

It was obviously necessary to inform the other Commonwealth representatives here of these proposed conversations and if possible to secure their agreement on the desirability of this step. This was done at the conclusion of the discussions and no objections were raised, although the Australian High Commissioner obviously had some reservations regarding the Australian relationship to these discussions.

The formula arrived at, i.e., that Lord Beaverbrook and Lord Leathers and Mr. Howe were requested to proceed to Washington, was not intended, certainly as far as we were concerned, to imply that these three men were to go as a Commonwealth or Empire delegation.¹⁰² Mr. Howe was included because Canada was a major air power and it was intended that primarily he should represent Canadian interests. I think, however, it would be well to safeguard our position by having the official comment from the Canadian Government on the conversations make it quite clear that we understand that the Washington Delegation is not a delegation representing the Empire as a whole. Mr. Howe stressed this point in his Press Conference yesterday, when he stated that it was not proposed to approach other Nations with a cut and dried Empire policy. On the other hand, there is no doubt whatsoever that Lord Beaverbrook will have the interests of the other members of the Commonwealth strongly in mind during the Washington conversations, and I know that Mr. Howe is inclined to feel that it might be a good idea for Canada informally to represent the interests of the other members of the Commonwealth, exclusive of the U.K., if they agree. This is obviously open to some criticism.

Tentatively, my plans for a draft report to War Committee run along the following lines:

A comparatively short, (perhaps two pages), statement on the nature of the discussions and the main points brought forward with the three reports of the sub-committees attached thereto.

I think the scheme for an international authority is proceeding satisfactorily and I have no objections to raise on this point, although the more difficult problems have not yet been settled.

¹⁰² Note marginale:

¹⁰² Marginal note:

Certainly this was the understanding of Mr. Symington and myself.

The report of the Security Sub-Committee was intended primarily to bring the international authority under any world security organisation and definitely to keep the door open for further study of this question. My own feeling is that Canada should press at once for the further study contemplated in this report and that we should suggest to the U.K. that Mr. Howe be accompanied at Washington by a senior official, (if not Mr. Robertson then Mr. Pearson), to look after these considerations.

For your personal information on the subject of Imperial co-operation, I do not think we have got into any difficulties as yet, but unless great care is exercised we may. Mr. Howe's general approach was that our main objection to Imperial co-operation was based on the fear that Canada would not get her fair share. As a result of private bargaining with Lord Beaverbrook, he has obtained promises of much more than a fair share in reality. He and Mr. Symington have both agreed also that any scheme for Imperial co-operation must be subject to the general powers of the International authority, but he is obviously not as worried over the danger of a discriminatory system developing as I have been.

My suggestion, (which I have not put forward to him yet), is that the War Committee might accept the outlines of Imperial co-operation subject to the understanding that it should not be a discriminatory system and should express the opinion that further details be not worked out until the general outlines of an International authority are agreed upon, so that any schemes for Imperial co-operation could be made part of the broader picture.

I think you will appreciate that I have had a very difficult task to fulfil, particularly in view of the position which I held. I have had no difficulty in discussing matters fully with Mr. Howe and Mr. Symington and have got along excellently with them. On the other hand, being listed as Secretary to the delegation rather than a member or an adviser, placed me under a considerable handicap, particularly with regard to the U.K., since other delegation secretaries were not experts in any sense of the word and filled very limited roles. As a result, I was automatically excluded from a considerable number of the more important private discussions and all that I could do afterwards was to find out what happened and bring forward such reservations as I felt should have been entered. Had I realised the difficulties in this situation I would most certainly have raised this question before I left Ottawa.

Sincerely yours,

J. R. BALDWIN

650.

DEA/3-Cs

Mémorandum du secrétaire, la délégation aux conversations du Commonwealth sur le transport aérien, au secrétaire du Cabinet

Memorandum from Secretary, Delegation to the Commonwealth Air Conversations, to Secretary to the Cabinet

MOST SECRET

Ottawa, October 25, 1943

My own suggestions regarding the action that might be taken by the War Committee are roughly as follows:

CONFIDENTIAL - SECURITY MATTER

1. That it be made quite clear to the United Kingdom that we do not consider that the Washington conversations should be on the basis of presenting an Empire point of view with a delegation representing the Empire. This point was made in the discussions and again by Mr. Howe in a press conference, but it cannot be overemphasized in view of the general tendency of the United Kingdom to stress Empire solidarity, and in view of the fact that other Commonwealth representatives did not seem particularly worried over the dangers of this. In other words, Canadians should participate in the discussions in Washington as representatives only of the Canadian government.

2. That Mr. Howe be accompanied by a senior official charged with responsibility for raising the security considerations described in the sub-committee's report.

3. That the proposed International Authority be approved in principle as a basis for further discussion. In view of the way the discussion developed, I think that Canadian delegates in further conversations should be instructed that Canada must have a place on the operational executive of any Authority.

4. That machinery be established at once, as recommended, for the further study of security considerations.

5. That the elaboration of details of any Imperial co-operation be delayed pending further international discussions in order to bring any Imperial scheme within the framework of broader International organization. I think also we should put on paper what was informally understood in the discussions, namely, that any Imperial scheme must not be discriminatory and must be subject to any broader authority set up.

J. R. B[ALDWIN]

651.

DEA/72-HA-1-40

*Rapport de la délégation aux conversations
du Commonwealth sur le transport aérien*

Report of Delegation to the Commonwealth Air Conversations

SECRET

Ottawa, October 26, 1943

1. The Commonwealth air conversations which began on Monday morning, October 11th, and were completed on Wednesday morning, October 13th, were attended on behalf of Canada by the Minister of Munitions and Supply, the Canadian High Commissioner, the President of Trans-Canada Air Lines and Mr. J. R. Baldwin, Secretary.

It was evident that the United Kingdom placed great importance on the views expressed by the Canadian representatives and was anxious to obtain the complete co-operation of Canada in achieving an agreement which would assist in the maintenance of world peace and the full development of international air transport.

It was made clear from the outset that the meetings were to be an exploratory and informal exchange of views and that the delegates could not commit their governments and would merely report back to them regarding the points upon which it appeared agreement might be reached. On this basis the sessions proceeded.

2. Plenary sessions were held on Monday morning and the first half of Monday afternoon. Political and military security, with particular reference to internationalization, was the first subject raised. The representatives of Canada and Australia strongly expressed the view that international civil aviation must, in all respects, be made subject to considerations of military security. Accordingly, a sub-committee was appointed to prepare a report on this matter. Canada was represented on this sub-committee by the High Commissioner.

3. The meeting then proceeded to consider what "freedoms" should be accepted as necessary or desirable in any general international agreement. The right of innocent passage and the right to land for emergency purposes and refuelling were immediately accepted as essential. Considerable discussion took place regarding the right to disembark traffic from the aircraft's own country of origin in the country of destination, and the right to embark traffic there for the aircraft's own country of origin. Canada took the position that in conceding all these rights she was contributing more than almost any other country. It was finally decided that the concession of these last two "freedoms" was necessary if a satisfactory international agreement was to be reached but that they should only be granted subject to the acceptance of the other provisions of a Convention providing for the establishment of a satisfactory international regulatory authority.

4. The possibility of establishing by Convention an International Authority with power to regulate international air services was then considered. U.K. proposals provided for the main work of such an Authority to be carried on through an Operators' Conference, but Canada took the position that the Authority should be a body nominated by government rather than appointed by operating lines. This position was accepted by the other Commonwealth representatives but with some hesitation by the United Kingdom. The nature of a Convention which would establish such an Authority and provide for the "freedoms" referred to in paragraph 3 was then referred to a sub-committee which was attended by Mr. Symington and Mr. Baldwin.

5. At the afternoon session, on October 11th, discussion turned to the question of intra-Commonwealth co-operation in any international system. After some discussion it was agreed that intra-Commonwealth air communications should be established and the matter was referred to a sub-committee which was attended by Mr. Howe and Mr. Massey. It was understood that any co-operation within the Commonwealth should not be discriminatory, and accordingly, the routes involved should be subject to the proposed international Authority.

6. These sub-committees met on Monday afternoon, October 11th, and during Tuesday, October 12th, and presented their reports to the final plenary session on Wednesday morning, October 13th. No attempt was made to reach final agreement on detailed plans or on the main points of difference encoun-

tered in the sub-committees, since it was recognized that such points must be settled at subsequent broader discussions and that to reach final agreement now might present the appearance of a detailed and complete Empire scheme. The reports of the sub-committees¹ are attached hereto.

7. The plenary session unanimously accepted these reports, it again being agreed that the conclusions reached did not represent any cut and dried Imperial policy but rather broad principles which, if approved by their respective Governments, the Commonwealth representatives would be prepared to support in subsequent international discussions.

8. In discussions between Mr. Howe and Lord Beaverbrook, it was agreed that in any Empire system, Canada would:

(a) operate the route from Canada to Bermuda and the British West Indies with such extension into South America as may subsequently be agreed upon. Generally it was agreed that any north and south British routes in the Americas would be operated by Canada.

(b) Operate that part of the Pacific route from Canada to Australia and New Zealand either by way of Siberia, China and Malaya, or by way of Honolulu and the Pacific Islands, which terminates in Canada, on the understanding that the operation of the route as a whole would be divided between Canada, Australia and New Zealand as the three Dominions may agree.

(c) Share equally with the United Kingdom all British routes between America and the United Kingdom, it being understood that the Canadian share would be operated by a Canadian company and the United Kingdom share by a United Kingdom company.

9. Following the final plenary session, at a special meeting of the senior U.K. representatives, the Minister of Munitions and Supply and the High Commissioners, Lord Beaverbrook, as Chairman of the discussions, indicated that he and Lord Leathers proposed to proceed to Washington for further informal and exploratory discussions with U.S. representatives along the lines of the London conversations. He also suggested that the United Kingdom were most anxious to have Mr. Howe participate in these discussions. The other Dominions representatives expressed satisfaction that a representative from the Dominions would be present and would be fully informed.

Lord Beaverbrook also indicated that the conversations in Washington would be followed at an early date by a broader international conference.

C. D. HOWE
Chairman

J. R. BALDWIN
Secretary

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, October 27, 1943

INTERNATIONAL CIVIL AIR TRANSPORT;
REPORT OF LONDON CONVERSATIONS

17. THE MINISTER OF MUNITIONS AND SUPPLY submitted the report of the Canadian delegation to the Commonwealth discussions held on October 11th to 13th. Copies of the report had been circulated.

Emphasis had been given to security considerations in the organization of post-war air transport and it had been recommended that further study be given to this problem. It had been generally agreed that freedom of transit and a limited freedom of commercial outlet should be accepted, subject to the establishment of an effective international authority with power to regulate air transport and allocate international routes. Proposals for services to connect the various parts of the Commonwealth had been considered on a basis which would allow each nation concerned to operate that part of the service adjacent to its own territory, and which would avoid the establishment of a discriminatory system by placing it under the control of the proposed international authority.

Following the meetings in London, Lord Beaverbrook and Lord Leathers had indicated their intention of visiting Washington for informal conversations with U.S. Authorities, and had invited Mr. Howe to accompany them.

(Report of Canadian delegation, Oct. 26, 1943 — C.W.C. document 640).

18. THE PRIME MINISTER pointed out, in reference to the proposed conversations in Washington, that it was important to avoid creating the impression that British and Canadian Ministers would compose a delegation representing the British Commonwealth.

While it was certainly desirable that Mr. Howe should participate in the proposed conversations with the United States, it should be clear that he would do so as the representative of Canada.

19. MR. HOWE said that it had not been intended that the U.K. and Canadian representatives should act together for the Commonwealth or Empire. They would have no mandate for such representation. His own participation would be solely in the interests of Canada. In any event, the proposed conversations would be on the same informal and exploratory basis as those held in London.

20. THE WAR COMMITTEE, after further discussion, noted the report submitted by the Minister and referred it to the Interdepartmental Committee on Air Transport Policy for consideration and report.

CONSULTED SUPPLY

653.

DEA/72-MK-40

*Rapport du Comité interministériel sur la politique de transport aérien
au Comité de guerre du Cabinet*

*Report of Interdepartmental Committee on Air Transport Policy
to Cabinet War Committee*

SECRET

[Ottawa,] November 9, 1943

In accordance with the instructions of the War Committee on October 21st and 27th,¹⁰³ 1943, the Interdepartmental Committee on Air Transport Policy submits the following comments on the report of the Canadian delegation to the conversations recently held in London between representatives of the Commonwealth governments.

The Committee wishes to express its appreciation of the large and important part played in the conversations by the Canadian representatives and of the value of the contributions which they made.

I. THE PROPOSED INTERNATIONAL CONVENTION

The Committee recommends that the tentative outline of an international convention providing for the establishment of an international air transport authority be used as a basis for discussions with other nations. This outline leaves open a number of points of importance to Canada.

The Committee is preparing articles for a draft convention filling in these gaps in a way intended to protect Canadian interests. These draft articles will be available for the Canadian participants in the forthcoming international discussions.

After careful consideration of the proposals for an international authority the Committee has come to the opinion that, to avoid the possibility of any misunderstanding at a later date, it would be desirable that the other governments participating in the London conversations be informed of the interpretation which Canada places on the more important points which have been left open in the outline of the international convention.

1. Canada, as the fourth greatest air power among the United Nations, expects to be a full member of the executive of the international air transport authority.

2. The jurisdiction of the international authority will extend to all international services, including services between member nations of the Commonwealth, provided that nations may reserve for bilateral arrangement those services which are extensions of domestic services to contiguous and to immediately adjacent territories. Canada, for example, will wish to reserve all such services from Canada to the United States.

3. Routes will not be allocated by the international authority to the British Commonwealth as a whole but to its component member states.

¹⁰³ Voir le document précédent.

¹⁰³ See preceding document.

4. If the voting power of the various member nations in the international air transport assembly is to be proportionate to their importance in air transport, Canada considers that its voting strength should be relatively high. Canada does not concur in one suggestion put forward in the London discussions that the criterion of voting power should be "international traffic interest", i.e. the relative volume of international air traffic originating in a country.

5. The implications of the proposed four freedoms are being carefully studied and, while readiness to consider their acceptance offers a basis for further international discussions, it is possible that some extension may prove necessary.

6. One of the most difficult problems to be faced in working out the implications of the proposed international convention is the determination of the criteria to be used in allocating quotas to countries operating international services. One criterion suggested in London was the "international traffic interest" of the states in the region. This was defined to mean the relative volume, expressed in passenger-miles and ton-miles, of the air traffic originating in each country. The Committee is of the opinion that this criterion would probably be undesirable and accordingly must be given further careful consideration.

7. One of the suggestions made by the United Kingdom participants in the London discussions was that international operating agencies be established to operate the air services in Europe, the Middle East and the Far East, and the sub-committee on security recommended that "from the point of view of European security, immediate consideration should be given to the feasibility of establishing a European operating agency". It was the understanding of the Canadian representatives in the London conversations that any international operating agencies would be subject to the international authority. The authority or the regional panels it sets up would not, of course, be restricted to establishing international operating agencies in the three regions mentioned by the United Kingdom since there might well be found to be other routes which, for security or other reasons, might best be operated by an international agency.

8. We reiterate our belief in the desirability of the views of the British Commonwealth countries remaining fluid until full discussions have taken place with the other United Nations which are chiefly concerned, e.g. the U.S.A., the U.S.S.R., China, Brazil, France and the Netherlands. We think it is desirable that the presentation by any group of governments of jointly agreed proposals should be postponed until after these discussions have taken place. It is, in our opinion, especially important that our European allies be given no cause to feel that their interests and susceptibilities are in danger of being slighted and that they will be expected to be content with minor roles in the international air transport authority and the bodies set up under it.

II. SUB-COMMITTEE ON SECURITY

The Committee recommends that the report of the sub-committee dealing with security questions be used as a basis for further exploratory discussions and that, to avoid the possibility of misunderstanding, the other governments participating in the London meetings be informed that Canada interprets this report to imply acceptance of the following principles:

1. The nations of the Commonwealth will support whatever air transport policy is best calculated not only to serve their immediate national interests but also to contribute to the establishment of an international order which will prevent the outbreak of another world war.

2. Because of the close connection between air transport and security, the international problems of air transport are more political and security problems than commercial problems.

3. Any proposed international agreement on air transport will have to help solve the political and security problems of the post-war world and be judged by its contribution to the establishment of a permanent system of general security. (These statements were approved, so far as the Canadian government is concerned, by the War Committee on October 6, 1943.)

III. COOPERATION WITHIN THE COMMONWEALTH

The Committee agrees that it is desirable that speedy air communications be established and maintained after the war between the member nations of the Commonwealth. The Department of External Affairs has raised certain questions in regard to the wording of the report on cooperation within the Commonwealth, and it is understood that a note on this subject will be presented to the War Committee by the Under-Secretary of State for External Affairs.

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PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, November 10, 1943

INTERNATIONAL CIVIL AVIATION; COMMONWEALTH CONVERSATIONS; CONCLUSIONS

8. THE SECRETARY submitted a report of the Interdepartmental Committee on Air Transport Policy, on the report of the Canadian representatives to the London meeting. Copies had been circulated.

It was recommended by the Committee that the outline of an international convention and the report of the Sub-committee on Security drafted in London be used as a basis for discussions with other nations. To avoid the possibility of any misunderstanding at a later date, it was suggested that the other participants in the conversations be informed of the interpretation which Canada placed on certain of the more important points which had been left open in the outline of the proposed international convention, and in the report of the Sub-committee on Security.

(I.C.A.T.P. Report, Nov. 9, 1943 — C.W.C. document 650).

9. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS expressed the opinion that while the report of the London Sub-committee on Air Co-operation within the Commonwealth appeared to provide a satisfactory basis for co-operation in practice, the wording of the report might be taken to convey cer-

tain undesirable implications with regard to relations between members of the Commonwealth. In order to correct any such misconceptions, a re-draft of the Sub-committee's report had been prepared which might be communicated to the other governments concerned.

(External Affairs re-draft of London Sub-Committee report, Nov. 10, 1943¹).

10. THE MINISTER OF MUNITIONS AND SUPPLY accepted the revisions submitted by the Under-Secretary.

With regard to the proposed international convention and the report on Security, the points mentioned by the Interdepartmental Committee had all been made clear, in London, by the Canadian representatives. They had been consciously omitted from the documents drafted there in order to make it possible to reach broad agreement on principles. The communication of the precise views of the government, at this stage, to other governments would prejudice the success of the further exploratory discussions in which we expected to participate. This should be left until such further discussions were undertaken.

11. THE WAR COMMITTEE, after further discussion, agreed:

(a) that the report of the Interdepartmental Committee be accepted as stating the views of the government with regard to an international convention and security and as a basis for further discussions with other nations, but not for transmission to other governments at this time; and,

(b) that the revised draft of the London Sub-committee's report on Co-operation within the Commonwealth, submitted by the Under-Secretary of State for External Affairs, be approved and transmitted to the other participants in the Commonwealth conversations.

655.

DEA/72-MK-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2069

Ottawa, November 16, 1943.

SECRET. Your despatch No. A. 330 of October 14¹ transmitting the three reports¹ of the sub-committees of the Commonwealth meeting on air transport policy.

1. Please inform the United Kingdom government and the representatives in London of the other governments participating in the conversations that in the opinion of the Canadian government the recommendations embodied in the reports provide a very useful basis for further discussions. At the moment we do not wish to make any specific comments on the reports on an international convention and on internationalization with particular reference to security but we would suggest for the consideration of the other governments participating in the London conversations that the wording of the report on the "all-British air route" might appropriately be recast in some such form as follows:

CONSULTED SUR PAVI

(1) In planning the air routes of the post-war period provision should be made for the establishment and operation of routes connecting Great Britain, Canada, Australia, New Zealand, South Africa, India and the principal British Colonies.

(2) It is proposed that Great Britain, Canada, Australia, New Zealand, South Africa and India should be invited to assume responsibility for the operation of the sections of these routes adjacent to the territory of each.

(3) The sections which will become the responsibility of each Government will in the first instance be proposed by the Government concerned with the understanding that the Governments of the Commonwealth will endeavour to see that an unbroken chain of responsibility is created covering the entire plan.

(4) The Governments operating the various sections will constitute a coordinating committee which will be concerned with questions such as the use of reasonably uniform equipment, regularity of services and in general all matters affecting the plan as a whole.

2. In this connection we note that when the subject of security was referred to the sub-committee consisting of Mr. Law and the High Commissioners the general opinion appeared to be that the sub-committee was to consider the connection between air transport and general security. The sub-committee, however, in its report narrowed its terms of reference to "the problem of internationalization with particular reference to its bearing on imperial security". It would, we think, have been more appropriate to have acted on the wider terms of reference. Our own views on the connection between air transport and general security are summarized in the first two paragraphs of the report approved by the War Committee on October 6.¹⁰⁴

656.

W.L.M.K./Vol. 347

*Extrait d'un télégramme du haut commissaire en Grande-Bretagne
au secrétaire d'État aux Affaires extérieures*

*Extract from Telegram from High Commissioner in Great Britain
to Secretary of State for External Affairs*

TELEGRAM 2920

London, November 18, 1943

SECRET AND PERSONAL. Following for Mr. Howe from Lord Beaverbrook, Begins:

1. I have made no progress at all with negotiations about a meeting in Washington. The Americans have told us that the time is not quite opportune for an agreement on civil aviation.

2. I consider there is little chance of progress in Washington until after the election. If we made a good bargain, the Republicans in America will blame the Administration. If we made a bad bargain, the Conservatives in Great Britain will blame us. In either case any agreement would be confounded.

¹⁰⁴Document 641.

3. A mere exchange of ideas without an agreement would commit us to our pronouncements as official representatives while leaving the American airlines free to pursue their ambitions.
4. A conference in London would be open to the same objections.
5. Will you let me have your personal opinions please on the present outlook for a Washington Conference, and on my attitude to it which is in effect abandoning the project until after the Presidential election.¹⁰⁵

657.

DEA/72-MK-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'Etat aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs*

DESPATCH A.381

London, November 19, 1943

Sir,

I have the honour to refer to your telegram No. 2069 of November 16th on the subject of the Commonwealth meetings on air transport policy.

2. In accordance with your instructions I have communicated to the United Kingdom Government and the representatives in London of the other Governments participating in these meetings, the changes in the report on the "All-British air route" which you have suggested.

3. I have noted carefully the paragraph in your telegram relating to the terms of reference of the Sub-Committee which considered the question of air transport in relation to general security. In the discussion at the initial meeting which took place on October 11th the Sub-Committee is referred to as follows:

"That a Committee under the Chairmanship of the Minister of State should examine the security aspects of post-war international air transport, with particular reference to the various schemes of internationalisation which had been recommended; and should report back to the meeting as soon as possible."

These terms of reference, as you will see, were quite wide and in the discussion which took place when the Sub-Committee met, the subject was treated on broad lines. The wider terms of reference were in fact acted upon, although it is possible the preamble of the report may have suggested to you a narrower interpretation.

I have etc.

VINCENT MASSEY

¹⁰⁵ Note marginale:

¹⁰⁵ Marginal note:
Robertson speak to me of this please. K[ING].

CONSULTED SIR PINE

658.

DEA/3-Cs

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] November 20, 1943

I am enclosing a copy of a secret and personal message from Lord Beaverbrook to Mr. Howe¹⁰⁶, which was sent to you for transmission. Copy has already gone to Mr. Howe. I had a word with Mr. Atherton on Thursday about the present position of civil aviation proposals¹⁰⁷. He did not know when talks would begin, but thought it had been all for the best that they had not followed immediately on the Commonwealth discussions in London. United States official opinion had not taken sufficiently definite shape at that time for useful international conversations. I gathered that the United States would be prepared to have the right of innocent passage and the right to land anywhere for non-traffic purposes confirmed by general international agreement. These are the first two of the "Four Freedoms" endorsed in the London discussions. Atherton was of the impression that the United States thought that the other two Freedoms, the right to land passengers from the country of origin and the right to take up passengers for the country of origin of the aircraft, should be negotiated between individual countries.

This would not be satisfactory from our point of view because we would like to have all four "Freedoms" confirmed together under a general international agreement. In agreeing to freedom of transit, we in Canada are, in effect, making a considerable concession, for which we would wish to get simultaneous compensation by receiving the right to land passengers from Canadian planes anywhere, and to pick up passengers, anywhere, whose ultimate destination was Canada.

659.

DEA/3-Cs

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] November 20, 1943

I should like to add a postscript to the note I gave you earlier this afternoon, reporting a short conversation I had with Mr. Atherton about the status of proposals for civil aviation discussions. In the course of our conversation, he

¹⁰⁶ Document 656.

¹⁰⁷ Note marginale:

¹⁰⁷ Marginal note:

Please speak to me of this. K[ING].

said that the Canadian point of view toward the Commonwealth civil aviation discussions was "known, understood and appreciated" by the United States. He did not enlarge on this. In the course of the conversation, I said that I thought that whenever international discussions on civil aviation were begun, the Canadian Government would expect to participate in them on the same footing as the greater powers.¹⁰⁸

660.

DEA/3-Cs

*Le ministre des Munitions et des Approvisionnements
au sous-secrétaire d'État aux Affaires extérieures*
*Minister of Munitions and Supply to Under-Secretary of State
for External Affairs*

SECRET AND PERSONAL

Ottawa, November 22, 1943

Dear Mr. Robertson,

Thanks for your secret and personal letter of November 20th¹, enclosing copy of your note to the Prime Minister¹⁰⁹ which was transmitted with Lord Beaverbrook's secret message to me, No. 2920 of November 18th.

It seems to me that Lord Beaverbrook's message is characteristically exaggerated as referring to the United States attitude. I have no doubt that the United States will carry on the discussions with Britain as soon as their own views can be put in order.

The third and fourth "Freedoms" to which your note refers can in fact hardly be exercised without the consent of the company¹¹⁰ concerned, and must in any event be subject to regulation by an international authority. Transport planes must operate on established routes, and routes can only be established with the co-operation of the country concerned. I do not think that there is any fundamental difference between the viewpoint of the London Conference and the viewpoint expressed by Mr. Atherton, as far as the third and fourth "Freedoms" are concerned.

Yours sincerely,

C. D. HOWE

¹⁰⁸ Note marginale:¹⁰⁸ Marginal note:¹⁰⁹ Document 658.

O.K.

¹¹⁰ Note marginale:¹¹⁰ Marginal note:

country?

CONSULTED SIR PINE

CHAPITRE IV / CHAPTER IV

ORGANISATIONS ET CONFÉRENCES
DES NATIONS UNIES

UNITED NATIONS ORGANIZATIONS
AND CONFERENCES

PARTIE I / PART I

ADMINISTRATION DES NATIONS UNIES POUR
LE SECOURS ET LA RECONSTRUCTION (UNRRA)
UNITED NATIONS RELIEF AND REHABILITATION
ADMINISTRATION (UNRRA)

661.

DEA/2295-G-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'Etat aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1388

London, May 23, 1942

My telegram No. 207 of January 24th[†] and my letter of February 4th[†]. Inter-Allied post-war relief.

Mr. Winant has now presented to Mr. Eden the United States Government's views with regard to post-war relief. In a brief summary these are that:

(a) A United Nations Relief Council should be established. Membership should consist of high ranking representatives of United Nations and other friendly Governments who would be invited to send observers. In view of large membership Relief Council could only act as channel of communication with Governments.

(b) To provide for centralization of responsibility an Executive Committee is proposed to consist of United Kingdom, China, Soviet Union and the United States representatives with American representative as president. Consideration would have to be given to the representation of other Governments on the Committee. The extent of the powers of the Committee must be a subject for preliminary discussions.

(c) Technical Advisory Sub-Committees would be established to assist the Executive Committee in details of policy in respect of such subjects as refugees, transport, finance etc., etc.

It is suggested that the present Allied Post-War Requirements Bureau might be reconstituted as a Permanent Advisory Committee on European relief.

As the proposed Executive Committee would not deal with the operational details it is proposed to appoint a Director General of relief operations who

would organise a United Nations Relief Bureau which would be the actual working organization. The Director General would be responsible, under the Executive Committee, for carrying out all aspects of relief operations. The United Nations Relief Bureau would be instructed to obtain the full co-operation of the Red Cross and other competent private relief agencies.

United Kingdom Government welcome the United States proposals. Before accepting them they wish to obtain concurrence of Dominion Governments. They have asked me to say that they are anxious to obtain your agreement in principle as soon as possible and to add for your information that they think it would probably be necessary for the organization dealing with post-war relief to be centered on Washington but that some subsidiary part of the organization might continue to function in London. United States Government have asked that Sir Frederick Leith-Ross should go to the United States immediately for a round-table discussion to be held in Washington between representatives of the British, American, Soviet and Chinese Governments, and that, when agreement has been reached at this preliminary conference, a conference should be called of all representatives of the United Nations Relief Council. Sir Frederick Leith-Ross has instructions to keep in constant touch with the Canadian and other Dominion Legations in Washington and to consult them as to their views.

United Kingdom authorities emphasize that United States proposals should be treated as highly confidential for the present. They are particularly anxious that the Soviet authorities should not learn that they have received the United States views until there has been time to consider the best way of bringing the proposals before them.

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*Le secrétaire d'Etat aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1105

Ottawa, June 6, 1942

IMMEDIATE. Your telegrams No. 1388 of May 23rd and No. 1505 of June 6th. Canadian Government agree in principle to United States proposals for organization of post-war relief. It has been noted that preliminary draft of proposed organization does not provide for Canadian representation on Executive Committee, which is to be set up. In view of Canada's probable post-war position as a major supplier of needed foodstuffs, it will probably be found necessary to raise the question of the form of Canadian participation before proposed organization takes definite shape.

663.

DEA/2295-G-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1575

London, June 8, 1942

Your telegram No. 1105 June 6th. I heartily concur in your reference to Canadian representation on the proposed Executive Committee. In fact I had already raised this point with the United Kingdom authorities when the United States proposals were received.

I shall appreciate receiving your further instructions.

MASSEY

664.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 29, 1942

POST-WAR RELIEF AND REHABILITATION —
UNITED NATIONS ORGANIZATION

5. THE SECRETARY reported that Sir Frederick Leith-Ross, Chairman of the inter-Allied Committee in London, was at present in Ottawa for the discussion of plans for the establishment of a "United Nations Relief and Rehabilitation Administration".

These plans, which had originated in Washington, provided for an organization to be governed by a Council, consisting of representatives of each of the United Nations party to its establishment. A Policy Committee, consisting of representatives of the United States, the United Kingdom, the U.S.S.R., and China, would act as a steering committee and exercise the powers of the Council, between sessions. A Director General would carry out operations determined by the Council and the Policy Committee. Funds, supplies and services, as well as administrative expenses, would be borne by the member governments. A brief explanatory note had been circulated.

(Secretary's note, July 28, 1942—C.W.C document 241)†.

6. MR. HEENEY pointed out that the proposals for control of this body differed remarkably from the principles which had obtained for the "combined" organizations, full membership of which was limited to the United Kingdom and the United States. The new administration would be under the effective control of four nations rather than two.

7. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS pointed out that

the government had already agreed in principle to the establishment of an inter-Allied relief organization, along the lines described, subject to reservation of the Canadian claim to full membership on the governing body, based on the special Canadian interest in post-war food relief questions.

8. THE MINISTER OF NATIONAL DEFENCE said that the old argument that acceptance of full Canadian representation would open the door to similar claims by other nations, must be met at some stage; it might just as well be met now. It should be remembered that the Canadian people expected Canada to take a full part in international undertakings of this kind and even assumed that we were doing so.

9. THE PRIME MINISTER observed that Canada would be expected to contribute substantially to post-war relief. This constituted a strong argument for representation. Other nations were interested principally in the role of recipients.

10. THE WAR COMMITTEE, after further discussion, concluded that the proposals submitted did not provide for adequate Canadian representation in the organization of post-war relief and rehabilitation measures.¹

...

665.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 2, 1942

...

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

38. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS referred to the conclusion reached at the meeting of July the 31st, 1942,² regarding proposals for a post-war relief organization. The War Committee had been of the opinion that the scheme did not provide for adequate Canadian representation.

This point had been taken up with the United Kingdom who had agreed that Canada should be included in the Policy Committee which should be expanded to seven members. This view had been communicated to other Dominion governments and to the U.S.S.R. New Zealand and South Africa had agreed to the suggestion and it was understood that the U.S.S.R. would accept it as well. An explanatory note had been circulated.

(Secretary's note, November 24, 1942—C.W.C. document 340)¹.

39. THE WAR COMMITTEE noted with approval the report of the Under-Secretary of State for External Affairs.

...

¹ Voir aussi le document 210.

² La réunion a eu lieu le 29. Voir le document précédent.

¹ See also Document 210.

² The meeting was held on the 29th. See preceding document.

666.

W.L.M.K./Vol. 282

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 30, 1942

PLACE OF CANADA ON INTERNATIONAL RELIEF ORGANIZATION

You will recall that the United Kingdom sponsored an amendment to the proposals drafted in Washington which provided for the enlargement of the Policy Committee from four to seven members, the intention being that these members should be the United States, United Kingdom, U.S.S.R. and China as originally proposed, with the addition of Canada, a European ally and a Latin American country. This suggestion was submitted by London to Washington, Moscow, and Chungking. There is good reason to believe that it is acceptable in Washington and Chungking, but we have now been informed that Moscow has raised objections.

I attach a copy of a letter from Mr. Malcolm MacDonald dated December 24th¹ which contains the text of a memorandum from the Soviet Government commenting on the draft scheme, and also telegram No. 3197 of December 28th from Mr. Massey¹ reporting a discussion between Eden and Maisky on the subject. This telegram also states that London is officially forwarding their comments on the draft to Washington and that these comments will include the proposal for enlarging the Policy Committee.

The Soviet objections on this point are based on the view that decisions by the Committee should be unanimous and that the enlargement of the Committee would make unanimity difficult to secure. I doubt the wisdom of a specific unanimity rule and feel that a compromise on the lines suggested by Eden to Maisky³ should be worked out.⁴

The general trend of the Soviet criticism is to limit the power of the international relief authority. They are suggesting that the next stage should be a discussion between the United Kingdom, United States, U.S.S.R. and China, and Eden seems to have concurred in this.⁵

N. A. R[OBERTSON]

³ La suggestion d'Eden était que chaque gouvernement se réserve quant aux questions touchant les grandes lignes de la politique et que toutes les autres questions soient décidées par vote majoritaire.

³ Eden's suggestion was that each government should reserve all matters involving high policy and that everything else should be decided by majority vote.

⁴ La note suivante était écrite sur ce mémorandum:

⁴ The following note was written on the memorandum:

Gibson. Let Robertson know of note [note 5] on second page. K[ING]

⁵ Note marginale:

⁵ Marginal note:

I agree. K[ING]

667.

DEA/2295-G-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 18, 1943

Mr. Malcolm MacDonald called this afternoon for a discussion with Wrong and myself of the latest developments in the negotiations over the form of the agreement for the establishment of the United Nations Relief Organization. He left with me informally copies of five telegrams¹ which he had received from London on this subject. These were—

1. a report from Lord Halifax of a discussion between Mr. Noel Hall of the British Embassy and Mr. Acheson of the State Department on January 8th;
2. a further report from Lord Halifax of a meeting on January 11th between Mr. Hull, the Soviet and Chinese Ambassadors and himself; and
- 3, 4 and 5.—three telegrams of instructions sent to Lord Halifax by the Foreign Office on January 16th.

The position revealed by these telegrams is that there is no substantial difference outstanding between the U.K., the U.S., the U.S.S.R. and China on the form of the draft agreement except with respect to the point in which we are mainly interested—the enlargement of the Policy Committee from four to seven members so as to include in addition to the four great powers Canada, a Latin-American Ally (Brazil) and a European Ally. On this point something approaching an impasse has been reached with the United Kingdom strongly supporting the enlargement of the Committee, Russia strongly opposing and the United States and China definitely inclined to side with Russia. The issue has been broadened in these discussions so that its solution seems almost certain to affect the form of other post-war organizations.

On January 8th Acheson told Hall that Mr. Hull was disposed to favour a four-Power Committee on the ground that it would be very difficult to select one European Ally to fill the seventh place after the addition of Canada and Brazil. Halifax was instructed in reply to press for the enlargement of the Committee at the four-Power meeting on January 11th not only because of the strength of the Canadian claim for membership but also because they felt in London that the European Allies might not accept the Committee if they were not represented on it. At the four-Power meeting on January 11th other points about the draft agreement were rapidly disposed of. Litvinof argued against the enlargement of the Committee on the ground that what was done in connection with relief would be taken as a pattern for future arrangements in settling other post-war matters. Halifax reported that his argument had considerable effect on Mr. Hull.

With regard to the Canadian position Acheson suggested at this meeting that a way round the difficulty might be for Canada and the United Kingdom to be represented by two members with but one vote or alternatively that a committee of supplying countries might be set up. Halifax seems to have confined himself to pointing out that neither solution would meet the legitimate claims of the European Allies for a voice on the Policy Committee.

The instructions sent by Eden to Halifax on January 16th deal with the seven-power arrangements and with Litvinof's criticism. They say that they have been forced in London to the conclusion that the Four-Power basis will not normally be appropriate for international organizations dealing with economic problems while agreeing that it is important that the four great powers "should retain ultimate control over post-war military and political arrangements." In the case of relief the claim of Canada to membership on the directing body is described as "irresistible". Other arguments for enlargement are advanced and the hope is expressed that the Soviet Government will accept more extended control over relief and other international economic institutions, if they "can be convinced of our sincere belief in the desirability of a Four-Power political set up." Halifax is instructed to press as strongly as possible for the Seven-Power Committee.

With regard to Acheson's two suggestions, the idea of a shared membership between Canada and the United Kingdom is rejected by London as a device to give one vote to the British Empire and because the Canadian claim for membership is made on its merits as a major supplier. They also point out the dangers of introducing this principle of multiple representation. They say that if it were adopted they would have to consider whether the United Kingdom should not stand down in favour of Canada.

Acheson's second suggestion for the establishment of a Committee of Supplying countries is also rejected among other grounds because such a Committee would tend to exercise the real control of the organization. The instructions also repeat in a convincing form the arguments for representation of the European Allies on the Committee pointing out that it is essential that they should cooperate willingly and maintaining that however difficult it may be for them to agree to one European representative the alternative of complete exclusion will be less acceptable and will risk the breakdown of the whole scheme.

Mr. MacDonald said that he had been instructed to consult us informally on the situation. He is telegraphing his own comments to London but he would greatly appreciate some word from you. He is leaving for Washington tomorrow and could travel to Montreal on the same train which you will be taking if this would suit your convenience. I attach a memorandum⁶ which, if you agree with it, you might give to him or authorize me to hand to him in your name. I think it important that we should enter an immediate warning against our acceptance of the Four-Power pattern for post-war organization. This is the first occasion on which the question has come up in specific form. I would not restrict our objection to economic international organizations alone.

⁶ Voir le document suivant.

⁶ See following document.

668.

DEA/2295-G-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 105

Ottawa, January 22, 1943

SECRET. My immediately preceding telegram¹. Following is substance of memorandum, Begins: The questions raised in the recent discussion in Washington over the constitution of the Policy Committee of the United Nations Relief and Rehabilitation Administration are of interest to the Canadian Government not only in connection with the immediate question but also for their bearing on the pattern of other post-war international institutions.

With regard to the immediate question it is unnecessary to repeat the arguments for the inclusion of Canada in the Policy Committee. The merits of the Canadian claim have been recognized as irresistible by the United Kingdom Government. Mr. Acheson's suggestion that a single membership on this Committee should be shared between the United Kingdom and Canada is entirely unacceptable. His alternative suggestion for the establishment of a Committee of representatives of supplying countries would, if it were accepted, raise in our view more problems than it would solve.

We also share the opinion of the United Kingdom Government that the success of the whole relief plan will be jeopardized if it is to be controlled by a body on which none of the European Allies is represented. Difficult as the selection of one European representative may be, total exclusion from the Policy Committee would be still more difficult for the European Allies to accept.

On the broader aspects of these discussions we are concerned to note the emphasis placed by the representative of the Soviet Government on the limitation of membership of all international bodies set up to deal with the post-war settlement to representatives of the Soviet Union, China, the United States and the United Kingdom. While experience between the wars has shown the great practical difficulties of applying to membership in international bodies the legal concept of the equality of states, we are confident that no workable international system can be based on the concentration of influence and authority wholly in bodies composed of a few great powers to the exclusion of all the rest. It is not always the largest powers that have the greatest contribution to make to the work of these bodies or the greatest stake in their success. In international economic organizations such as the Relief Administration representation on such bodies can often be determined on a functional basis and in our view this principle should be applied whenever it is feasible. We are glad to note that the United Kingdom Government strongly advocates the participation of governments other than the four main powers among the United Nations in international organizations dealing with economic problems.

We find it essential, however, completely to reserve the position of the Canadian Government as to the conception that ultimate control over post-war mili-

CONSULTED SIR PETER

tary and political arrangements should be retained exclusively by the four great powers. The United Nations cannot in our view be merely divided into one group of great powers exercising responsibility on behalf of them all for the political and military settlement, and another group composed of all the rest who are excluded from responsibility, no matter how great their contribution may be nor how profound their interest in the questions to be settled. Ends.

669.

DEA/2295-G-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] February 3, 1943

INTERNATIONAL RELIEF ORGANIZATION

On January 21st the War Committee approved a memorandum to be presented to the United Kingdom High Commissioner which emphasized the need for effective Canadian representation and opposed the view, held by the Soviet Government with some support in other quarters, that effective membership of bodies set up to deal with the post-war settlement should be limited to the four largest Powers among the United Nations. This memorandum was given to Mr. Malcolm MacDonald on January 22nd and he has telegraphed its text, with his own observations in support, to London and Washington. We telegraphed the substance of the memorandum to Mr. Massey and Mr. McCarthy and asked the Legation in Washington to discuss the situation with the British Embassy, and also with the Department of State if an approach from us would not be embarrassing to the British Ambassador. It was undesirable that the case for effective Canadian representation should be made in Washington by the British Ambassador alone.

Mr. Pearson has reported on the action taken in Washington in message WA-383 of January 27th. After consulting with Mr. Noel Hall of the British Embassy he talked the whole matter over with Mr. Acheson, Assistant Secretary of State. Mr. Acheson was friendly and cooperative, saying that the difficulty over enlarging the Policy Committee to include Canada and two other members was caused by Russia and not by the United States and was purely political, probably arising because Russia did not want Poland on the Committee. He suggested that it might be necessary to revise the whole scheme and said he would welcome proposals from Canada. A reply was sent to Washington in message EX-355 of January 30th. This said that while we were most anxious that the Relief Organization should be effective and that the devastated regions should be promptly aided, we did not feel able to make suggestions on the scope and character of the whole Organization; so far as Canada was concerned we believed that it would be very difficult after the war for us to play our expected part unless we could satisfy Parliament and the public that we had a fair share in the direction of the Organization. We suggested a further discussion with Acheson.

Mr. Pearson has now reported (WA-455 of February 1st¹) that he has learnt from Mr. Hall that Mr. Acheson's position has stiffened, probably as a result of a discussion with Mr. Hull and Mr. Welles, and that, therefore, a further approach to him is unlikely to be productive. He suggests that a formal note should be presented to the Secretary of State by Mr. McCarthy setting forth the Canadian position. He is not optimistic that this will produce the desired results and thinks that the matter may have to be taken up by you with the President or, alternatively, that we may have to abandon our position.

I think that the time has come for a discussion of the situation by Mr. McCarthy with Mr. Hull. If we were to abandon our position in connection with the Relief Organization the consequences might be far-reaching and we might find ourselves sitting on the side-lines while other and still more important parts of the post-war settlement are being arranged. I doubt, however, whether it would be wise to present a formal note to the Secretary of State. This would require an answer in the name of the Government of the United States and if they took an adverse position it would be very difficult to bring about a change. Rather than freeze the situation at this time, I suggest that Mr. McCarthy should be instructed to see Mr. Hull personally and after reviewing the situation orally with him to leave with him a memorandum on the lines of the attached draft².

670.

DEA/2295-G-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-459

Ottawa, February 8, 1943

IMPORTANT. SECRET. Following from the Prime Minister, [Begins:] The War Committee has again considered the situation which has arisen over the relationship of Canada to the proposed United Nations Relief and Rehabilitation Administration. You already have full information on the state of the negotiations and on the prevailing attitude in the Department of State. As you know from messages EX-243¹ and 244¹ of January 22nd this question raises in our view very important issues which may well affect the influence and place of Canada on other international bodies to be set up to deal with the post-war settlement.

We, therefore, feel it essential to present our case strongly — a case which is "irresistible" in the view of the United Kingdom Government. You should see Mr. Cordell Hull personally as soon as possible and outline the position to him leaving with him the memorandum, the text of which is given below. This memorandum has been approved by the War Committee. You should inform the British Ambassador of your discussion with Mr. Hull and give him a copy of the memorandum for his information. If Mr. Hull is not receptive to this approach it will probably be necessary to take the matter up with the President.

The text of the memorandum is as follows, Begins:

The Canadian Government has been informed of the course of the negotia-

¹ Voir le document 668.

² See Document 668.

tions for the establishment of a United Nations Relief and Rehabilitation Administration, and of the suggestions made by the United Kingdom Government that the proposed Policy Committee of the Administration should be enlarged so as to include, in addition to representatives of the United States the United Kingdom, the Soviet Union, and China, members from three other countries, one of which would be Canada. It is understood that objection has been taken to this enlargement.

The Canadian Government considers that the enlargement of the Policy Committee (if this Committee retains in the final scheme the importance given to it in the draft proposals) is necessary to ensure the effectiveness of the Relief Administration. Unless this change is made or other alterations with equivalent effects are adopted, Canada, and no doubt other countries, will not be able to cooperate in the work of the administration as fully as they would be prepared to do if they were responsible partners in a joint international enterprise. The purpose of the Canadian Government in making their position clear at this time is to ensure that the place of Canada in the councils of the Relief Administration will match that Administration's anticipated dependence on Canada as a supplier of relief goods. Unless such a relationship is recognized by the principal participating powers Canadian cooperation in this essential project will be prejudiced from the outset. The Canadian Government and people are ready to do their full share in the task of organizing and providing post-war relief. They do not feel they can do so if effective participation in the formulation of policy is to be restricted to the four greatest powers, two of which will themselves be major recipients of relief.

There is already a good deal of public questioning over the place accorded to Canada in the various inter-allied bodies which have been set up for the direction of the war. During wartime problems of this nature are to some extent disguised, because of public concentration on the attainment of victory and because of the secrecy which must surround many aspects of war direction. After the fighting ends, the issues will be seen nakedly. The full activities of the Relief Administration will not begin until the war is over; and it will be very difficult, or even impossible, to persuade the Parliament and people of Canada to accept the financial burdens and other sacrifices, such perhaps as the continuation of rationing and other restrictions on the domestic supply of consumers' goods, which will be necessary for the provision of relief through the Administration on the expected scale, unless they are satisfied that their representatives exercise their due part in its direction.

It is appreciated that there are great practical difficulties in creating effective international agencies that are properly representative of the United Nations. These difficulties are a challenge to statesmanship; they must be faced and on their solution depends in large measure the possibility of an enduring peace. No lasting international system can be based on the concentration of influence and authority in bodies composed of a few large powers to the exclusion of the rest. Such a system would be a denial of the democratic principle. It would also be unreal, for it is not always the largest powers that have the greatest contribution to make to the work of these bodies, or the greatest stake in their success. In the opinion of the Canadian Government representation of countries on international bodies should be determined on a functional basis whenever functional

criteria can be applied; this principle can be given wide application particularly in the case of international economic and technical organizations such as the Relief Administration.

The Canadian Government, therefore, hopes that the Government of the United States will support the alteration of the draft scheme for the creation of the Relief Administration so that it will make provision for the full participation of Canada in its direction. Ends.

671.

DEA/2295-G-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] February 11, 1943

You will have seen teletype message WA-627[†] containing Mr. Pearson's report of his interviews with Mr. Sumner Welles and Mr. Acheson about Canadian membership on the Policy Committee of the United Nations Relief Organization.

Since the objection to the enlargement of the Committee comes from the U.S.S.R., Welles' suggestion that the question might be discussed between Canadian, American and Soviet representatives in Washington is not unreasonable. It might be better, however, as a first step, for us to have a talk about the situation with Mr. Gousev here and perhaps give him a copy of the memorandum setting forth the Canadian Government's position which has been communicated to the Department of State⁸. Now that there is a Soviet Minister in Canada, it would seem more logical to discuss such a question with him than to ask our Legation in Washington to take it up with the Soviet Embassy there⁹.

With regard to the difficulties over the European member of the Policy Committee, I have been wondering whether there may not be merit in the suggestion that Sweden or Switzerland should be named to the Committee instead of one of the exiled Governments in London¹⁰. I understand that the Russian objections are primarily to having Poland named as the seventh member of the Committee. From a practical administrative point of view, there appears to be a good deal to be said for having either Sweden or Switzerland participate, since the use of their territories and personnel would be very helpful to any emergency relief organization which started in Europe immediately after the close of the war. There would be difficulty in adding either Sweden or Switzerland to the Policy Committee of a United Nations organization since they do not belong to the United Nations. It might, however, be feasible to insert a clause authorizing a Policy Committee of six to co-opt a European neutral country as an additional member.

⁸ Note marginale:

⁸ Marginal note:

I agree. K[ING]

⁹ Note marginale:

⁹ Marginal note:

I w[ould] take up at once. K[ING]

¹⁰ Note marginale:

¹⁰ Marginal note:

A good suggestion. K[ING]

672. W.L.M.K./Vol. 346

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 269

Ottawa, February 17, 1943

My telegram No. 224 of February 9th. Relief Organization. Since it seems probable that the only important obstacle to the inclusion of Canada in the Policy Committee is Soviet opposition on political grounds, we have asked the Soviet Minister here to inform his Government of our views and have given him a copy of the Aide-Mémoire left with the Under-Secretary of State of the United States on February 10th.

We have suggested in Washington that consideration might be given to inclusion in Policy Committee of Sweden or Switzerland in place of one Allied European Government. This might be done by altering the draft plan so as to authorize a Policy Committee of 6 to co-opt a neutral European country as an additional member. This change would meet Russian objections to the possible selection of Poland and on other grounds full participation of Sweden or Switzerland might be useful in getting relief started in Europe immediately after the end of hostilities. You might mention this suggestion to the United Kingdom authorities.

673.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, February 24, 1943

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

12. THE SECRETARY submitted a report on Canada's relationship to the proposed organization and discussions with U.K., U.S., and Soviet representatives as to Canadian participation.

A memorandum, approved by the War Committee on February 4th, had been presented to the U.S. government and copies had also been given to the Soviet Minister in Ottawa and to the Soviet Ambassador in Washington.

In spite of these representations and the strong and steady support which the United Kingdom had given to the Canadian case, the U.S.S.R., supported by China and the United States, remained opposed to the expansion of the Policy Committee. It seemed likely that the draft agreement, unaltered in this respect, would soon be submitted to the other United Nations and a meeting to discuss it might be called in Washington before long.

In these circumstances, Canadian policy should be determined, and consideration might be given to one of three courses:

- (a) to leave matters as they were without further stressing the Canadian case (this would be tantamount to withdrawal); or,
- (b) to intimate to the four great powers that it would not be possible for Canada to participate in the proposed administration, unless she were given a position commensurate with her expected contribution; or,
- (c) to consult other of the United Nations such as the Netherlands, Belgium and Greece, to ascertain in advance whether there would be any support for a thorough-going revision of the draft agreement.

Copies of the report had been circulated.

(External Affairs memorandum, Feb. 23, 1943 — C.W.C document 418)[†].

13. THE MINISTER OF NATIONAL DEFENCE FOR AIR did not favour any consultation with other United Nations. This would give the appearance of trying to form a bloc to oppose the proposals of the four great powers.

Canada should adopt the second course suggested, and make known to Washington that we could not participate unless the Canadian position as a major supplier was recognized and the governing body expanded to give Canada a voice in effective control.

14. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS pointed out that Canada was not alone in being excluded from the Policy Committee. With the exception of the four great powers all other United Nations, some with substantial claims to be included, were in a similar position.

It might be desirable for some exchange of views to take place among the other United Nations in advance of any meeting.

15. THE PRIME MINISTER expressed the opinion that the Canadian government could not change their position. To agree to participate in an organization to which Canada would be expected to be a major contributor without an effective voice in its direction would be to sacrifice the essential support of the Canadian people for the whole undertaking.

If Canada stood firm and made it clear that participation was contingent upon a fair share in direction it was possible that reasonable adjustments could be made. This course was preferable to having Canada raise her voice in open protest at a general meeting of the United Nations, or consult others in advance.

16. THE WAR COMMITTEE, after further discussion, agreed that the second course be adopted and that Canada maintain her position, intimating to the U.K., U.S., Soviet and Chinese Governments that, unless a position in the administration commensurate with her expected contribution were accorded, it would be impossible for Canada to participate.

674.

DEA/2295-G-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures**Memorandum by Under-Secretary of State for External Affairs*

[Ottawa,] February 26, 1943

Mr. Pearson telephoned from Washington this afternoon to say that he had advised the representatives of the four Powers of the Canadian attitude in respect of the proposed composition of the International Relief Policy Committee. He had learned that Hall of the British Embassy and Acheson of the State Department had been discussing a possible alternative arrangement under which Canada would be designated in the International Relief Agreement as Chairman of the Suppliers Committee, and as such entitled to sit with the Policy Committee when supply questions were before it. It was represented that, in practice, this would be tantamount to membership.

Mr. Wrong thought that an acceptable arrangement would be to have the Chairman of the Suppliers Committee "ex-officio" a member of the Policy Committee.¹¹

675.

DEA/2295-G-40

*Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures**Minister in United States to Secretary of State for External Affairs*

TELETYPE WA-931

Washington, February 27, 1943

IMMEDIATE. Following for Robertson from Pearson, Begins: United Nations Relief Organization.

The representatives of the United States, United Kingdom, China and U.S.S.R. met at the State Department this morning and considered the draft convention. Previously I had told the British Embassy that the Canadian Government would be more likely to favour the compromise proposal regarding the Policy Committee outlined in my message of yesterday¹² if the words "will sit in with" were changed to read "should be ex officio a member of" the Committee. Speaking personally, I added that the compromise as at present drafted hardly seemed to give satisfactory recognition to the Canadian position. Apparently this suggestion was discussed at the meeting this morning and the proposed compromise clause regarding the Committee has been altered to read "The Central Committee shall invite the participation of the representative serving as chairman of the Committee of Suppliers, at those of its meetings at which policies affecting the provision of supplies are discussed". You will note that the change from "will sit in" to "participation" would make our association with the Committee stronger but does not go so far as complete membership. You

¹¹ La note suivante était écrite sur ce mémorandum: ¹¹ The following note was written on the memorandum:

I have so advised Mr. Pearson this morning making it clear that this was a personal opinion which had not been confirmed by the Cabinet. 27-2-43 R[OBERTSON]

¹² Voir le document précédent.

¹² See preceding document.

will note also that the name "Policy Committee" has been changed to "Central Committee". I believe this has been done with a view to playing down the importance of this Committee. Another change in the draft provides for the appointment of Deputy Directors General to assist the Director General, one of whom will probably represent the European Powers.

At the meeting this morning the four representatives agreed, subject to confirmation from Moscow for Litvinof, that the United States Government should be authorized to communicate officially with the Canadian Government on behalf of all four, their intention to support Canada's chairmanship of the Suppliers' Committee. Incidentally, this Committee will probably consist of Canada, Australia, United States of America, Brazil and United Kingdom.

I understand that there will be another meeting of the Four Powers within a day or two to clear up two or three more points of detail, after which the draft convention will be circulated to the United Nations. The Four Powers will then again meet to consider the draft in the light of any observations which may have been received from the other United Nations and in the hope that at the subsequent conference of the United Nations to consider the whole matter, the Four Powers may be able to act as a unit in recommending the draft to the other nations. The British Embassy feel that it will be difficult for them to stand out against the compromise clause in respect of the Central Committee as now drafted, and that on the whole it provides a satisfactory solution of this problem. They have, however, submitted the matter to London. Ends.

676.

DEA/2295-G-40

*Le sous-ministre des Finances au sous-secrétaire d'État
aux Affaires extérieures*

*Deputy Minister of Finance to Under-Secretary of State
for External Affairs*

SECRET

Ottawa, March 3, 1943

I have read cypher teletype WA-931 from the Canadian Minister at Washington regarding the United Nations Relief Organization and I am appalled by the continuing evidence it gives of lack of foresight and of realism on the part of some of our world leaders today.

It seems to me there is only one answer to be given by us, and that answer should be given now, "Thank you, boys, but count us out. We are still trying to run a democracy and there is some historical evidence to support the thesis that democracies cannot be taxed without representation. We have tried to lead our people in a full-out effort for the war, and we had hoped that we could continue to lead them in such a way as to get their support behind the provision of relief and maintenance for battle-scarred Europe in the post-war years. We will not be able to secure their support for such a program if it, as well as the economic affairs of the world generally, are to be run as a monopoly by the Four Great Powers."

I would refuse to consider a compromise or have any of our representatives talk about the terms of a possible compromise. The compromise suggested seems wholly of the kind that we saw in the Combined Food Board fiasco, but it is far more dangerous. What is done in this case will set the pattern for postwar economic organization as well as for post-war political organization. If we have any trump cards, it is in connection with this matter.

Any Canadian Government that accepts such a compromise would soon be brought to realities by the public — and would deserve what they would get.

W. C. CLARK

677.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 3, 1943

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

1. THE SECRETARY submitted an External Affairs report of recent discussions, copies of which had been circulated.

The decision taken by the War Committee on February 24th had been communicated to the U.S. government and to the British, Soviet and Chinese Ambassadors in Washington. As a result, it would probably be proposed that a Canadian be selected as chairman of a Committee of Supplies and that, as such, the Canadian representative be invited to participate in the meetings of the "Central" (formerly "Policy") Committee, when matters affecting the provision of supplies were discussed.

(External Affairs memorandum, March 2, 1943 — C.W.C. document 421)[†]

2. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS explained that under this new proposal Canada would provide the chairman of an important Committee and obtain representation on the Central Committee, which, though subject to formal limitations, might in practice mean almost complete participation. On the other hand, such an arrangement would leave the general principle of four-power control unchanged and provide no precedent in relation to other bodies.

No decision was necessary at the moment. A draft statement presumably incorporating the new proposal was to be circulated to the United Nations in the near future.

3. THE MINISTER OF FINANCE expressed the opinion that the government should not recede from the stand which had been taken. Canadian participation should be contingent upon full membership on the Central Committee. No other basis would be understood or accepted by the Canadian people.

4. THE MINISTER OF JUSTICE suggested that the new proposal was merely an attempt to meet Canada's objections indirectly, without affecting the principle of four-power control of United Nations' organizations.

5. THE MINISTER OF NATIONAL DEFENCE FOR AIR pointed out that, in this particular instance, as a major contributor of relief, Canada had a strong case for full membership. In regard to other bodies our claims would not be so firmly based. It was all the more important, therefore, to maintain our stand in this case. Otherwise, a serious precedent would be established against us.

6. THE PRIME MINISTER agreed with the views expressed. While no further decision was required, it should be intimated to the governments concerned that the Canadian government remained of the same opinion regarding Canadian membership on the Central Committee.

7. THE WAR COMMITTEE, after further discussion, noted the report submitted and agreed that the Canadian Minister in Washington be instructed accordingly.

678.

DEA/2295-G-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-763

Ottawa, March 4, 1943

SECRET. Following for Pearson from Robertson, Begins: Confirming our telephone conversation on the Relief Administration the "compromise" suggested at the last four-Power meeting was considered by the War Committee yesterday. The opinion was strongly and unanimously expressed that it would not be acceptable and that Canadian participation in the Relief Administration should be contingent on full Canadian membership on the Central Committee. It was decided that it should be intimated to the Governments concerned that the Canadian Government adheres to its view that Canada should be directly represented on the Central Committee.

For your guidance in the discussions of this matter in Washington, it is felt here that this is a test case, on the satisfactory solution of which other and perhaps more important issues will depend. If we cannot go into the Central Committee by the front door we are unwilling to use a side or back entrance. I quote for your information the following extract from a letter from the Deputy Minister of Finance:—

"We are still trying to run a democracy and there is some historical evidence to support the thesis that democracies cannot be taxed without representation. We have tried to lead our people in a full-out effort for the war, and we had hoped that we could continue to lead them in such a way as to get their support behind the provision of relief and maintenance for battle-scarred Europe in the post-war years. We will not be able to secure their support for such a program if

it, as well as the economic affairs of the world generally, are to be run as a monopoly by the Four Great Powers."

We shall inform Mr. Malcolm MacDonald of the position tomorrow if possible and we shall telegraph also to Mr. Massey the gist of this message to you.

679.

DEA/2295-G-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1017

Washington, March 4, 1943

IMMEDIATE. Following for Robertson from Pearson, Begins: Your EX-676 of February 26th¹. United Nations Relief Organization.

I saw Acheson this afternoon and told him that the compromise suggested for the purpose of associating Canada with the Central Committee of the U.N.R.R. organization was unacceptable to the Canadian Government, who remained of the opinion that Canada should be given full membership in the above Committee. I said that this attitude was determined, not only by the inherent justice of Canada's contention in respect of this matter, but that also it was felt that the U.N.R.R. organization might well be taken as the model for other post-war United Nations organizations. Canada did not wish to do anything which would indicate that she accepted the view that such organizations should in all cases be controlled by the Four Powers.

Acheson expressed very great disappointment that the compromise which had been reached with such great difficulty (he was thinking of Russia on the one hand and of the United Kingdom on the other) should have been found unacceptable to the Canadian Government. He felt that, in so far as the importance of Canada to the relief organization was concerned, this would be very definitely recognized by our chairmanship of the Supplies Committee (which, with the Director General's organization, would be the effective working relief bodies) as well as by our participation in what would virtually be all the activities of the Central Committee. He also felt that the U.N.R.R. organization would certainly not be a model for post-war political, economic or financial United Nations organizations. It was designed to deal with a specific problem, not the problem of post-war reconstruction generally, but the narrower problem, of relief for disabled countries and destitute peoples. He did not himself feel that the Canadian position in relation to any other post-war organization would be prejudiced by our acceptance of the compromise as proposed. He saw little possibility of meeting our request for full membership. The Russians and Chinese had dug themselves in firmly in opposition to a Central Committee of seven. The Russians were not willing to accept a Committee of seven even if Poland were excluded from membership. They felt that Great Britain would likely push the claims of the Netherlands which would mean a Committee of three Anglo-Saxon Powers and two of their protégés (Brazil and the Netherlands) with Russia and China alone outside this line-up. No matter how unrea-

sonable this attitude on the part of Russia may appear to be, it was one which had to be taken into consideration and which Acheson felt would not change. He was wondering what the next step should be and suggested in this regard that once they received final accession of Russia to the Draft Convention, it might possibly be of some use if he himself could go to Ottawa and explain the position as the United States saw it to the Prime Minister and his colleagues. He threw this idea out tentatively but I thought I had better pass it on to you.

I have informed the British Embassy of the content of this telegram. Ends.

680.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 5, 1943

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

16. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported developments since the last meeting.

In accordance with the decision of March 3rd, the governments concerned had been informed that the suggested compromise for Canadian participation would not be acceptable to the Canadian Government.

(Telegrams, EX-763 and WA-1017, External Affairs to Canadian Minister, Washington, and reply, Mar. 4, 1943).

17. MR. ROBERTSON also read a draft communication to the Canadian Legation in Washington for the guidance of the Minister as to the attitude of the Canadian government on the subject.¹³

18. THE MINISTER OF JUSTICE expressed the opinion that Canada should not limit the basis of her representations solely to her claim as a major supplier to full membership on the Central Committee of the Relief Administration. This would, in effect, accept the principle of control of international organizations by the great powers, with the addition, in this case, of Canada.

The main point at issue was that of participation of the lesser nations in United Nations organizations. Our representations in respect of the Relief Administration should not be inconsistent with the general democratic position that all of the allied countries should have a voice in the conduct of affairs.

19. THE WAR COMMITTEE, after further discussion, agreed that the draft communication submitted be revised in the light of the discussion.

¹³ Voir le document suivant.

¹³ See following document.

681.

DEA/2295-G-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

DESPATCH 239

Ottawa, March 9, 1943

SECRET

Sir,

With regard to the Relief Administration it may be useful to amplify the information given in my message EX-763 of March 4th. I enclose a copy of a memorandum on the subject¹ which was circulated to the Cabinet War Committee in advance of their meeting on March 3rd. The War Committee emphatically took the view that the compromise suggested at the last four-power meeting would not be acceptable. I am surprised to learn from Mr. Pearson's letter of March 2nd that both Mr. R.H. Brand and Mr. Acheson have thought that the position adopted by the Canadian Government was caused in part by their concern over the export of Canadian wheat. This is entirely a misconception and you should do your best to remove it from the minds of any who entertain it in Washington. I also enclose the full text of the letter from the Deputy Minister of Finance from which I quoted an extract in my message. This indicates in an emphatic form some of the grounds which have influenced the Government to take this stand.

Our view is that if we give way when we have so strong and reasonable a claim we are prejudicing our position in many other important matters. The political problem is there. It was stated clearly in the memorandum which was left with Mr. Sumner Welles on February 10th¹⁴ especially in the next to last paragraph. The problem must be faced, not evaded. It cannot be solved by a series of expedients. The durability of the post-war settlement depends on its solution. The Soviet Government must be brought to see this and it is greatly in the interest of the other United Nations that this should be done soon. No better opportunity seems likely to arise than this of impressing on the larger powers the importance of sharing control of international organizations with the smaller countries.

I think that you should proceed on the assumption that, unless there is some great change in conditions, the Canadian Government will refuse to participate in the Relief Administration if its constitution is not altered to meet their views. I have noted the remarks made to Mr. Pearson by Mr. Acheson which were reported in your message WA-1017 of March 4th. We cannot accept his argument that this is an isolated problem. If he reverts to his suggestion that he should visit Ottawa, you should reply that we would be glad to see him. I doubt that any arguments that he could use would affect the situation, but it might be as well for him to receive at first-hand the views of the Canadian Government. It now looks as though either there must be a change of heart on the part of the

¹⁴ Voir le document 670.

¹⁴ See Document 670.

Soviet and United States Governments or we shall have to find our own means of assisting in the relief of the devastated countries.

This despatch is intended for background information. If the draft scheme is formally submitted to the Canadian Government for observations, it will come again before the War Committee for consideration and formal reply.

I have etc.

W. L. MACKENZIE KING

682.

DEA/22-Ds

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

Ottawa, March 17, 1943

RELIEF ADMINISTRATION

Pearson tells me¹⁵ that he has had some discussions with members of Mr. Eden's staff and especially Jebb of the Foreign Office about the Relief Administration. He reports that the British are very worried over the present position. Jebb has suggested that a solution might be for Canada to take the place of the United Kingdom on the Central Committee. This possible solution was mentioned in a telegram which Malcolm MacDonald showed us some weeks ago. I gather that Lord Halifax has hinted at it also in a conversation with Mr. McCarthy.

Pearson is under the impression, however, that the British feel that if Canada were to replace them on the Central Committee we would act as the representative of the whole Commonwealth and would, on occasion, speak for the United Kingdom in particular. I think that you should know of this suggestion before Mr. McCarthy comes to Ottawa next week as he may advance it on the authority of Mr. Eden or Lord Halifax.

The idea has some attractions. It would break "the four-power front" and place Canada on an important post-war body with the United States, China and Russia. It would advertise our importance as a provider of relief and not least to the United States. It would be acceptable to public opinion in Canada.

On the other hand there are some serious disadvantages. The idea that Canada might represent the whole Commonwealth (even though this need not be formalized in any way) savors of outworn constitutional doctrine. Doubtless in the United States and elsewhere the argument would be made in some quarters that we were merely a spokesman for the United Kingdom. The absence of direct United Kingdom representation on the Central Committee would certainly not assist in the operation of relief administration. They have laid much of the groundwork and in collaboration with the European Governments have

¹⁵ Voir le document 740.

¹⁵ See Document 740.

developed the relief plans through the Committee headed by Sir Frederick Leith-Ross.

I should favour having both Canada and the United Kingdom on the Central Committee and not either Canada or the United Kingdom. It is a generous proposal for the United Kingdom to sponsor, but I am inclined to think that we ought not to accept it. If we did it would not be of much value as a precedent in determining the composition of other post-war bodies.

683.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 31, 1943

RELIEF AND REHABILITATION ADMINISTRATION

3. MR. EDEN expressed appreciation of the position taken by the Canadian government with regard to membership on the Central Committee.

The U.K. government had strongly supported the Canadian case but had encountered resolute opposition from the other great powers and, as a consequence, now found themselves in a difficult position. This was the first occasion upon which specific agreement was being sought on an important phase of international organization, and it was essential that efforts be successful.

The proposal that the Canadian representative be chairman of the Committee of Suppliers, with the right of participation in the Central Committee should go a long way toward meeting the Canadian position. Further, the Committee of Suppliers might, in the event, prove more important than the Central Committee itself, since control of supply would be the paramount factor in determining policy.

As to the future, it would be wrong to assume that the organization adopted for the Relief Administration would be a pattern for other post-war organizations and, if the Canadian government decided to accept the plan under consideration, a specific reservation in that respect could be made.

4. MR. KING suggested that the decision of the four great powers to constitute themselves an executive committee of the proposed organization would have an unfortunate effect upon the other United Nations. The Relief Administration would provide a model which would make it difficult, now or later, to achieve the co-operation and support of the smaller countries in a more broadly based United Nations organization.

5. THE MINISTER OF JUSTICE expressed the view that the smaller powers, including the British Dominions, could not be expected to give their support to a world organization based solely upon the decisions of the four great powers and controlled by them alone. No doubt the lot of the small nations in a world

controlled by the four great powers would be governed more beneficently than one governed by the Axis, but it would not differ in principle.

6. MR. EDEN agreed that authority should derive from all of the United Nations, though, necessarily, the great powers must play the major role. The problem was awkward but not insoluble. Discussions, so far, seemed to be working toward something similar to the Council of the League of Nations, possibly on a more representative basis.

7. THE U.K. HIGH COMMISSIONER TO CANADA expressed general agreement with Mr. Eden's views. While, inevitably, the four great powers must provide leadership in international organization, the smaller powers should be associated with them through some satisfactory form of representation.

8. MR. KING pointed out that Canada, in 1919, had been compelled to deal with the problem of status and international recognition. The government could not now retreat from the position taken at that time, or since, and therefore would have to oppose any great power conception of international organization.

684.

DEA/2295-G-40

*Mé morandum du sous-secrétaire d'État aux Affaires extérieures.
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] April 2, 1943

I am attaching a note¹ which Pearson prepared yesterday, reviewing the developments in the negotiations for the establishment of the Relief Administration and summarizing the arguments for and against Canadian acceptance of the so-called "compromise" arrangement, of which Mr. Eden spoke at War Committee on Wednesday.

Mr. Heeney and I saw Mr. MacDonald and Mr. Eden for a few minutes late last night. In the conversation, Mr. Eden developed the idea that there might be an exchange of letters between Canada and the United States (the latter speaking on behalf of the Big Four), confirming our understanding that any arrangements arrived at with regard to the position of the Central and Supplies Committees of the Relief Organization would not be a precedent fixing the Canadian relationship to other post-war agencies which might be established. I was rather skeptical of the value of this sort of assurance, arguing that the actual outcome of some months of pretty stubborn and contentious negotiations would be a *de facto* precedent which would be invoked, regardless of any formal reservation of the position which we and other countries concerned might agree to. Eden, however, argued quite vigorously in support of the suggested exchange of letters and thought that it would be of considerable value in preparing the way for the kind of Central Political Council which he had outlined in War Committee.

I suggested that the arrangements under consideration might be more acceptable to our Government and perhaps to a number of other Governments if the draft Relief Agreement, providing for a Central Committee of four and a Supplies Committee of seven, were to leave the names of the countries blank, to be filled in by the Conference. Eden felt that it would be very difficult to go back to the Russians with such an amendment. They had been talked into withdrawing their last sheaf of modifications of the draft and he thought they would be suspicious and opposed to a suggestion of this sort.

Eden mentioned a cable he had recently received from Evatt, insisting on Australia's right to the same position as Canada in the councils of the Relief Organization. He did not propose to take any action on this Australian request, but cited it as a further argument for clinching the arrangements under consideration as quickly as possible. If they were left open until after Evatt arrived in Washington, there was no telling what the upshot might be. Our talk did not last very long for the hour was very late and Eden was obviously pretty tired. I did not, therefore, cover the general ground as thoroughly as I would have liked to. I did stress the overall political necessity of our people feeling they were full partners in all plans for post-war organization. I told him I thought the root of the present difficulties lay in the way the Combined Boards had been shaped as agencies of the United Kingdom and United States rather than of the United Nations. Our relationship with the Combined Boards had not been very satisfactory and we wanted to see the post-war organizations get off to a good start. I thought this could only be done if the Canadian people felt that their Government was sharing as a full partner in the preparation and direction of plans to which the Canadian people themselves would be expected to make a pretty big contribution.

685.

DEA/2295-G-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1617

Washington, April 5, 1943

IMMEDIATE. Following for Robertson and Wrong from Pearson, Begins: Your EX-1195, April 5th¹. Relief. At their request, I had a talk this afternoon with Acheson, Atherton, and Dunn at the State Department and explained to them the present position of the consideration being given in Ottawa to U.N.R.R.O.; that it was hoped that the War Committee would discuss the compromise proposal on Wednesday, when some decision might be reached. I also explained why we had hoped that it might have been possible for Acheson to visit Ottawa over the week-end, but I made no effort to press further the desirability of such a visit. I gathered from a few words with Acheson after our meeting that not Berle, but the Secretary of State and Dunn had been a little worried about the visit and had wished to have a talk with me before deciding whether Acheson should go. It was felt this afternoon that there would now be no point in Ache-

son making the visit if the matter is up for decision on Wednesday and that, in any event, the arrival of Evatt on Friday night might make it a little difficult.

The State Department people felt that Evatt might be somewhat disturbed if he discovered on arrival that Acheson was in Ottawa discussing with the Canadian government the terms of Canada's association with the relief organization, especially as in any event he may not be too happy about Canada's chairmanship of the Supplies Committee (if the Canadian Government decide to accept the compromise). I therefore do not propose to bring up again the question of a visit to Ottawa by Acheson on the relief question unless you tell me to. At the same time, I still feel that at an appropriate time it would be a good thing to have him go to Ottawa and discuss other questions with the Canadian Government, more particularly that of the forthcoming Food Conference, about which I am telegraphing you separately. From my talk with him this afternoon, I am quite sure that Acheson would be glad to go.

2. I was told this afternoon that Litvinov conveyed this morning to the State Department a definite acceptance of the draft convention as amended. This has pleased them very much, as they thought that Moscow might have some last-minute hesitations or make some last-minute changes; especially as Litvinov seemed to be somewhat uneasy at the enlarged Supplies Committee, with its increased powers.

3. I pointed out to the State Department officials this afternoon that we were worried in Ottawa about the importance which might be attached to this relief convention as a precedent for subsequent United Nations organizations. They took the view that it might be a precedent very advantageous to us, in view of the probability of the Supplies Committee becoming the dominating body. My reply to this was that if every technical United Nations council was to have, alongside the "dominating body", an inner council of the big Four, the result would be confusing and unsatisfactory. They argued that this would not in fact follow, because there would probably be United Nations organizations which would have no committee of four at all. Acheson, to prove this, cited the proposed currency stabilization organization. There might also be commodity agreements in which China would play a very small part. They felt, however, that there was a good deal to be said for the inclusion of the Four Powers on their merits in the Central Committee of any relief organization, quite apart from their general political importance. Certainly Russia and China would consider relief and rehabilitation as a matter of the first and greatest importance to them. Ends.

686.

DEA/2295-G-40

*Mémoire du ministère des Affaires extérieures
au Comité de guerre du Cabinet*

*Memorandum from Department of External Affairs
to Cabinet War Committee*

Ottawa, April 6, 1943

THE UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

1. The draft agreement to establish this Organization, prepared by the United Kingdom and United States Governments and agreed to by Russia and

CONSULTER SUR PAPER

China, will be circulated to the other United Nations for their comments, if and when Canada's objections to certain of its provisions are cleared up. After circulation, a United Nations Conference will be called to consider the draft and establish the Relief Administration as an agency of the United Nations.

2. It looked for a time as if Russian opposition to some of the clauses (including amendments designed to meet Canada's position) might result in indefinite delay or even abandonment of the whole plan. This Russian difficulty has, however, now been removed by the Russians, making what they feel to be concessions to meet the British-Canadian position. The Canadian objection remains, therefore, the only outstanding problem. Its solution should make possible an early United Nations Relief Conference; failure to find a solution may prevent such a conference. We should, therefore, be certain that this failure cannot fairly be attributed to Canada.

3. The present difficulty is over the constitution of the proposed Administration. All United Nations are to be represented on its Council, as a concession to theoretical equality. In practice, however, control will be exercised through smaller committees.

4. One of these is the so-called Central Committee, which was to consist of the United Kingdom, the United States, China and Russia. As we felt that our importance in the matter of Relief was such as to warrant our inclusion, we suggested its enlargement. The United Kingdom endorsed our view and proposed its extension from 4 to 7 by the addition of Canada, possibly Brazil, and a European ally.

5. The United States have not opposed this change, but Russia has refused to accept any additions to the Central Committee. She is inspired first by the fear that a scramble for the place reserved to a European power might result in Polish membership, and secondly, by the feeling that in a Committee of 7, constituted as above, she would be in a minority of one on many questions. Russia considers the whole question to be as much political as economic. Her fears seem genuine to her, unreasonable though they may seem to us, and there seems little or no prospect of a change in the Russian attitude.

6. To solve this problem the United Kingdom and the United States have made a compromise proposal. The Central Committee should remain at 4. The Committee on Supplies of the Administration should, however, have its numbers and powers increased. Canada would become chairman of that Committee and as such would "participate in" the deliberations of the Central Committee when supply questions were under consideration.

7. The Russians have accepted this compromise on condition that the 4 members of the Central Committee be also members of the Committee on Supplies. This latter Committee would, therefore, probably consist of the following States:

Canada - (Chairman)
United States of America
United Kingdom
Union of Soviet Socialist Republics

China

Brazil

Australia

France (when there is a single French Government)

New Zealand and the Netherlands may also request representation on this Committee.

8. This is the compromise which Canada is asked to accept. We are told that its rejection may wreck the whole scheme as the Russians will not agree to a Central Committee of 7 and other solutions — such as the substitution of Canada for the United Kingdom on a Central Committee of 4 — do not appear to be feasible.

9. The chief arguments against acceptance of this compromise are:

(1) If we are to ensure the "functional approach" to the organization of the United Nations, we should now insist on its recognition. The admission of Canada to the Central Committee would mean its recognition in an unmistakable way.

(2) What is now done will be a precedent for other United Nations bodies. Therefore, if we do not get full recognition of our position now, we may expect similar treatment in other matters later.

(3) The compromise might not satisfy the Canadian people that their government was properly recognized in the direction of International relief and rehabilitation. Without such satisfaction Canadians cannot be expected to accept the sacrifices that relief contributions will entail.

(4) Qualified participation in the Central Committee accompanied by the Canadian chairmanship of the Committee on Supplies might not provide the Canadian people with the assurances required. Absolute equality on the Central Committee with the other four powers might alone suffice. If this Committee is regarded as the controlling and planning body, the Canadian people will not understand our omission from it.

(5) A Central Committee composed of the "Big Four" only might confirm the unfortunate impression that every United Nations body may be dominated by those four Powers, even though there may be other countries more interested in and important to the solution of a particular problem than China or the U.S.S.R.

10. The chief arguments for the acceptance of the compromise are:

(1) It in fact provides adequate recognition of the importance of Canada's position in relief matters by Chairmanship of the Committee on Supplies and partial membership of the Central Committee.

(2) We have tended to pay too much attention to the Central Committee and not enough to the Committee on Supplies. The latter — now that all members of the Central Committee are on it — may well become the dominating body and a Canadian will be its chairman.

(3) If this is so, this precedent will be a most satisfactory one and become the pattern for other organizations. It will represent a valid recognition of the functional principle.

CONSULTED SIR P. H. H. H.

(4) Even if the Central Committee should retain its importance, we will have full membership on it in all but name. "Participation in" and "membership of" are not actually very different, and attendance at meetings "when supply questions are under consideration" will in fact mean attendance at practically every meeting.

(5) The Canadian people, far from being dissatisfied at this recognition of Canada's position, will welcome an arrangement that makes Canada in relief matters at the least the fifth country in the world and at best the second or third.

(6) Australia and other countries which might claim equality of treatment with Canada (Australia has already done so) could not complain about this compromise as being unfair to them. We know that this is an important point, and one to which President Roosevelt attaches weight.

(7) If we reject this compromise, it may be alleged that we are responsible for the failure of the whole United Nations Relief Plan. People will not understand what will be called our "obstinacy", because to them Canada will have been offered a really important place and will have turned it down on grounds that will seem far less impressive to others than they do to us. Our position in connection with representation on other international bodies may well become weaker if we try unsuccessfully to impose our own views.

(8) The present offer is in fact in full accord with position which we sought in our representations to the State Department of February 10th. What we have insisted on is "the full participation of Canada" in the direction of the Administration, to ensure that our part was commensurate with our expected importance as a supplier.

11. It should be noted that it is intended that the membership of the Central Committee should be spelled out in the draft agreement by naming the four larger powers. The membership of the Committee on Supplies, however, would apparently not be specified in the draft agreement but it is contemplated that an assurance would be given to us in the name of the four larger powers that they would support the selection of a Canadian chairman. (There is some suggestion in the last message received from Washington that the Central Committee would itself determine the membership of the Committee on Supplies and not the full Council on which all the United Nations would be represented). An assurance of support from the four larger powers ought to be enough to guarantee the Canadian chairmanship.

12. Mr. Eden when in Ottawa laid some emphasis on the importance of our securing a formal statement that the composition of the Central Committee would not be regarded as a precedent in the establishment of other United Nations agencies. While such formal assurances often have little value, Mr. Eden felt that in this case they might be very useful in later negotiations, not only to us but also to the British Government. If, for instance, Russia, were to press for the four-power pattern in other connections the fact that we had secured such an assurance to which Russia was a party would be a valuable means of resisting pressure.

687.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, April 7, 1943

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

40. THE PRIME MINISTER pointed out that the proposal that a Canadian representative be chairman of the "Committee on Supplies" and participate in meetings of the Central Committee when matters affecting the provision of supplies were under discussion, was still before the government. The U.K. and U.S. governments were awaiting our views before communicating the draft plan to the other United Nations.

When in Ottawa, the U.K. Secretary of State for Foreign Affairs had emphasized the importance of succeeding in this first attempt to set up an important United Nations organization. Mr. Eden had not felt that the pattern adopted in the Relief Administration need become a precedent for further international organizations. He had laid some emphasis on obtaining an exchange of notes to this effect.

The present proposal did not remove the basis of the Canadian objection, namely, control of an important United Nations agency by the four great powers, though it went some distance in meeting the Canadian claim to major participation. Nevertheless, the Canadian government would be subject to severe criticism both inside and outside Canada if it could be alleged that we were responsible for the failure of the whole United Nations relief plan.

An explanatory note had been circulated.

(External Affairs memorandum, April 6, 1943 — C.W.C. document 470).

41. THE MINISTER OF NATIONAL DEFENCE felt that the Canadian people would be satisfied to have the Canadian representative as chairman of the Committee on Supplies in the manner suggested. The solution proposed should be accepted but it should, at the same time, be made clear that Canada did not accept the principle of four-power control of international organizations.

42. THE MINISTER OF MUNITIONS AND SUPPLY agreed with Mr. Ralston. In the circumstances the solution proposed was the best we could hope for and would give Canada substantially what had been asked.

43. THE MINISTER OF FINANCE felt that no undertaking as to the establishment of a precedent would have any effect. If Canada withdrew from the position taken by the government in this instance, where the Canadian case was strong, her claims upon other international organizations would be hopelessly prejudiced. It might be preferable to stay out of the Administration altogether and confine the Canadian role to independent co-operation in the provision of supplies.

44. THE MINISTER OF NATIONAL DEFENCE FOR AIR was inclined to agree with the Minister of Finance.

CONSULTED FOR FILE

45. THE WAR COMMITTEE, after further discussion, agreed, in the circumstances, to accept the compromise proposed for Canadian association with the Relief Administration, it being understood that an undertaking would be requested that the form of the Administration would not constitute a precedent for other United Nations organizations and that acceptance did not affect the Canadian government's views on the principle of control of United Nations organizations by the four great powers.

688.

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Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1248

Ottawa, April 7, 1943

Your WA-1617 of April 5th.

War Committee today agreed to accept main constitutional provisions of Relief Administration draft as now revised, without prejudice to a number of observations on drafting points which will be sent forward when draft is communicated to us officially. The Government's agreement has in large part been determined by their desire that international organization in this field should get under way as soon as possible.

In informing State Department and representatives of other prospective members of the Central Committee of this decision, you should make it clear that Canadian concurrence is on understanding that they will use their best endeavours to secure the selection of a Canadian as Chairman of Committee on Supplies of which members of the Central Committee will themselves be members. At the same time it should be understood that our acceptance of these arrangements in the particular case of the Relief Administration does not indicate any withdrawal from position we have taken that the four-power pattern is not in principle an acceptable form of international organization, that representation on international bodies should whenever possible be determined on a functional basis, and that the proposed form of the Central Committee will not be regarded as a precedent in other connections.

Please discuss with Acheson and British Embassy the manner in which these understandings can best be recorded.

689.

DEA/2295-G-40

Le sous-secrétaire d'État adjoint aux Affaires extérieures
au ministre-conseiller, la légation aux États-Unis

Assistant Under-Secretary of State for External Affairs
to Minister-Counsellor, Legation in United States

SECRET

Ottawa, April 8, 1943

Dear Mr. Pearson,

You were doubtless glad to get last night our message EX-1248 giving you the War Committee's decision on the Relief Administration. I enclose a copy of

the memorandum which was before the War Committee. You will recognize from it that you had a considerable hand in its authorship.

Yours sincerely,

HUME WRONG

690.

DEA/2295-G-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1684

Washington, April 9, 1943

IMMEDIATE. Your EX-1248, April 7th, relief. I saw Acheson and Noel Hall yesterday afternoon and gave them letters[†] based on the above teletype. I thought I had better do this at once, pending a discussion of a more formal way in which the understandings of your teletype could best be recorded. Both Acheson and Hall were very pleased with the information I gave them, and the former said that Mr. Hull also, whom he saw immediately after my earlier telephone call yesterday morning, had also expressed his great satisfaction at the position we had now adopted.

2. There is one possible difficulty in respect of the recording of these understandings, namely, that all our previous correspondence and discussions concerning this matter in Washington have necessarily been informal, in view of the fact that the Draft Convention has not yet been circulated officially. As you know, our most important communication to the State Department on the subject took the form of a memorandum¹⁶. Any formal and official communications to the State Department and to the other three Governments registering our position and requiring formal answers would therefore put on record the fact that we had been consulted and worked out an arrangement about this matter before Australia or other countries concerned had had the same opportunity. At our discussion yesterday afternoon the following procedure was therefore suggested: The State Department will call a meeting as soon as possible of the Ambassadors of the United Kingdom, U.S.S.R. and China and read to them the letter[†] I left with Acheson. The minutes of this meeting will record the agreement of the representatives of the four Governments on the points we have made as conditions to our acceptance of the Convention as now drafted. Later, when the draft is officially circulated, we can, as part of the official observations which we will make thereon to the State Department, include the points made in your teletype. The State Department could then, in their reply to our official observations, accept those points.

3. It was also suggested that the recording of these understandings by the United Kingdom Government might better be done through the United Kingdom High Commissioner in Ottawa and the Government in London than through the British Embassy here; if, indeed, any additional recording is required by the United Kingdom Government apart from that outlined above.

¹⁶ Voir le document 670.

¹⁶ See Document 670.

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4. I would be glad to have your views on the above suggested procedure.
Ends.

691.

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*Le haut commissaire en Grande-Bretagne au sous-secrétaire d'État
aux Affaires extérieures*

*High Commissioner in Great Britain to Under-Secretary of State
for External Affairs*

CONFIDENTIAL

London, April 10, 1943

Dear Mr. Robertson,

I have informed the United Kingdom government of the information conveyed in your telegram No. 554 of April 7th and have sent a personal letter to Mr. Eden on this subject as you requested.

Perhaps I might be permitted to say how disappointed I was when I learned that the War Committee of the Cabinet had felt obliged to withdraw their claim to full membership of the post-war relief administration and had accepted the compromise proposal. One could hardly imagine a case offering us sounder grounds for making a claim for full membership of an international body. It was clear, of course, that the American and Russian objections were too strong to be overcome, but I cannot help feeling that we would have been in a better position to secure our rightful place in international bodies in the future if we had carried out our intention of quietly withdrawing altogether from the relief administration if our claim could not be met.

I feel very doubtful whether we can place much reliance on any undertakings which the American Government might give us that this particular decision will not be regarded as a precedent in the future. One of the arguments advanced by the Russians against our full membership of the policy committee of the post-war relief administration was precisely that it might be a precedent for the future. They will presumably attach a similar significance to our non-membership and will use it as an argument on future occasions.

I am not impressed by the value to us of presence on the supplies committee of the four great powers. The membership that will matter is that of the policy committee. In the next few months we shall no doubt move rapidly towards some form of post-war international organization. So far as Canada is concerned, there seem to be two lions in the path. One of these is the "big power complex" which has appeared in this particular issue, and the other is the old objection, so powerful in Washington in 1919-20, to the presence on any body of two or more member states of the British Commonwealth. This latter apprehension, to judge from the correspondence, was not absent from the minds of American officials on this occasion. Unless we can deal effectively with both these obstacles our way will be a difficult one. The key of the problem is of course representation on a "functional basis" and I feel we should stress this in and out of season. It is a time for toughness.

Yours sincerely,

VINCENT MASSEY

692.

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Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1297

Ottawa, April 12, 1943

CONFIDENTIAL. Your WA-1684 of April 9th, Relief Administration. Our impression was that the United States Government would assure us in the name of the four powers that at any rate two of the four points set out in our message EX-1248 of April 7th were accepted by them all. These two points would be (1) the understanding that they would use their best endeavours to secure the selection of a Canadian as chairman of the Committee on Supplies and (2) that they did not regard the proposed form of the Central Committee as a precedent in other connections. We presumably cannot ask the four powers to do more than note our views on the other two points: (3) that the four-power pattern is not in principle an acceptable form of international organization and (4) that representation on international bodies should whenever possible be determined on a functional basis.

2. We see some difficulties over applying the procedure whereby the necessary assurances would be conveyed to us by the State Department as part of their formal reply to our formal observations on the draft agreement. Could not these assurances be better conveyed following the next four-power meeting in a memorandum in reply to our memorandum of February 10th which would convey to us the stipulations as recorded in the minutes? This would close the matter promptly without requiring the presentation of a formal note at this stage.

3. Another possibility might be that when the draft is formally circulated by the Department of State to the United Nations the covering note to Canada might set forth the understandings.

4. It is far from unlikely that a good many other complications will arise before the draft is generally accepted. Naturally we wish to have the present position, which has only been reached after long and difficult negotiations, clearly defined before new problems come to the front.

5. If it is correct that the United States Government will record the understandings in the name of all four Governments, it seems unnecessary to seek any separate undertaking by the United Kingdom Government as suggested in your paragraph 3.

693.

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Le ministre-conseiller, la légation aux États-Unis,
au secrétaire d'État adjoint des États-Unis

Minister-Counsellor, Legation in United States, to
Assistant Under-Secretary of State of United States

Washington, April 13, 1943

Dear Mr. Acheson,

May I refer to our discussion on April 8th concerning the association of Canada with the proposed United Nations Relief and Rehabilitation Administration and my letter to you of that date on the same subject? You will recall that this letter informed you of the acceptance by the Canadian Government of the main constitutional provisions of the Draft Convention, on the understanding that their position in respect of certain matters arising out of the Convention could be accepted and suitably recorded by the Governments to be represented on the Central Committee of the proposed Administration.

In communicating to the Canadian Government the results of our conversation, I pointed out that you had mentioned a possible difficulty in formally recording these understandings now, arising out of the fact that all our previous correspondence and discussions concerning this matter in Washington had necessarily been informal, in view of the fact that the Draft Convention had not been circulated officially. Therefore, as you pointed out, any official Canadian communications to the State Department and to the other three Governments registering Canada's position and requiring formal replies would put on record the fact that we had been consulted and had worked out an arrangement about this matter before certain other countries concerned had had the same opportunity. I therefore suggested to Ottawa a procedure which you felt might be satisfactory, namely, that the State Department would call a meeting as soon as possible of the Ambassadors of the United Kingdom, the U.S.S.R., and China and read to them my letter to you of April 8th. The minutes of this meeting would then record the agreement of the representatives of the four Governments on the points made by the Canadian Government as conditions to their acceptance of the Convention as now drafted. Later, when the Convention was officially circulated, the Canadian Government could, as part of the official observations which they will make thereon to the State Department, include the points which they have already made through the less formal procedure outlined above.

I have now heard from the Canadian authorities on this matter. They feel that they cannot ask the representatives of the four Powers on the Central Committee of U.N.R.R.A. to do more than note the views of the Canadian Government on the following two points: (a) that the Four-Power pattern is not in principle an acceptable form of international organization, and (b) that representation on international bodies should, whenever possible, be determined on a functional basis. They hope, however, that in respect of the other two points, the agreement of the four Powers will not merely be recorded in the minutes of a meeting held to discuss this matter, but that this agreement might be conveyed in the name of those representatives by the State Department to the Canadian Government. These other two points are: (a) the Governments of the United States, United Kingdom, U.S.S.R. and China will use their best endeavours to secure the selection of a Canadian as Chairman of the proposed Committee on Supplies, and (b) they do not regard the proposed form of the Central Committee as a precedent in other connections.

It is hoped that, following the next Four-Power meeting called to discuss this matter, these assurances could be conveyed in a memorandum from the State

Department in reply to our memorandum of February 10th. This would close the matter promptly, without requiring the presentation of a formal note by the Canadian Government at this stage, and would avoid precedural difficulties which might arise if the necessary assurances were conveyed to the Canadian Government as part of a formal reply to Canadian official observations on the Draft Convention.

Another possible procedure would be that, when the draft is formally circulated by the Department of State to the United Nations, a covering letter sent therewith to Canada might note the Canadian views on the first two points referred to above and record the agreement of the four Governments on the other two.

Yours sincerely,

L. B. PEARSON

694.

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Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1764

Washington, April 14, 1943

Your EX-1297, April 12th, relief. Procedure recommended has been taken up with Acheson, who told me that there was a meeting of the Four Powers on Monday, at which the Canadian position as outlined in my letter to him of April 8th¹⁷ was discussed. The British, Chinese, and Soviet representatives have cabled their Governments for permission to give us assurances in respect of election to Chairmanship of the Supplies Committee. Acheson is somewhat more worried about the other assurance required, namely, that the proposed form of the Central Committee is not to be regarded as a precedent in other connections. He states that it is obvious that if the United Nations do not wish it to be a precedent, it will not in fact become one, but that there may be some difficulty in securing a statement to this effect on behalf of the Four Powers. However, these were merely his preliminary observations, and I expect to have another talk with him about the matter after he has had an opportunity of considering the points raised in your EX-1297.

695.

DEA/2295-G-40

Le sous-ministre des Finances au sous-secrétaire d'État
aux Affaires extérieures

Deputy Minister of Finance to Under-Secretary of State
for External Affairs

Ottawa, April 15, 1943

I have yours of yesterday's date transmitting copy of cypher teletype WA-1764, dated April 14, 1943, from the Canadian Minister in Washington, and

¹⁷Voir le document 690.

¹⁷See Document 690.

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relating to Canada's position vis-à-vis the Relief and Rehabilitation Administration. It seems to me that Acheson's expressed worries over the possibility of getting Russia, China and United Kingdom to give us the assurance that the proposed form of the Central Committee is not to be regarded as a precedent in other connections, is a complete confirmation of the fundamental worry we had from the beginning. It appears to show that fundamental issues must be faced and that appeasement policies will not work.

W. C. CLARK

696.

DEA/2295-G-40

*Le ministre en Union soviétique au secrétaire d'État
aux Affaires extérieures*

*Minister in Soviet Union to Secretary of State
for External Affairs*

TELEGRAM 31

Kuibyshev, April 17, 1943

Your telegram No. 6 of April 8th¹, Relief Administration. I had an opportunity yesterday of discussing with Lozovsky¹⁸ Canadian participation in relief organization. I told him of our disapproval of Four-Power pattern, giving reasons. He appeared to be familiar with the general proposal but not with arguments supporting previous [*sic*] representation on Central Committee. I mentioned that Canada and United Kingdom did not by any means always act together. He asked me if we did not, as part of the British Empire, subscribe to the British policy, and this made it necessary for me to explain Canada's constitutional position, adding that we stood for establishment of international order preventing another world war, which required cooperation of all nations. Lozovsky took in what I said and told me he would advise Molotov.

697.

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*Le ministre en Union soviétique au secrétaire d'État
aux Affaires extérieures*

*Minister in Soviet Union to Secretary of State
for External Affairs*

TELEGRAM 32

Kuibyshev, April 17, 1943

Your telegram No. 6 of April 8th¹, and my telegram No. 31 of April 17th, touching on possible Soviet apprehension that Canada and United Kingdom always act together.

In my opinion there is also apprehension that we will support the United States whom Soviet Government do not want to see taking too active a part in Europe. Soviet Government, basing its policy on Anglo-Soviet alliance, appear

¹⁸ Sous-ministre des Affaires étrangères de l'Union soviétique.

¹⁸ Deputy Minister of Foreign Affairs of Soviet Union.

to be thinking in regional terms; United Kingdom as leader of Western and Soviet Union Eastern Europe, with neither interfering too much with the other. China is welcomed to Four-Power Council as representative of another region, as offset to influence of United States, and tending to divert that influence to other regions where United States sea and air power will be predominant.

This purely personal view suggests, as Soviet Government is thinking of regional groups rather than collective security, they would not regard Canada as entitled to voice at Four-Power Council; they would hold that we were not leader of any group and that anyway we would be represented as British country by United Kingdom and as American country by the United States. I shall lose no opportunity to contest this view of our position.

698.

DEA/2295-G-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1780

Ottawa, May 14, 1943

Following for Pearson from Robertson, Begins: Soviet and Chinese Ministers have been informed that their Governments are agreeable to the nomination of Canadian representative as Chairman of Supplies Committee to be set up as part of International Relief Administration.

699.

DEA/2295-G-40

Le chargé d'affaires des États-Unis au
secrétaire d'État aux Affaires extérieures
Chargé d'Affaires of United States to
Secretary of State for External Affairs

No. 907

Ottawa, June 10, 1943

Sir,

Acting on the instructions of my Government, I have the honor to transmit to you herewith for the consideration of your Government a draft agreement for the establishment of a United Nations Relief and Rehabilitation Administration, together with an explanatory memorandum relating thereto¹.

I know that your Government has been giving attention to the problems of relief and rehabilitation which will exist after the war and in war-torn areas as they are liberated from control of the enemy even before the termination of hostilities. My Government will be happy to collaborate with the Government of Canada in developing plans for joint action by the United Nations and the other nations associated with them in this war in meeting these vast and challenging problems.

In order to secure a basis for general discussion of the subject, my Government has been engaged in informal discussions with the British Government, the Soviet Government and the Chinese Government; the enclosed draft meets with the approval of those governments.

This draft is being brought to the attention of all of the United Nations and of the nations associated with them in this war. It is also being placed before the appropriate French authorities.

The representative of your Government in Washington is being informed regarding the substance of this note and he is being told that the Secretary of State and the other officers of the Department of State dealing with this subject will hold themselves in readiness to discuss with him any questions or suggestions which your Government may wish to present. In order to forestall speculation as to the terms of the proposal, arising out of the wide public interest in the matter in many countries, the text of the draft agreement will be released to the press for publication after nine o'clock p.m. Washington time on the day on which it is being placed before the Governments; the explanatory memorandum will be given to the press for background purposes at the same time. In making this release to the press the Government will make it clear that the draft agreement is tentative and that no action will be proposed until all of the governments concerned have had an opportunity for full consideration and discussion of the proposal. The Government of Canada will feel free, of course, to release the text or to discuss the actual terms of the draft agreement with the press at any time after the time set for the release in Washington.

In view of the tremendous scope of the problems of relief and rehabilitation which will face our nations and of the possibility that large scale assistance will be required for civilians who may be freed from Axis domination in the near future, action by the United Nations and the nations associated with them is of the utmost importance. It is the hope of the Government of the United States, therefore, that your Government will be in position shortly to join with the United States and the other nations in definitive action on this matter.

Accept etc.

LEWIS CLARK

[PIÈCE JOINTE/ENCLOSURE]

*Projet d'accord établissant l'Administration des Nations Unies
pour le secours et la reconstruction*

*Draft Agreement for Establishment of United Nations Relief
and Rehabilitation Administration*

The Governments or authorities whose duly-authorized representatives have subscribed hereto,

Being United Nations or being associated with the United Nations in this war,

Being determined that immediately upon the liberation of any area by the armed forces of the United Nations the population thereof shall receive aid and relief from their sufferings, food, clothing and shelter, aid in the prevention of

pestilence and in the recovery of the health of the people, and that preparation and arrangements shall be made for the return of prisoners and exiles to their homes, for the resumption of agricultural and industrial production and the restoration of essential services, to the end that peoples once freed may be preserved and restored to health and strength for the tasks and opportunities of building anew,

Have agreed as follows:

ARTICLE I

There is hereby established the United Nations Relief and Rehabilitation Administration.

1. The Administration shall have power to acquire, hold and convey property, to enter into contracts and undertake obligations, to designate or create agencies and to review the activities of agencies so created, to manage undertakings and in general to perform any legal act appropriate to its objects and purposes.

2. Subject to the provisions of Article VII, the purposes and functions of the Administration shall be as follows:

(a) To plan, coordinate, administer or arrange for the administration of measures for the relief of victims of war in any area under the control of any of the United Nations through the provision of food, fuel, clothing and other basic necessities, housing facilities, medical and other essential services; and to facilitate in areas receiving relief the production and transportation of these articles and the furnishing of these services so far as necessary to the adequate provision of relief. The form of activities of the Administration within the territory of a member government wherein that government exercises administrative authority and the responsibility to be assumed by the member government for carrying out measures planned by the Administration therein shall be determined after consultation with and with the consent of the member government.

(b) To formulate and recommend measures for individual or joint action by any or all of the member governments for the coordination of purchasing, the use of ships and other procurement activities in the period following the cessation of hostilities, with a view to integrating the plans and activities of the Administration with the total movement of supplies, and for the purpose of achieving an equitable distribution of available supplies. The Administration may administer such coordination measures as the member governments authorize.

(c) To formulate and recommend for individual or joint action by any or all of the member governments measures with respect to such related matters, arising out of its experience in planning and performing the work of relief and rehabilitation, as may be proposed by any of the member governments and approved by unanimous vote of the Central Committee.

ARTICLE II

MEMBERSHIP

The members of the United Nations Relief and Rehabilitation Administration shall be the governments or authorities signatory hereto and such other

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governments or authorities as may upon application for membership be admitted thereto by action by the Council or between sessions of the Council, by the Central Committee. Wherever the term "member government" is used in this Agreement it shall be construed to embrace such authorities as shall have signed the Agreement or shall subsequently become members of the Administration.

ARTICLE III

THE COUNCIL

1. Each member government shall name one representative, and such alternates as may be necessary, upon the Council of the United Nations Relief and Rehabilitation Administration, which shall be the policy-making body of the Administration. The Council shall, for each of its sessions, select one of its members to preside at the session.

2. The Council shall be convened in normal session not less than twice a year by the Central Committee. It may be convened in special session whenever the Central Committee shall deem necessary, and shall be convened within thirty days after request therefor by a majority of the members of the Council.

3. The Central Committee of the Council shall consist of the representatives of China, the Union of Soviet Socialist Republics, the United Kingdom, and the United States of America, with the Director General presiding. Between sessions of the Council it shall exercise all the powers and functions thereof. It shall invite the participation of the representatives of any member government at those of its meetings at which action of special interest to such government is discussed. It shall invite the participation of the representative serving as Chairman of the Committee on Supplies of the Council at those of its meetings at which policies affecting the provision of supplies are discussed.

4. The Committee on Supplies of the Council shall consist of the members of the Council, or their alternates, representing those member governments likely to be principal suppliers of materials for relief and rehabilitation. The members shall be appointed by the Central Committee, with the approval of the Council if it be in session and otherwise subject to its ratification. The Committee on Supplies shall consider, formulate and recommend to the Central Committee and the Council policies designed to assure the provision of required supplies. The Central Committee shall from time to time meet with the Committee on Supplies to review policy matters affecting supplies.

5. The Committee of the Council for Europe shall consist of all the members of the Council, or their alternates, representing member governments of territories within the European area, and such other members of the Council, representing other governments directly concerned with the problems of relief and rehabilitation in the European area, as shall be appointed by the Central Committee, with the approval of the Council if it be in session and otherwise subject to its ratification. The Committee of the Council for the Far East shall consist of all the members of the Council, or their alternates, representing member governments of territories within the Far Eastern area, and such other members of the Council representing other governments directly concerned with the problems of relief and rehabilitation in the Far Eastern area as shall be appointed by

the Central Committee, with the approval of the Council if it be in session and otherwise subject to the Council's ratification. The regional committees shall normally meet within their respective areas. They shall consider and recommend to the Council and the Central Committee policies with respect to relief and rehabilitation within their respective areas. The Committee of the Council for Europe shall replace the Inter-Allied Committee on European Post-war Relief established in London on September 24, 1941 and the records of the latter shall be made available to the Committee for Europe.

6. The Council shall establish such other standing regional committees as it shall consider desirable, the functions of such committees and the method of appointing their members being identical to that provided in paragraph 5 of this Article with respect to the Committees of the Council for Europe and for the Far East. The Council shall also establish such other standing committees as it considers desirable to advise it, and, in intervals between sessions of the Council, to advise the Central Committee. For such technical standing committees as may be established, in respect of particular problems such as nutrition, health, agriculture, transport, repatriation, and finance, the members may be members of the Council or alternates nominated by them because of special competence in their respective fields of work. The members shall be appointed by the Central Committee, with the approval of the Council if it be in session and otherwise subject to its ratification. Should a regional committee so desire, subcommittees of the technical standing committees shall be established by the technical committees in consultation with the regional committees, to advise the regional committees.

7. The travel and other expenses of members of the Council and of members of its committees shall be borne by the governments which they represent.

8. All reports and recommendations of committees of the Council shall be transmitted to the Director General for distribution to the Council and the Central Committee by the secretariat of the Council established under the provisions of Article IV, paragraph 4.

ARTICLE IV

THE DIRECTOR GENERAL

1. The executive authority of the United Nations Relief and Rehabilitation Administration shall be in the Director General, who shall be appointed by the Council on the nomination by unanimous vote of the Central Committee. The Director General may be removed by unanimous vote of the Central Committee.

2. The Director General shall have full power and authority for carrying out relief operations contemplated by Article I, paragraph 2 (a), within the limits of available resources and the broad policies determined by the Council or its Central Committee. Immediately upon taking office he shall in conjunction with the military and other appropriate authorities of the United Nations prepare plans for the emergency relief of the civilian population in any area occupied by the armed forces of any of the United Nations, arrange for the procurement and assembly of the necessary supplies and create or select the emergency organization required for this purpose. In arranging for the procurement, transporta-

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tion, and distribution of supplies and services, he and his representatives shall consult and collaborate with the appropriate authorities of the United Nations and shall, wherever practicable, use the facilities made available by such authorities. Foreign voluntary relief agencies may not engage in activity in any area receiving relief from the Administration without the consent and unless subject to the regulation of the Director General. The powers and duties of the Director General are subject to the limitations of Article VII.

3. The Director General shall also be responsible for the organization and direction of the functions contemplated by Article I, paragraphs 2(b) and 2(c).

4. The Director General shall appoint such Deputy Directors General, officers, expert personnel, and staff at his headquarters and elsewhere, including field missions, as he shall find necessary, and he may delegate to them such of his powers as he may deem appropriate. The Director General, or upon his authorization the Deputy Directors General, shall supply such secretariat and other staff and facilities as shall be required by the Council and its committees, including the regional committees and subcommittees. Such Deputy Directors General as shall be assigned special functions within a region shall attend meetings of the regional standing committee whenever possible and shall keep it advised on the progress of the relief and rehabilitation program within the region.

5. The Director General shall make periodic reports to the Central Committee and to the Council covering the progress of the Administration's activities. The reports shall be made public except for such portions as the Central Committee may consider it necessary, in the interest of the United Nations, to keep confidential. The Director General shall also arrange to have prepared periodic reports covering the activities of the Administration within such region and he shall transmit such reports with his comments thereon to the Council, the Central Committee and the respective regional committees.

ARTICLE V

SUPPLIES AND RESOURCES

1. Each member government pledges its full support to the Administration, within the limits of its available resources and subject to the requirements of its constitutional procedure, through contributions of funds, materials, equipment, supplies and services, for use in its own, adjacent or other areas in need, in order to accomplish the purposes of Article I, paragraph 2(a). All such contributions received by the Administration shall be accounted for.

2. The supplies and resources made available by the member government shall be kept in review in relation to prospective requirements by the Director General, who shall initiate action with the member governments with a view to assuring such additional supplies and resources as may be required.

3. All purchases by any of the member governments, made outside their own territories during the war for relief or rehabilitation purposes, shall be made only after consultation with the Director General, and shall, so far as practicable, be carried out through the appropriate United Nations agency.

ARTICLE VI

ADMINISTRATIVE EXPENSES

The Director General shall submit to the Council an annual budget, and from time to time such supplementary budgets as may be required, covering the necessary administrative expenses of the Administration. Upon approval of a budget by the Council the total amount approved shall be allocated to the member governments in proportions to be determined by the Council. Each member government pledges itself, subject to the requirements of its constitutional procedure, to contribute to the Administration promptly its share of the administrative expenses so determined.

ARTICLE VII

Notwithstanding any other provision herein contained, while hostilities or other military necessities exist in any area, the Administration and its Director General shall not undertake activities therein without the consent of the military command of that area, and unless subject to such control as the command may find necessary. The determination that such hostilities or military necessities exist in any area shall be made by its military commander.

ARTICLE VIII

AMENDMENT

The provisions of this agreement may be amended by unanimous vote of the Central Committee and two-thirds vote of the Council.

ARTICLE IX

ENTRY INTO FORCE

This Agreement shall enter into force with respect to each signatory on the date when the Agreement is signed by that signatory, unless otherwise specified by such signatory.

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Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-2869

Washington, June 14, 1943

Following for Robertson from Allard, Begins: Reference Legation's despatch No. 861 of April 13th, 1943¹⁹, covering copy of letter sent to Mr. Dean Acheson concerning the association of Canada with the proposed United Nations Relief and Rehabilitation Administration¹⁹. Mr. Acheson has now replied (June 12th) in the following sense:

"Dear Mr. Pearson: I am now in a position to reply to your letter of April 13th, 1943, and to give you information which I hope will meet fully the con-

¹⁹ Voir le document 693.

¹⁹ See Document 693.

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cern of your Government with respect to the draft agreement for a United Nations Relief and Rehabilitation Administration.

“At a meeting of the representatives of the British Government, the Soviet Government, the Chinese Government and this Government on April 12th, 1943, I read for the information of those present the text of your letter of April 8th²⁰. All of those present expressed their gratification at the willingness of the Canadian Government to cooperate with the plan set forth in the draft agreement. At the same time they took cognizance of the statement that Canadian acceptance of the proposed plan is based on the following points of understanding:

(a) That the prospective members of the Central Committee will use their best endeavours to secure the selection of a Canadian as Chairman of the Committee on Supplies.

(b) That in the view of the Canadian Government the Four-Power pattern is not in principle an acceptable form of international organization.

(c) That in its view representation on international bodies should whenever possible be determined on a functional basis; and

(d) That the Canadian Government does not regard the proposed form of the Central Committee as a precedent in other connections.

“As you point out in your letter of April 13th, there seems to be no need for comment on points (b) and (c) as listed above. With regard to point (d) I believe I can say that there has been nothing in the discussions of the representatives of the Four Powers to indicate that any of these Powers take the position that the form of organisation proposed in the draft agreement for a Relief and Rehabilitation Administration would in any sense set a precedent for the form of any other international organisation. With respect to point (a) I can say that the representatives of the other three Governments have been empowered to join with me in stating that the Four Powers will use their best endeavours to secure the selection of a Canadian as Chairman of the Committee on Supplies of the Council.

“In view of the statements made above I suppose that this communication can be considered as a satisfactory conclusion of the discussion of these matters that has taken place between your Government and my Government, and that no further response is required on the part of the Department of State to the Canadian Legation memorandum of February 9th, 1943, which you placed before the Under-Secretary of State, Mr. Welles, on February 10th. Sgd. Dean Acheson.”

You will no doubt wish to discuss this matter with Mr. Pearson while he is in Ottawa. Meanwhile, pending Mr. Pearson's return, no reply will be made to Mr. Acheson's letter unless instructions to that effect are received. Ends.

²⁰ Voir le document 690.

²⁰ See Document 690.

701.

DEA/2295-G-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-2458

Ottawa, June 28, 1943

Following for Pearson from Wrong, Begins: With reference to paragraph two of my EX-2330 of June 19th¹ concerning the Relief Administration, there is one point in Acheson's letter to you of June 12th which is not entirely satisfactory. We asked for an understanding that the Four Powers would not regard the proposed form of the Central Committee as a precedent in other connections but this has been altered in Acheson's letter by the substitution of the Canadian Government for the Four Powers. You will remember that Mr. Eden, when in Ottawa, urged strongly that an assurance of this nature would be useful in other connections. The Prime Minister thinks that Acheson's attention should be drawn to this change and that it should be made clear to the State Department that we hold to what we said and meant. In view, however, of the explanation of this point given in Acheson's letter it is not necessary to seek an alteration in writing to the assurances given us, so long as our position is made clear at the Department of State.

We shall send the Legation very shortly a number of comments on the Draft Agreement for presentation to the Secretary of State. These embody most of the points made in your letter of June 19th¹.

702.

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Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-3197

Washington, July 1, 1943

Following for Wrong from Pearson, Begins: Your EX-2458, June 28th, Relief Administration. I have taken up with Acheson verbally and by letter the point referred to. Acheson tells me that Congress is now expressing much interest in the draft convention and that he is spending considerable time with Committees of that body in order to remove fears that the United States may become a "Santa Claus" in relief matters. He stated also that the European Allied powers had also approached him and that he was trying to remove their fears that the United States, the United Kingdom, China, and U.S.S.R. were attempting to dominate them in relief matters. Acheson is somewhat depressed. In his opinion, the Conference is not now likely to meet before the beginning of September. Ends.

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Le ministre aux États-Unis au secrétaire d'État des États-Unis
Minister in United States to Secretary of State of United States

No. 355

Washington, July 5, 1943

Sir,

With his Note No. 907 of June 10th, 1943, the United States Chargé d'Affaires in Ottawa transmitted to the Secretary of State for External Affairs of Canada a Draft Agreement for the establishment of a United Nations Relief and Rehabilitation Administration and invited the Canadian Government to submit to you its observations thereon. I have the honour to inform you that the Canadian Government agrees with the view of the Government of the United States that action by the United Nations and the nations associated with them for the relief and rehabilitation of territories ravaged by the war is of the utmost importance. The Canadian Government is prepared to collaborate fully with the Governments of the United States and of the other United Nations in developing plans for joint action.

With regard to the terms of the Draft Agreement, the Canadian Government does not desire to propose any substantial changes in the general scheme put forward. There are, however, several points of detail which might, in the view of the Canadian Government, be clarified with advantage. In the attached memorandum a number of suggestions, mainly of a drafting character, are put forward for consideration.

A more general comment relates to the possibilities of collaboration of neutral governments in the work of the Administration. It is considered that the Agreement should be framed both so as to encourage full participation by neutral countries as members of the Administration in some cases and so as to permit neutral countries in other cases to contribute supplies and resources to the work of relief without becoming signatories of the Agreement. Article II of the draft should be expanded, in the view of the Canadian Government, to make it clear that the collaboration of acceptable neutral countries will be both expected and welcomed.

Accept etc.

L. B. PEARSON
 for the Minister

[PIÈCE JOINTE/ENCLOSURE]

*Mémorandum de la légation aux États-Unis**Memorandum by Legation in United States*

Washington, July 5, 1943

MEMORANDUM ON DRAFT CONVENTION FOR UNITED NATIONS
 RELIEF AND REHABILITATION ADMINISTRATION

The Canadian Government desire to make the following observations on the Draft Convention referred to above.

Article III, paragraphs 1 and 2.

No mention is made in the Draft Agreement of the normal method of reaching decisions in the Council and its Committees. In Article III (2) it is provided that special meetings of the Council may be convened on the request of the majority of its members. In Article VIII it is provided that the Agreement may be amended by a unanimous vote of the Central Committee and two-thirds of the Council. Presumably the Council and its Committees (except the Central Committee) will normally take decisions by majority vote. Later difficulties might be avoided if this were to be stated explicitly in the Agreement.

Article III, paragraph 3.

(a) If it is the intention that unanimity is to be required in the Central Committee on all occasions, it might be desirable that this should be stated explicitly in this paragraph. Reference to the requirement of unanimity in certain circumstances is made in Article IV (1) and in Article VIII.

(b) The relationship of the Director General to the Central Committee is not altogether clear. It is provided that he is to be its presiding officer. It is also provided in Article IV (1) that he is to be appointed on the nomination by unanimous vote of the Central Committee and that he can only be removed by a similar unanimous vote. It is assumed that it is intended that the Director General should not be a voting member of the Central Committee, but it is considered that this should be stated in the Agreement.

(c) This paragraph authorizes the Central Committee to exercise all powers and functions of the Council between sessions of the Council. So that the prerogatives of the Council as the "policy-making body of the Administration" (Article III, paragraph 1) may be protected when it is not in session, it appears desirable to provide that decisions of the Central Committee on matters of policy should be submitted for approval by the Council at its next session.

(d) In the last sentence of this paragraph it is provided that the Chairman of the Committee on Supplies shall be invited to participate in the Central Committee at those of its meetings at which policies affecting the provision of supplies are discussed. It is assumed that it is intended that participation carries with it the full rights and duties of membership of the Central Committee at those of its meetings which he attends.

Article III, paragraph 4.

This paragraph provides that the members of the Committee on Supplies shall be appointed by the Central Committee with the approval or ratification of the Council. It might be preferable to have the appointments to this Committee made by the Council on the nomination of the Central Committee. It is also suggested that in the next to last sentence of this paragraph reference should be made to "the Council and the Central Committee" rather than in the reverse order.

Article III, paragraph 5.

It is suggested that the Regional Committees should also be appointed by the Council on the nomination of the Central Committee.

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Article IV, paragraph 3.

It is considered that the Director General's authority under this paragraph should be qualified by adding at its end; "Within the limits of the broad policies determined by the Council or its Central Committee".

Article IV, paragraph 4.

By this paragraph the Director General is given authority to appoint the staff of the Administration without any limit except that imposed by the annual budget required under Article VI. It is considered that some provision should be inserted requiring the approval of the Central Committee for the executive establishment desired by the Director General.

Article V, paragraph 2.

This paragraph authorizes the Director General to initiate action with member governments in order to secure additional supplies and resources. Without some requirement that, in initiating such action, the Director General should act within the limits of the policies already approved by the Committee on Supplies, it would appear that the responsibilities of that Committee as defined in Article III (4) could in practice be ignored by the Director General.

Article V, paragraph 3.

It is understood that the purpose of this paragraph is to avoid competitive foreign buying of relief supplies, especially by governments which will have large relief requirements to meet in their own territories. The language of the paragraph, however, could be construed as restricting supplying governments from making on their own account incidental foreign purchases which might be necessary to complete the relief supplies that they have promised to furnish. For example, the paragraph would seem to cover the purchase in other countries of textile fibres or textiles needed for the manufacture of clothing for relief, and also of sundry medicines and medical equipment needed to furnish complete medical outfits for relief purposes.

Article VI.

This article would leave to the Council the responsibility of determining the allocation to member governments of the administrative expenses of Administration. As this is likely to be a matter of considerable difficulty, it is suggested that concrete proposals should be formulated for consideration by governments before the first meeting of the Council, if it is not considered feasible to specify the principle of allocation in the Agreement itself.

Article VIII.

It may be considered that the phrase "other military necessities" used in this article is too vague. Its meaning might be extended to cover areas in friendly countries along the lines of communication of armies of occupation long after hostilities have ceased. It is felt that in such circumstances the decision should not be left wholly to the Military Commander of the area. Consideration might therefore be given to narrowing the scope of the article by a more exact definition of the circumstances in which it would apply, once hostilities have ended in an area of relief.

Article IX.

It is open to question whether the final phrase is necessary, as it appears to invite delay. Reservations are likely to be appended by certain signatories, in any event.

704.

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Le chargé d'affaires des États-Unis au secrétaire d'État aux Affaires extérieures
Chargé d'Affaires of United States to Secretary of State for External Affairs

No. 29

Ottawa, September 23, 1943

Sir,

I have the honor to refer to the note of July 5, 1943, to the Secretary of State from the Canadian Minister in Washington concerning the draft agreement for a United Nations Relief and Rehabilitation Administration presented to you on June 10, 1943, and to inform you that the Government of the United States was gratified to learn that the Canadian Government was prepared to collaborate fully with the Governments of the United States and of the other United Nations in developing plans for joint action for the relief and rehabilitation of territories ravaged by the war. The Secretary of State made no effort at that time to reply in detail to the suggestions offered by your government, for it was believed that the most effective response to those suggestions would be modification of the draft agreement in line with your government's wishes so far as that might prove to be possible. Your government's suggestions were given special consideration, therefore, in connection with re-study of the provisions of the draft agreement. Acting on the instructions of my government, I am pleased to present herewith a revised text of that agreement²¹.

Since the draft agreement was first presented my government has received a number of suggestions from the governments concerned with respect to modification of the draft, and all of these suggestions have been studied with care. As a result the draft agreement has been modified to a considerable degree in an effort to improve the plan and to clarify the language. It is the hope of my government that your government will share the opinion that the text submitted herewith is now in the form in which it will be most acceptable to all of the governments which have been giving consideration to this matter. Many governments have stressed the urgent need of prompt action on the lines proposed. The Government of the United States fully shares this sense of urgency and is taking the initiative therefore in placing before each of the governments concerned the following specific proposals:

1. That each government inform the government of the United States at the earliest possible moment whether it is prepared to sign the draft agreement in the form in which it is now presented.

²¹ Pour le texte de ce projet d'accord voir États-Unis, *Department of State Bulletin*, volume 9, septembre 25, 1943, pp. 211-6.

²¹ For text of draft agreement see United States, *Department of State Bulletin*, Volume 9, September 25, 1943, pp. 211-6.

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2. That each government also inform the Government of the United States as to whether it is prepared to sign the Agreement without any reservation under Article IX. It is hoped that all governments can take this action so that the Agreement may enter into force immediately after signature with respect to all signing governments.

3. That each government appoint a representative with full power and authority to join with the representatives of the other governments in signing the Agreement at the White House in Washington on or about November 9.

4. That each government select in advance its representative on the Council of the United Nations Relief and Rehabilitation Administration which will be brought into existence by signature of the Agreement, and such alternates, advisers and assistants to this representative as it shall wish to have present at the first session of the Council.

5. That the Council of the United Nations Relief and Rehabilitation Administration be convened in its first session at a place within the United States but outside of Washington a day or two after signature of the Agreement.

It will be appreciated if your government will transmit its views with respect to these proposals to my government as promptly as possible. The Government of the United States is prepared to make specific arrangements for signature of the Agreement and for the first session of the Council and it will transmit information regarding such arrangements to each government planning to sign the Agreement. If it would be helpful to other governments in reaching a decision as to the size and character of the delegations to be chosen to attend the first session of the Council, my government also will transmit to such governments information regarding the general character of the delegation which will represent the Government of the United States. In order to expedite action by the Council, my government will be prepared also, as the host government, to lay before the Council for its consideration drafts covering its temporary organization and rules of procedure, and the agenda for its first session. It is the hope of the Government of the United States that the Government of Canada and the governments of all of the other United Nations and of the nations associated with them in this war will be prepared to take the action suggested above so that an effective organization may be established promptly to act for all of these governments in providing the greatest possible assistance to the victims of the war.

Accept etc:

LEWIS CLARK

705.

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Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

DESPATCH 2200

Washington, September 25, 1943

Sir,

I am enclosing herewith a memorandum[†] which indicates the changes that have been made in the first draft of the agreement for the establishing of a

United Nations Relief and Rehabilitation Administration. You will note that the general effect of these changes is to strengthen the power of the Council and weaken that of the Central Committee. As such, the second draft carries out a good many of the ideas suggested in our amendments to the first draft. In some cases those amendments have been specifically adopted.

I have etc.

L. B. PEARSON
for the Minister

706.

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*Le chargé d'affaires des États-Unis au
secrétaire d'État aux Affaires extérieures*

*Chargé d'Affaires of United States to
Secretary of State for External Affairs*

No. 43

Ottawa, October 8, 1943

Sir,

I have the honor to refer to my note No. 29 of September 23, 1943, transmitting a revised draft agreement for the United Nations Relief and Rehabilitation Administration.

I am instructed by my Government to inform you that arrangements have been made for the use of the Claridge Hotel in Atlantic City for the first session of the Council of the United Nations Relief and Rehabilitation Administration if that organization is brought into existence by signature of the proposed agreement by the United Nations and the nations associated with them in this war. If this plan is agreeable to other governments my Government would propose signature of the agreement in the East Room of the White House in Washington Tuesday evening November 9, and the assembly of the Council for its first session at the Claridge Hotel on Wednesday afternoon, November 10.

Arrangements have been made to reserve the Claridge Hotel for the exclusive use of the Council for approximately four weeks on the assumption that such a period will be ample to enable the Council to transact the business of its first session.

The Government of the United States expects to lay before the Council for its consideration a draft of agenda, a draft of temporary rules and regulations and proposals for temporary *ad hoc* committees for the first session of the Council somewhat along the following lines. There might be four general committees on which all governments would be represented covering (1) organization and administration; (2) general policy matters; (3) problems of finance and supplies; and (4) policies of relief and rehabilitation. Such committees if established might expedite their work by appointing smaller sub-committees. For instance, the Committee on Organization and Administration might have smaller groups working on the organization of the Council and its standing committees, on permanent rules and regulations of the Council, on the person-

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nel policies of the Administration, and on the administrative, budget, auditing and other financial procedures. The Committee on General Policy might have smaller groups reporting to it on the scope of United Nations Relief and Rehabilitation Administration's activities on relations with member governments, on relations with non-member governments, and on relations with other inter-governmental agencies. Under the Committee of Finance and Supplies there might be separate groups on means of financing supplies, services and administration, and on procedure for ascertaining and meeting deficits in supplies requiring importation. The Committee on Relief and Rehabilitation Policies might have sub-groups in such specialized fields as the policies governing relief distribution, policies with respect to health and medical care, policies with respect to welfare services, including relations with foreign voluntary relief agencies, policies with respect to assistance to displaced persons, policies relating to agricultural rehabilitation essential to relief, and policies relating to the rehabilitation of such industries, transport and other services as are essential to relief.

Whatever specific plan the Council may adopt to govern its work during the first session, it seems probable that opportunity will be found for discussion during the course of the session of the subjects listed above, and perhaps other subjects of special interest to member governments. It is assumed that at some time during the session, after study of the permanent organization of the Council by the appropriate temporary committee, the Council will establish the standing committees contemplated in the Agreement, including the Supplies Committee and the regional committees.

In view of the difficulty of transportation at this time it is assumed that each member government will wish to restrict the size of its delegation so far as practicable. If the Council establishes four general *ad hoc* committees along the lines suggested above, the sessions of these committees might be so arranged to enable each member government to be represented on each of these committees. Since the reports and recommendations of any sub-committees established would be cleared through these general committees before presentation to the Council, presumably each member government would be represented only on those sub-committees in which it would have a special interest and for which it could provide specially qualified members.

The Government of the United States probably will designate a Counsellor for each of the four main subjects of discussion enumerated above to assist the United States member of the Council, as well as a few advisers or technical experts as shall seem necessary. More specific information regarding the United States delegation will be communicated to your Government in the near future.

It will be of assistance in arranging for necessary accommodations if your Government will supply as soon as possible detailed information regarding the delegation which it plans to send to the proposed first session of the Council.

Accept etc:

LEWIS CLARK

707.

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Le secrétaire d'Etat aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-4012

Ottawa, October 14, 1943

The following for Mr. Pearson, [Begins:] UNRRA. There has not been an opportunity for full consideration by the Government of the proposed agreement for the establishment of UNRRA and hence we are not yet in the position to send a reply to the United States Note as to whether Canada is prepared to sign the draft agreement in the form in which it is now presented. However, the terms of the agreement were discussed on October 12th at an interdepartmental meeting. It was agreed that we should seek to obtain clarification of the following points:

1. Article II. Our suggestion that the wording of this clause be expanded to make it clear that the collaboration of acceptable neutral countries will be both expected and welcomed has not been adopted. We should like to know what is intended regarding the participation of neutrals.

2. Article III para. 3. The question as to whether or not the chairman of the Committee on Supplies will have a vote when sitting with the Central Committee is left in the air. The implication is that he will not have a vote. We should like to have this matter cleared up. The Legal Adviser is of the opinion that the word "participation" from a legal standpoint would include the power to vote.

3. Article IV para. 3 and 4, Article V para. 2. The Canadian suggestions for changes in wording which would require that the Director General should exercise his powers under these provisions within the limits of the broad policies laid down by the Council, the Central Committee or the Committees on Supplies as the case may be, have not been adopted. As it stands it would be possible for the Director General to act independently of, and perhaps overrule, the Committee on Supplies. These matters might best be dealt with in the by-laws and procedures laid down by the Council. However we would like to have some clarification of what is intended particularly, with respect to the relations between the Director General and the Committee on Supplies.

It was agreed at the interdepartmental meeting that our queries on these points should not hold up Canadian signature since it would be very awkward to get changes made at this stage. The most we can do is to state our views and to ask for clarification and an expression of intention. I should be grateful, therefore, if you would take up these matters informally with the State Department. It would be appropriate to do so since we have never received a reply to our suggestions on the earlier draft. Clarification of the points mentioned would be helpful in connection with the consideration of the agreement by the Government.

It would be helpful, also, if you could obtain some information on intentions or views regarding methods of financing relief through UNRRA. Will the financial arrangements be made directly between the supplying and receiving

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countries or will the payments from receiving countries be pooled? How are supplies from neutral countries to be financed? etc.

708.

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Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-5153

Washington, October 16, 1943

Following for Wrong from Legation, Begins: Reference your EX-4012 of October 14th, UNRRA.

Questions raised in your message have been discussed with Mr. Roy Veatch, Chief of Division of International Relations in OFRRO²², State Department having informed us that Mr. Veatch should be regarded as the officer of the State Department who would be responsible for answering questions of that character.

1. With regard to participation of neutrals, Mr. Veatch said the U.S. would probably be opposed to inviting the participation of neutrals as members in the preliminary stages. It had not therefore been thought advisable to go as far as the Canadian suggestions. He made it clear that the U.S. would welcome the cooperation of neutrals and their acceptance as members after UNRRA is set up and after the Council decided what policies should be adopted in this connection.

2. Article III, paragraph 3. Mr. Veatch made it clear that the Chairman of the Committee on Supplies would not have a vote when sitting with the Central Committee. He stated also that in similar circumstances the representatives of interested Governments would not have a vote.

3. Article IV, paragraph 3. Mr. Veatch pointed out that paragraphs 2 (B) and 2(C) of Article I related to recommendatory functions and did not add any administrative functions. It did not appear necessary to qualify these functions by adding "within the limits of the broad policies determined by the Council or its Central Committee".

4. Article IV, paragraph 4. We obtained the impression that the U.S. Government would be opposed to any move to make appointments to the administration's staff subject to approval of Committee. Mr. Veatch expressed the opinion that such a condition would be undesirable "from the political angle" and might hamper the Director General in work of urgency.

5. Article V, paragraph 2. Mr. Veatch pointed out that the Committee on Supplies' functions were recommendatory and it was not intended to have

²² Office of Foreign Relief and Rehabilitation Operations.

policies approved by that Committee. If it were considered desirable to insert provision that the Director should act within the limits of the policies approved by the Central Committee or Council, Mr. Veatch thought this question should be taken up with the Council.

With regard to the methods of financing relief, Mr. Veatch said that their own ideas were not set and that they did not wish to recommend any plan. This must be a matter for the Council to decide. He did not consider that UNRRA would become "a super economic organization or colossus in its field". There would be plenty of room for commercial operations. His own view was that there would be no chance of U.S. Government moving towards a centralization through UNRRA of all commercial dealings that might affect relief or rehabilitation. A wide field of opportunity should be provided to use the quickest method of obtaining allocations without pooling. He hoped the final result would be complete control of allocations by UNRRA as quickly as possible to meet urgent requirements. One of the first duties of the Council should be to study relations with neutral Governments and International Committees (such as Food Commission) which are interested in relief.

UNRRA seems now to be seen more as a medium of control sufficient to ensure best use of supplies and shipping and fair proportioning of procurements among the supplying nations in accordance with their resources and abilities. Mr. Veatch said that some Governments "might be unwilling to turn the whole job over to UNRRA" and that the U.S. did not wish to appear as trying "to run things in our own way".

Mr. Veatch did not wish to be quoted and asked us to treat his replies as confidential. Ends.

709.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, October 21, 1943

COMBINED FOOD BOARD; UNITED NATIONS RELIEF AND
REHABILITATION ADMINISTRATION; CANADIAN REPRESENTATION

34. THE PRIME MINISTER raised the question of Canadian representation on these two bodies. The Minister of Agriculture had been consulted.

35. THE WAR COMMITTEE, after discussion, agreed:

(a) that, subject to concurrence of the Minister of Finance (in consultation with the Wartime Prices and Trade Board) and the Minister of Agriculture, Mr. Gardiner be named Canadian member of the Combined Food Board, with Dr. Barton as deputy; and

(b) that, if available, George W. McIvor, Chairman of the Canadian Wheat Board, would be suitable for appointment as Canadian representative on the Council of the United Nations Relief and Rehabilitation Administration, and

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as Chairman of the Administration's Committee on Supplies, provided that Mr. G.R. Paterson, of the Department of Trade and Commerce, could be made available as an executive officer in Washington in connection with the work of the Administration and that of the Combined Food Board.

UNITED NATIONS RELIEF AND REHABILITATION
ADMINISTRATION; DRAFT AGREEMENT

36. THE ASSISTANT UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted a revised draft agreement for the establishment of the Administration.

This document had been included in a note from the U.S. Minister²³, which requested concurrence of the Canadian government. Copies of the document and of the note had been circulated.

(External Affairs memoranda, Oct. 12th[†] and 16th, 1943[†] and attached documents).

37. MR. WRONG pointed out that the revised draft had been the result of lengthy international negotiations. Its terms had been examined carefully by Canadian departments concerned. In the circumstances, it was recommended that it be accepted by the government, and authorization given to a Canadian representative to sign on behalf of Canada.

It was contemplated that the first meeting of the Council of the Administration would be held at Atlantic City on November the 10th.

38. THE WAR COMMITTEE, after discussion, agreed to accept the document submitted, and to authorize the Canadian Minister to the United States to sign it, without reservation, on behalf of Canada.

...

710.

DEA/2295-G-40

*Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires des États-Unis*

*Secretary of State for External Affairs
to Chargé d'Affaires of United States*

No. 131

Ottawa, October 22, 1943

Sir,

I have the honour to refer to your note No. 29 of September 23rd enclosing a revised text of the draft agreement for the establishment of a United Nations Relief and Rehabilitation Administration.

The position of the Government of Canada with regard to the proposals contained in your note is as follows:

1. The Government of Canada is prepared to sign the draft agreement in the form in which it is now presented.

²³ Document 704.

2. The Government of Canada is prepared to sign the agreement without any reservation under Article IX.
3. The Government of Canada will authorize the Canadian Minister in Washington to join with the representatives of the other Governments in signing the agreement at the White House in Washington on November 9th next²⁴.
4. The Government of Canada will be glad to appoint its representative on the Council of the United Nations Relief and Rehabilitation Administration and such alternates, advisers and assistants to this representative as may be necessary.
5. The Government of Canada agrees that the first session of the Council should be convened in the United States shortly after the signature of the agreement. I expect shortly to be able to communicate to you in reply to the request made in your note of October 8th full information regarding the Canadian delegation to the proposed first session of the Council opening on November 10th at Atlantic City.

The Government of Canada would be glad to receive from the Government of the United States information concerning the delegation which will represent the Government of the United States at the meeting of the Council. It would also welcome the receipt from the Government of the United States of information supplementary to that contained in your notes of September 23rd and October 8th concerning the proposals which will be laid before the Council for its consideration by the Government of the United States covering the temporary organization, rules of procedure and agenda of the Council for its first session.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

711.

DEA/2295-Q-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] November 4, 1943

The attached memorandum has been prepared with a view to its employment for the guidance of the Canadian representatives at the meeting of the Council of UNRRA in Atlantic City. I think that it would be very helpful to them if you

²⁴Voir Canada, *Recueil des traités*, 1943, N° 16.

²⁴See Canada, *Treaty Series*, 1943, No. 16.

CONSULTER SUR PLACE

could indicate whether you are in general agreement with the ideas expressed in it and especially in paragraphs 8, 9, 10 and 11.²⁵

[PIÈCE JOINTE/ENCLOSURE]

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures*²⁶

*Memorandum by Assistant Under-Secretary of State for External Affairs*²⁶

SECRET

[Ottawa,] November 3, 1943

NOTES ON SOME QUESTIONS OF INTERNATIONAL ORGANIZATION
WHICH MAY ARISE DURING THE MEETING OF THE
RELIEF COUNCIL AT ATLANTIC CITY

1. The signature on November 9th of the agreement establishing UNRRA will bring into existence the first formal organization of the United Nations. Strong objection has been taken in several countries to the methods of control incorporated in the agreement, and some countries, including particularly Canada and the Netherlands, only gave their assent on the understanding that the pattern therein followed was in no way to be regarded as a precedent which might be applied in other international organizations. One of the tasks of the Relief Council at its first meeting will be to fill out by the approval of regulations and procedures the outline contained in the agreement. It is altogether likely that this will give rise to considerable discussion about the most satisfactory types of constitution for future international organizations.

2. As originally drafted the agreement appeared to place virtually complete control of UNRRA in the hands of a committee made up of representatives of the four largest powers. When the Canadian Government was informally consulted strong objection was taken to this. In the course of the negotiations which ensued the Canadian Government enunciated the principle that the composition of new international bodies should be determined on a functional basis "which will admit to full membership those countries large or small which have the greatest contribution to make to the particular object in question" (statement by Prime Minister in House of Commons, July 9th, 1943)²⁷. Both the United Kingdom and the United States Governments intimated that they were impressed by the force of the Canadian arguments and an attempt was made to secure consent to the enlargement of the Central Committee from four to seven members so as to admit Canada, a European ally and perhaps a Latin-American country to full membership. This solution appears to have been strongly

²⁵ La note suivante était écrite sur ce mémorandum:

²⁵ The following note was written on the memorandum:

Entirely so. K[ING]

²⁶ H. Wrong.

²⁷ Voir Canada, Chambre des Communes, *Débats*, 1943, volume 5, p. 4688.

²⁷ See Canada, House of Commons, *Debates*, 1943, Volume 5, p. 4558.

supported by the United Kingdom. We do not know how strong was the support given to it by the United States. We do know, however, that it was resolutely opposed by the Soviet Government.

3. When it became apparent that Soviet opposition could not be overcome Mr. Eden took up the matter in Ottawa during his visit last April and expressed the conviction that no international relief administration could be established if Canada were to maintain her demand for representation on the Central Committee. Similar views were expressed by the State Department to the Canadian Legation in Washington. The Canadian Government, therefore, reluctantly agreed to a compromise whereby the four large powers pledged themselves to support the choice of a Canadian as chairman of the Committee on Supplies who would by a change in the agreement be entitled to sit with the Central Committee when supply matters were under discussion. This compromise may work out so as to provide Canada with an adequate voice in the direction of UNRRA although this is not certain. It did not bring about a departure in form from the Four-Power pattern to which objection had been taken.

4. The draft agreement was circulated to all members of the United Nations by the United States Government in June²⁸ and observations were asked for. In the light of the criticisms so made the draft has been modified in many respects, the general tendency being to emphasize the authority of the Council on which all members are equally represented at the expense of the Central Committee made up of the four large powers. It is apparent that the view originally taken by the Canadian Government is shared by the Governments of a number of other countries, especially those of intermediate rank like the Netherlands and Belgium. These Governments had no opportunity of expressing their views until the draft agreement was made public last June.

5. We are confronted at present almost daily with problems which arise from the concentration of international authority in the hands of the largest powers. In military matters we have left the high direction of the war to the United Kingdom and United States authorities acting together through the Combined Chiefs of Staff and concerting strategy with the Soviet Government by such methods as they may be able to employ. Although it is probable that in the war against Germany, Canada is the fourth military power among the United Nations, the volume of our military contribution is so much smaller than that of the three Great Powers that we have only been concerned to ensure that we were consulted fully about the tasks assigned to Canadian forces. This is a sound application of the functional idea of organization.

6. The position of China in the group of the four large powers presents some anomalies and it is reasonable that China has been excluded from strategic discussions except where she was directly involved. The weakness of China as a Great Power seems in itself to be an argument for the extension of the functional principle wherever it can be applied.

7. Two meanings can be given to functional international organization. The meaning of the term as used hitherto by us has been that effective international

²⁸ Voir le document 699.

²⁸ See Document 699.

authority in a given matter ought to be concentrated in bodies in which the countries mainly concerned are represented. In certain connections this is obvious: a body composed of the Great Powers which sought to deal with the international trade in wheat would be an absurdity. The principle can only be easily applied when quantitative criteria can be used, and it is, therefore, of chief value in relation to international trade and finance. There is another meaning given to the term, used especially by Professor Mitrany in a study recently issued by Chatham House²⁹. He argues that the world should be bound together by a large number of different international institutions organized to deal separately with the many functions requiring international cooperation. The two meanings overlap and are not essentially inconsistent but the variation in use of the term should be borne in mind.

8. It is undoubtedly sound that influence should be proportionate to contribution, actual or expected. The clarity of this conception has often been obscured in the past by emphasis on status. For example, Brazil resigned from the League of Nations in 1926 because she was refused a permanent seat on the Council as a Great Power. The possible contribution of Brazil, however, to the maintenance of world peace was far smaller than that of many countries which advanced no such claim. This emphasis on status has often led to a completely unreal division of the world between Great and Small Powers. It is to be hoped that the absurdity of labelling indiscriminately as Small Powers diminutive states like Afghanistan or Paraguay, satellite states such as Panama or Slovakia, and intermediate states like the Netherlands or Brazil will gradually disappear.

9. It is well, therefore, to avoid emphasis on status as such in discussing the forms of international organization. A practical argument in favour of the effective recognition of function rather than of status in determining the composition of international bodies is that no democratic country can be expected to play its due part in international affairs if its influence in their direction is less than its expected contribution. This may seem so obvious that it is hardly worth stating, but experience shows that this elementary political fact is frequently in danger of being forgotten by the large powers. This argument was the basis of the Canadian Government's objection to the constitution of UNRRA as originally proposed: unless Canada was given her fair share of control in the direction of UNRRA, the Parliament and people of Canada might not be willing to provide the supplies which Canada might be expected to contribute.

10. There is one suggested solution for these problems as they affect Canada. Canada is a leading secondary power among the United Nations and is also the ranking member of the British Commonwealth after the United Kingdom. It appears to be widely held in London that the drawing together of the British Commonwealth in a joint policy would of itself solve the problems of securing proper international influence for Canada, Australia and the rest. In Australia there is considerable sentiment in favour of the development of a joint Commonwealth policy and apparently even in favour of the substitution of the British Commonwealth of Nations for the United Kingdom as a single great

²⁹ David Mitrany, *A Working Peace System: An Argument for the Functional Development of International Organizations*. London: Royal Institute for International Affairs, 1943.

power.³⁰ These questions will not arise at the Relief Council and one need not elaborate on them here. There may be some tendency to seek behind the scenes the formation of a joint Commonwealth view on questions to be decided by the Council. On the one hand it is in our interest to maintain a close *entente cordiale* with the representatives of the United Kingdom and other Commonwealth countries, especially since the United Kingdom representatives usually are far readier than those of the United States and other countries to discuss questions frankly and to disclose information to Canadian representatives. On the other hand it is also in our interest carefully to avoid any public appearance of concerted support for the United Kingdom point of view.

11. It is possible, however, although perhaps unlikely, that one aspect of intra-Commonwealth relations may become the subject of international discussion at Atlantic City. The suggestion may be made that a panel system of representing Member States should be adopted in deciding the composition of some of the committees of the Relief Council. In that event, proposals would almost certainly be made that the United Kingdom should be chosen in her own right as a Great Power and that one of the Dominions or India should be chosen to represent the rest of the British Commonwealth. This was the method applied in determining the choice of non-permanent members of the League Council and it was far from satisfactory. Its adoption in connection with UNRRA would be a departure from the functional idea and should be resisted. Support for panel representation of the Commonwealth might come from the United Kingdom Government which at one time during the debate over the composition of the Central Committee offered to stand down themselves in favour of Canada as the representative of the Commonwealth.³¹

712.

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*Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires des États-Unis
Secretary of State for External Affairs
to Chargé d'Affaires of United States*

No. 143

Ottawa, November 5, 1943

Sir,

I have the honour to refer to my note No. 131 of October 22nd regarding the United Nations Relief and Rehabilitation Administration and to your note No. 61 of November 5th¹ transmitting the names of those comprising the United States delegation to the first session of the Council of the United Nations Relief and Rehabilitation Administration.

³⁰ Voir le document 243.

³⁰ See Document 243.

³¹ La note suivante était écrite sur ce mémorandum:

³¹ The following note was written on the memorandum:

Approved. W. L. M[ACKENZIE] K[ING]

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The following have been appointed as the Canadian delegation to the first session of the Council:

Member of the Council, L.B. Pearson, Minister-Counsellor
of the Canadian Legation in Washington,

Alternate Member of the Council, Brooke Claxton, K.C., M.P.,
Parliamentary Assistant to the President of the Privy Council,

Advisers, J.G. Bouchard, Assistant Deputy Minister of
Agriculture; J.J. Deutsch, Special Assistant to the Under-Secretary of State for External
Affairs; G.R. Paterson, Canadian Government Trade Commissioner, Department of Trade
and Commerce; A.F.W. Plumptre, Financial Attaché, Canadian Legation, Washington, and
representative in Washington of the Wartime Prices and Trade Board; Hon. Cyrille
Vaillancourt, Legislative Councillor of the Province of Quebec.

It is probable that Mr. A.D. Dunton, Assistant General Manager, War[time] Information Board, will be attached to the Canadian delegation during the opening days of the meeting of the Council but it is not desired that he should be listed as a member of the Canadian delegation. It would be appreciated if arrangements could be made to reserve accommodation for Mr. Dunton with the Canadian delegation and to grant him the necessary facilities.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

713.

DEA/2295-Q-40

Instructions pour la délégation à la première session du Conseil d'UNRRA
Instructions for Delegation to First Session of Council of UNRRA

[n.d.]

Headings of points to be considered.

1. The role of UNRRA and the extent of its responsibility.

The British Government has suggested that the "... Administration should work *all down the line* in close collaboration with representatives of the Combined Boards and the British and United States Supply Departments ...". With reference to relief distribution they have suggested also that "... it might be desirable to establish local screening bodies representative of the local Government, the Administration and the British and United States Supply Agencies".

Obviously UNRRA will have to work in close relationship with the Combined Boards and Supply Agencies with respect to the allocation of relief supplies and the co-ordination of the relief programme with war needs. However, there is a question as to how far the Combined Boards and National Supply Agencies should exercise responsibility in the administration and distributive

aspects of relief as seems to be suggested in some quarters. The Combined Boards are not United Nations agencies and efforts on their part to "control" relief will lead to difficulties. This would bring resentment from the smaller countries. Basically, the problem is how far is UNRRA to be the instrument for a genuine United Nations effort or simply a cloak for the dominance of the two or three "big" powers through an extension of the functions of existing machinery.

2. The Scope of Relief under UNRRA.

The British Government have stated that the supplies to be made available through UNRRA should consist mainly of "... consumption goods for the local population, with such additions as are needed to enable local production to provide for consumption needs otherwise calling for imports." They feel also that UNRRA "... should not be concerned with either production for war purposes on the one hand or long-range reconstruction on the other". The occupied countries are likely to press for a pretty liberal interpretation of the functions of UNRRA so that they would receive not only consumption goods but also materials and machinery for the rapid rehabilitation and reconstruction of their economies. Failing in this they will ask for assurances that the longer-run needs will be met in other ways. Considerable stress was laid on this aspect of the problem in the report of the Leith-Ross Committee where it was stated that the restoration of employment in industrial areas would be an urgent and essential part of any relief action in order to avoid the "grave risk of social disorder and civil disturbance". There will be great difficulty in meeting the wishes of the occupied countries in this respect but it may be necessary to tell them something of how it is proposed to deal with the more basic problems of rehabilitation and reconstruction.

3. The relationship of relief requirements to consumption levels in supplying countries.

It is most likely that in the early stages relief supplies will be very hard to come by. This raises the difficult question regarding the degree of sacrifice to be borne by the consumers of supplying countries so as to support a minimum level of consumption in liberated territory. In this connection the report of the Leith-Ross Committee states "The Committee recognise that, in so far as supplies prove inadequate to meet full requirements, the estimates which they have submitted will have to be reduced; but in that event, similar reductions ought to be applied also to the import requirements and to the current consumption of other countries". How far can the viewpoint implied in this statement be adopted as a principle? How far should the supplying countries be prepared to go in further restrictions on their own consumption to enable consumption in liberated territory to approach adequate or comparable levels?

4. Financing of Relief.

Various suggestions have been made.

- a) The U.S. Treasury has suggested a plan whereby each benefactor country would contribute 1% of its national income for one year, 90% to be spent internally and 10% externally.

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- b) Contributions in kind according to the availability of supplies in each country.
- c) Payments from receiving countries to be pooled and distributed among supplying countries on some equitable basis.
- d) Payments to be arranged directly between supplying and receiving countries. The British memorandum¹ states "Our own view is that restored local governments which can pay for their requirements should be encouraged to enter into direct relations with the supply authorities".

5. Organization of the Council and Powers of the Director General.

Procedures and by-laws will have to be adopted to provide for, among other things, a) specific powers and responsibility of the Director General; b) the relationships between the Director General and the Committees of the Council.

It would seem desirable to define more closely the powers of the Director General under Article IV paragraph 3. It is suggested that the procedures to be established by the Council should provide that the Director General should carry out his functions under this paragraph within the limits of the broad policies laid down by the Council or its Central Committee.

The powers of the Director General to appoint staff and field missions under Article IV para. 4 would appear to need some qualification. This would seem to call for the adoption of a by-law requiring the approval of Council or the Central Committee of the general executive establishment (but not for individual appointments) of the Administration.

The relationships between the Director General and the Committees of the Council are left very vague in the draft agreement. These relationships will need to be set out more specifically in the by-laws and procedures. With reference to the Committee on Supplies we are informed by Mr. Veatch of OFRRO that it is not intended to have supply policies approved by that Committee and that its functions are recommendatory. This important matter will need to be clarified. If the Committee on Supplies is to be a significant body it should have the duty of formulating general supply policy and the Director General should be required to act in accordance with that policy.

In addition to the Committee on Supplies the draft agreement provides for the establishment of committees of the Council for Europe and the Far East. The Council would be given authority to appoint other standing committees. Committees on finance, transport and repatriation have been suggested. It will be necessary to decide on which of these committees Canada should seek to be represented.

6. Participation of neutral countries.

The Canadian authorities have suggested that the Agreement should be so framed both so as to encourage full participation by neutral countries as members of the Administration in some cases and so as to permit neutral countries in other cases to contribute supplies and resources to the work of relief without

becoming signatories of the Agreement. We have been told informally that the U.S. would probably be opposed to inviting the participation of neutrals as members in the preliminary stages. It was stated, however, that the U.S. would welcome the co-operation of neutrals and their acceptance as members after UNRRA is set up and after the Council decided what policies should be adopted in this connection.

7. Relations with other International bodies.

It is probable that the ILO and the Permanent Organization on Food and Agriculture will need to be associated in some way with the work of UNRRA. The British Government have informed the U.S. Government that they are much interested in ensuring the participation of the ILO in an appropriate manner in the work of UNRRA and they have suggested that at the first meeting of the Council the delegates should be given the opportunity of considering the whole subject of the participation of other international bodies in the work of the relief administration. It will have to be decided what the nature of that participation is to be.

8. Commencement of operations.

Article VII of the draft agreement provides that "while hostilities or other military necessities exist in any area, the Administration and its Director General shall not undertake activities therein without the consent of the military command of that area, and unless subject to such control as the command may find necessary. The determination that such hostilities or military necessities exist in any area shall be made by its military commander". Some clarification of the circumstances under which UNRRA would assume responsibility would seem to be required, particularly with reference to the meaning of "military necessities".

9. Repatriation of prisoners, distressed nationals and displaced populations.

The draft agreement provides for, [sic] and the United [States] Government has proposed that the repatriation of all United Nations citizens should be effected through UNRRA. Previously Canada had agreed to take part in a scheme according to which the responsibility for repatriating all Empire prisoners-of-war was divided among the British nations. Under this plan, the United Kingdom was to arrange for repatriating Canadian and other British prisoners from the European area, while Canada was to be responsible for the repatriation of all British prisoners in the Chinese area. A suggestion to extend this scheme to include distressed nationals has been under consideration.

This British Empire scheme is being held in abeyance until the plans developed by UNRRA are known. However, it should be considered whether it would not be better to handle the repatriation of British prisoners-of-war and distressed nationals as a separate project instead of being combined with the much larger, more complicated and less immediate job of repatriating the displaced populations of Europe for which UNRRA might more appropriately be responsible.

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714.

DEA/2295-Q-40

*Mémorandum du ministère des Affaires extérieures
au Comité de guerre du Cabinet*

Memorandum from Department of External Affairs to Cabinet War Committee

SECRET

Ottawa, December 4, 1943

FIRST SESSION OF THE COUNCIL OF THE UNITED NATIONS RELIEF
AND REHABILITATION ADMINISTRATION. ATLANTIC CITY,
NOVEMBER 10TH-DECEMBER 1ST, 1943

The Council of the United Nations Relief and Rehabilitation Administration consisting of the representatives of forty-four United and Associated Nations was established by the Agreement signed in Washington on November 9, 1943³². In this Agreement the signatories expressed their determination to bring relief to the victims of war immediately upon the liberation of any area by the armed forces of the United Nations and agreed to establish a United Nations administration for the accomplishment of this purpose. The first session of the Council in Atlantic City had before it the task of determining the organization of this administration and of formulating the broad policies which are to govern its work.

In particular, it was the duty of the Council, 1) to outline the nature and scope of the relief activities to be undertaken, 2) to define the relationships of the Administration with the existing intergovernmental supply and shipping agencies so that the effective prosecution of the war would not be impeded, 3) to decide the policies to be followed in the distribution of relief supplies in the liberated areas, 4) to provide for an equitable apportionment of available supplies among the liberated countries, 5) to establish the procedures for determining the needs of the liberated peoples, 6) to prescribe the procedures for obtaining the supplies required to meet these essential needs, 7) to recommend a method for the equitable sharing of the burden among the contributing nations, and finally, 8) to frame the rules which are to govern the conduct of the Administration itself, so as to secure effective representation of the interested nations in the development of policies and to facilitate the work of the Director General in carrying these policies into effect.

These questions, all of which contained matters of considerable difficulty, were approached in an encouraging spirit of co-operation and with a minimum of emphasis on prestige. There was no attempt at domination by the large powers nor obstruction on the part of the small. Consequently, in all cases it was possible to find satisfactory and workable solutions.

The Conference did not attempt to reach ambitious objectives either with regard to detail in its recommendations or the functions of the Administration. The scope of relief and rehabilitation is to be narrow. The purpose is to meet an emergency and to provide the food and supplies which are essential to prevent starvation and disease. The assistance of the Administration in providing re-

³² Voir Canada, *Recueil des traités*, 1943, No 16.

³² See Canada, *Treaty Series*, 1943, No. 16.

pairs, equipment and supplies for the rehabilitation of industry and services is to be confined to what is necessary for relief and for an early recovery of the liberated areas from dependence upon outside help. The resources of the Administration are not to be used for long-term reconstruction.

Since the successful prosecution of the war is the first objective of the United Nations it was agreed that the activities of the Administration in obtaining supplies for relief must be co-ordinated with the existing wartime arrangements for the allocation of supplies and shipping. Consequently, all requirements for relief and rehabilitation which have been drawn up or approved by the Administration, are to be brought before the Combined Boards where they will be considered as an additional claim on the available supplies alongside the needs for war and the civilian populations of the supplying countries. In cases of scarce commodities in respect of which the Combined Boards wish to exercise control the Boards, in consultation with the Director General and the Chairman of the Supplies Committee of the Administration, will determine the amounts which may be devoted to relief. This will ensure that the flow of supplies necessary for the war effort will not be hampered.

The representatives of a number of the occupied countries, namely the French Committee, the Netherlands and Belgium, have indicated that they intend to pay for the whole or part of their relief needs. In order to achieve an equitable apportionment of available supplies among the countries in a position to pay and those not in a position to pay it was provided that all member governments shall keep the Administration fully informed of their intentions regarding the importation of relief and rehabilitation supplies regardless of how these are to be financed. On the basis of this information the Director General may present to the Combined Boards such recommendations or objections as he may deem necessary to obtain a fair distribution of supplies among all the liberated areas.

It was agreed that the responsibility for the distribution of relief within a receiving country shall be borne by the recognized government which exercises administrative authority in the area. The Administration may not operate in a territory without the consent of the recognized government, or if such a government does not exist, the military command. In the cases of countries which are not in a position to pay for the relief supplies furnished to them it was provided that they should make available to the Administration in whole or in part the proceeds in local currency from the sale of such supplies to their peoples. The Administration will use this local currency for all its expenses arising out of any relief work which it undertakes within the countries concerned.

The problem of devising a formula whereby the burden, resulting from the provision of relief to liberated countries not in a position to pay, may be shared equitably among the contributing countries gave rise to considerable discussion.

The Council finally agreed to recommend that each member government whose home territory has not been occupied by the enemy shall make a contribution approximately equivalent to one per cent of its national income for the year

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ending June 30, 1943 as determined by the member government and, that as much as possible but not less than 10% of the contribution shall be in such form of currency as can be expended outside of the contributing country. The balance of the contribution is to be in the form of a credit in local currency which shall be available for the purchase of the contributing country's goods. It was not possible to agree on a 'watertight' formula and each country is left free to decide for itself whether there are special circumstances which would make the one per cent contribution excessively burdensome. On the assumption that the United States, the United Kingdom, Canada and one or two of the other Dominions would make their full contributions, the United States would give between \$1,300 and \$1,500 millions, the United Kingdom between \$300 and \$400 millions and Canada between \$80 and \$90 millions. Altogether a fund of between \$2,000 and \$2,500 millions would be provided. Should this fund not be sufficient the question of further contributions would have to be considered at a later meeting of the Council.

In addition to the general policy decisions outlined above the Council had the task of setting up the organization to carry these policies into effect. The executive and administrative functions are assigned by the Agreement to the Director General whose position is analogous to that of the general manager of a corporation. The Council appointed Governor Herbert Lehman to this office. Governor Lehman's attitude and contribution to the work of the Council created a high degree of confidence among all the representatives.

A considerable part of the time of the session was devoted to the establishment of the relationships and the demarcation of responsibility between the Council, the Director General and the standing committees of the Council. The draft proposals presented by the United States secretariat gave a large measure of authority to the Director General in the field of policy as against the representative organs of the Administration. This was not in accord with either the British system of representative government nor with the conditions necessary for the successful operation of the Administration. The Canadian delegation took an active part, along with the British, the other Dominions, a number of the smaller powers and finally the official United States delegates themselves in working out a more satisfactory system of organization. The functional principle of international representation was found to be a highly appropriate criterion and received widespread support. Consequently, in the final decisions of the Council the role of the representative bodies of the Administration in the formation of policy was firmly established.

Aside from the Council itself the policy-making organs of the Administration consist of the Central Committee, the Standing Regional Committees for Europe and the Far East, the Standing Committee on Supplies, the Standing Committee on Financial Control and the Standing Technical Committees on agriculture, displaced persons, health, industrial rehabilitation, and welfare. The Central Committee of which the Director General is chairman and which is composed of the representatives of the four great powers is to deal with general policy matters between sessions of the Council. The importance of the Central

Committee has been considerably reduced since the presentation of the initial proposals. All its decisions must be reported promptly to each of the member governments and must be ratified later by the the Council. The Regional Committees for Europe and the Far East are to prepare recommendations to the Council regarding the bases for the determination of relief requirements in their areas, to advise the Director General with respect to the equitable apportionment of relief supplies and generally to formulate recommendations regarding relief policies within their respective regions. The Committee for the Far East is under the chairmanship of the representative of China and consists of the representatives of all the member governments in that region. The representative of the United Kingdom is chairman of the Committee for Europe which is composed of the representatives of all the member governments in Europe together with the representatives of Brazil, the United States and Canada. The Committee on Financial Control under the chairmanship of the representative of the United States is to deal with questions concerning the administrative budget, and the auditing and accounting control of the Administration's operations. The Standing Technical Committees are intended to be expert bodies to advise the Council, the Regional Committees and the Director General on technical matters in their field.

The Committee on Supplies, which was given important functions, will play a large part in the affairs of the Administration. The countries represented on the Committee whose chairman is to be appointed by Canada, are: Australia, Belgium, Brazil, Canada, China, the French Committee, the Netherlands, New Zealand, the U.S.S.R., the United Kingdom and the United States. The Committee is to advise the Council, the Central Committee and the Director General on general policies regarding the provision, financing and transport of supplies. The Committee is to advise also on all financial matters related to the provision of supplies. The chairman is to appoint the special sub-committee which is charged with the determination of whether a recipient country is in a position to pay. The chairman, together with the Director General, will be consulted by the Combined Boards when matters affecting the Administration are under discussion. He will participate in the meetings of the Central Committee when matters concerning supplies are being considered.

The Director General has indicated that he is anxious to obtain assistance and advice from the Committee on Supplies as soon as possible. He has already received specific requests regarding arrangements for the future provision of relief goods. Important matters remain to be worked out with the military authorities who will be responsible for relief during the immediate period following the liberation of any territory. The circumstances and the time at which the Administration will take over are matters of considerable interest to the supplying countries and in respect of which the Supplies Committee will be expected to give advice and assistance. With the rapid progress of events these questions will need to be clarified as soon as possible and therefore it is felt that the Supplies Committee and its chairman should be ready to function at an early date.

COMMITTEE SUPPLIES

715.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, December 6, 1943

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

7. THE SECRETARY submitted and read a report from Canadian representatives at the first session of the Council of the United Nations Relief and Rehabilitation Administration held at Atlantic City from November 10th to December 1st.

(External Affairs memorandum, December 4, 1943 — C.W.C. Document 668).

8. THE MINISTER-COUNSELLOR, CANADIAN LEGATION, WASHINGTON, and the PARLIAMENTARY ASSISTANT TO THE PRESIDENT OF THE PRIVY COUNCIL commented on and explained certain features of the report submitted, and described the present position in respect of UNRRA, as it affected Canada.

A difficulty had developed and doubt still existed as to the division between civil and military responsibility for relief and rehabilitation. The U.S. Army had received a directive from the President which indicated a substantial extension of military responsibility beyond the six months' period contemplated in the organization of UNRRA. This was a matter of considerable concern to the Director General which would have to be cleared up satisfactorily before UNRRA could get under way.

9. THE MINISTER OF MINES AND RESOURCES and the MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES expressed the view that the sooner relief and rehabilitation were transferred from the Army to the civil authority, the better. The Army were not equipped, nor were they competent for anything beyond immediate relief on the spot.

10. MR. CLAXTON AND MR. PEARSON pointed out that Canada would have to provide a Chairman for the Supplies Committee, and also a member³³; the latter would be responsible for looking after Canadian interests. It was expected that the Supplies Committee would have substantial importance in the work of UNRRA.

It was not possible to make any accurate estimate of the total amount of relief supplies which would be required. Supplies to be included in the Canadian contribution (tentatively at from \$80 to \$90 million) would be wheat, flour, agricultural machinery, clothing and other supplies.

It would be helpful if something could be provided at once upon the Canadian cash contribution to the work of the Administration. Governor Lehman had expressed the desire to have a number of Canadians in key administrative posts under his direction.

³³ L.B. Pearson fut nommé président et J.J. Deutsch fut nommé membre suppléant.

³³ L.B. Pearson was named Chairman and J.J. Deutsch was named alternate member.

11. THE WAR COMMITTEE, after further discussion, agreed as follows:

(a) that submission of the report of the Canadian representatives to the Atlantic City meeting be noted with approval;

(b) that, as soon as possible, responsibility for relief and rehabilitation should be transferred from military to civil administration (UNRRA), and that the U.S. government be informed of the Canadian government's view on this point; and,

(c) that a sum of \$50,000 be provided forthwith from the War Appropriation on account of Canada's contribution to UNRRA.

...
PARTIE 2/PART 2

COMMISSION INTÉRIMAIRE SUR L'ALIMENTATION
ET L'AGRICULTURE

INTERIM COMMISSION ON FOOD AND AGRICULTURE

716.

DEA/5050-40

*Le chargé d'affaires des États-Unis au
secrétaire d'État aux Affaires extérieures*

*Chargé d'Affaires of United States to
Secretary of State for External Affairs*

No. 861

Ottawa, March 25, 1943

Sir,

Under instructions from the President of the United States I have the honor to transmit the following invitation to the Canadian Government:

"The Government of the United States of America is of the opinion that it is desirable now for the United Nations and those nations which are associated with them in this war to begin joint consideration of the basic economic problems with which they and the world will be confronted after complete military victory shall have been attained. Accordingly and as a first step in this direction the Government of the United States proposes to convene on April 27 at some suitable place in the United States a conference on food and other essential agricultural products and hereby invites the Government of Canada to send to that conference a small number of appropriate technical and expert representatives.

The purpose of the conference is to provide an opportunity for an exchange of views and information with respect to the following topics and for exploring and seeking agreement in principle as to the most desirable and practicable means and methods of dealing with the following problems:

Plans and prospects of various countries for the post-war period regarding production, import requirements or exportable surpluses of foodstuffs and other essential agricultural products with a view to improving progressively in each country the levels of consumption within the framework of the opportunities

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and possibilities of an expansion of its general economic activity. Such consideration will be entirely divorced from the question of the provision of relief.

Possibilities of coordinating and stimulating by international action national policies looking to the improvement of nutrition and the enhancement of consumption in general.

Possibilities of setting up international agreements, arrangements and institutions designed to promote efficient production of foodstuffs and other essential agricultural products and to ensure for the world adequate supplies of such products with due consideration to the attainment of equitable prices from the viewpoint of both producers and consumers.

Commercial, financial and other arrangements which will be necessary in order to enable the countries of the world to obtain the foodstuffs and other essential agricultural products which they will need and to maintain adequate markets for their own surplus production.”

Accept etc.

LEWIS CLARK

717.

DEA/5050-40

*Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires des États-Unis*

*Secretary of State for External Affairs
to Chargé d'Affaires of United States*

No. 39

Ottawa, April 3, 1943

Sir,

I have the honour to acknowledge your note No. 861 of March 25th in which you transmit on instructions from the President of the United States an invitation to the Government of Canada to be represented by a small number of appropriate technical and expert representatives at a conference on food and other essential agricultural products which your Government proposes to convene on April 27th at some suitable place in the United States. I shall be glad if you will be good enough to inform your Government that the Government of Canada will be pleased to send representatives to this conference.

I expect within a few days to request you to secure further information from your Government on the contemplated scope and procedure of the conference in order to assist in making suitable preparation for the participation of the Canadian representatives.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

718.

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*Le chargé d'affaires des États-Unis au
secrétaire d'État aux Affaires extérieures*

*Chargé d'Affaires of United States to
Secretary of State for External Affairs*

No. 865

Ottawa, April 6, 1943

Sir,

I have the honor to refer to my note No. 861 of March 25, 1943, and the Department of External Affairs' note No. 39 of April 3 in reply thereto, regarding the conference on food and agriculture which is scheduled to convene in the United States on April 27 next. Particular reference is made to the last paragraph of the note from the Department of External Affairs expressing a desire to obtain further information on the contemplated scope and procedure of the conference.

In that regard the Legation has just received a communication from the Department of State which states that while no public announcement has been made regarding the nature of the United States delegation or the nature of the delegations of other countries, the following information might be helpful to the Canadian Government:

The United States delegation will, so far as can now be foreseen, consist of approximately five delegates and several technical advisers. None of the delegates will be of Cabinet rank but one or more of the delegates will be of sub-Cabinet rank. In general the delegates will have personal and expert knowledge of problems of food, nutrition and agriculture and will typify agricultural and economic statesmanship in the broadest sense.

Other governments participating in the conference may wish to designate similar types of delegates. Each country will obviously also desire (within the necessary limitations which in certain countries transportation facilities may impose upon the size of the delegations) to have expert advisers upon the particular agricultural problems in which that country is especially interested, as well as experts upon general economic matters.

Accept etc.

LEWIS CLARK

719.

DEA/5050-40

*Le chargé d'affaires des États-Unis au
secrétaire d'État aux Affaires extérieures*

*Chargé d'Affaires of United States to
Secretary of State for External Affairs*

No. 867

Ottawa, April 10, 1943

Sir,

I have the honor to refer to my note No. 861 of March 25, 1943, transmitting

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an invitation to the Canadian Government to send representatives to a conference on food and agricultural products, to convene at some suitable place in the United States on April 27, and, under instructions from my Government, to transmit the following supplementary information:

The United Nations conference on food and agriculture has been postponed and will convene on May 18, 1943, at Hot Springs, Virginia.

The President has approved the following delegates from the United States:

The Honorable Marvin Jones, Judge of the United States Court of Claims, Chairman; the Honorable Paul H. Appleby, Undersecretary of Agriculture; the Honorable W. L. Clayton, Assistant Secretary of Commerce; Surgeon General Thomas Parr of the United States Public Health Service; Mr. Murray D. Lincoln, Executive Secretary of the Ohio Farm Bureau Federation.

It is the hope of the United States Government that the discussions may be as informal as possible and that most of the detailed work will be done in technical sections or committees. There will be the usual opening and closing public plenary sessions, but it would seem that the sections and committees might more effectively consider the various topics in executive session. Although the duration of the conference will be determined by the delegations in the light of the progress of the discussions it would seem at this juncture that the conference might be in session for a period of approximately two weeks.

In view of the fact that this will be a technical war-time meeting it is felt that there should be an absolute minimum of social entertainment. It is not contemplated that wives or other family members will accompany the delegates. Business suit will be adequate.

Hot Springs is approximately 290 miles from Washington. The Homestead Hotel has been reserved for the exclusive use of the conference and has facilities for both residential and conference requirements. Special rates have been arranged for the delegations.

The Department of State in Washington has requested the Legation to inform it by telegram of the names, titles, dates and ports of arrival of all members of the Canadian delegation so that necessary reservations may be made at the hotel.

Accept etc.

LEWIS CLARK

720.

DEA/5050-40

*Le chargé d'affaires des États-Unis au
secrétaire d'État aux Affaires extérieures*

*Chargé d'Affaires of United States to
Secretary of State for External Affairs*

No. 869

Ottawa, April 14, 1943

Sir,

I have the honor to refer to my notes Nos. 861 of March 25 and 867 of April

10, 1943, concerning the conference on food and agricultural products which is to convene on May 18 at Hot Springs, Virginia, and, under instructions from my Government, to transmit the following supplementary communication:

"Supplementing the suggested outline of the purposes and anticipated scope of the conference as contained in the invitation, my Government now proposes the following detailed agenda for the conference:

"This agenda is organized around the following conception of the problem with which the conference should deal:

"The agenda begins with an effort to ascertain the facts as to what are the needs of the various peoples of the world for food and other essential agricultural products, with due regard to differing conditions and possibilities among countries. It recognizes that in the past excessive accumulations of certain agricultural products were in fact not surpluses at all when measured by the world's minimum needs of food and clothing; that these so-called surpluses were usually the result of maldistribution and under-consumption. It then seeks to ascertain the prospects for so organizing world agricultural production as to enable the satisfaction of these needs and to explore the measures, both domestic and international, by which production can be enhanced and better directed in terms of consumption. Finally it examines the measures and conditions which are necessary to assure that what can be produced moves into consumption.

"1. Consumption levels and requirements

(a) Food

1. Character and extent of consumption deficiencies in each country.
2. Causes and consequences of malnutrition.
3. Measures for improving standards of consumption (education et cetera)
4. Reasonable national and international goals for improved food consumption.

(b) Other essential agricultural products.

1. Pre-war consumption levels in various countries as influenced by prosperity or depression and by buying power of population.
2. Reasonable national and international goals for improved consumption with sustained employment and expanded industrial activity.

"2. Expansion of production and adaptation to consumption needs.

- a. Measures for re-direction of production toward more essential commodities.
- b. Measures for shifting production out of commodities in chronic surplus.
- c. Measures for improving agricultural productivity and efficiency.
- d. Measures for development and conservation of agricultural resources.
- e. Opportunities for occupational adjustments in agricultural populations.

"3. Facilitation and improvement of distribution.

- (a) Relation of national and international economic policies to agricultural problems with special reference to the facilitation of the movement of agricultural products in commerce.

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1. Expansion of international trade.
 2. Broad policies for assuring increased production and consumption in general.
 - (b) Improvement of agricultural marketing, processing and distribution.
 - (c) Special measures for wider food distribution.
 1. Improvement of consumption of low income groups.
 2. International disposition of commodities in over-supply.
 - (d) Buffer stocks and commodities arrangements to assure equitable prices and adequate supplies.
- "4. Recommendations for continuing and carrying forward the work of the conference."

The following addendum is proposed as a basis for understanding but not for incorporation in the agenda: "As will be seen from the form of the agenda it is not contemplated that the conference would discuss the problems of individual commodities as such but would rather be organized around the broader aspects of production and distribution in relation to more adequate consumption levels. In any limited discussion of individual commodities that may take place within the broader framework it would not be contemplated in any event that the discussion would include rubber, drug plants or forest products.

"My Government entertains the hope that Government of Canada will be in a position to concur in the projected agenda and addendum and hopes to receive its response on the proposal by April 24 in order that a definitive agenda may be promptly prepared and distributed."

Accept etc.

LEWIS CLARK

721.

DEA/5050-40

*Le sous-secrétaire d'État aux Affaires extérieures
au ministre-conseiller, la légation aux États-Unis*

*Under-Secretary of State for External Affairs
to Minister-Counsellor, Legation in United States*

CONFIDENTIAL

Ottawa, April 21, 1943

Dear Mr. Pearson,

We have been going over the agenda for the United Nations Food Conference and giving some consideration to the composition of the Canadian delegation. The agenda is clear enough and a good deal has been said in advance as to the purely advisory character of the Conference. What still remains in doubt is how far the participating countries will be ready to go at this time in really frank discussion of the basic question of national policy raised by the agenda of the Conference.

For instance it is quite possible that the United Kingdom might be prepared

to import, as in the past, a large quantity of its food provided that it has reasonably assured markets for goods and services by which payment could be made. It is far from clear that similar considerations would apply to countries which in the past have protected their agriculture as a matter of social policy. There also will be countries which are dependent on agriculture because they are overpopulated and have no alternative occupations. These countries may receive adequate food only if there is an element of gift about the transaction. For instance in a recent Nuffield House study it was suggested that some of the Danubian countries might be dependent on strictly bilateral trade, designed to enable them to market the goods they could sell on far more favourable terms than would be the case if they had to face the competition of the great food producing countries. The special conditions of countries where nutritional standards have always been low, including parts of India, China, and Russia, again raise very special issues.

Then, too, there is the case of a country like Japan which could import foodstuffs and pay for them provided that adequate markets were available. It is assumed that the position of the enemy nations will have to be given consideration in any comprehensive plans for dealing with post-war trade.

It would be useful if it could be ascertained, confidentially and in advance of the meetings, whether the United States delegates contemplate a frank discussion of such issues.

Some awkward issues exist. Some of the United States declarations seem to have suggested that it is almost a moral duty of food-importing countries to place no obstacles in the way of the importation of foodstuffs. These precepts have been combined in practice both in the United States and in Canada as in Great Britain with very expensive protection for beet sugar as against cane sugar. It is also probable that it could be contended that United States and Canadian exports of food are directly or indirectly subsidised by the exporting countries. It is very difficult to contend that protection designed to offset direct or indirect subsidies is discriminatory, and it is possible to contend that direct or indirect subsidies for export either of goods or services are themselves discriminatory.

It would help us in selecting our delegation and working out their instructions to know how frankly the Conference is expected to discuss the sort of thing that has been mentioned in this letter. Will the United States itself take the lead in bringing these difficult cases before the Conference? On the other hand will the United States attempt to discourage other countries from raising them or attempt to evade them if they are raised? These are awkward questions to put and probably impossible questions to answer. Any information you can gather in Washington as to other countries' attitudes toward them would, however, be of interest to us.

Yours sincerely,

N. A. ROBERTSON

CONSULTER SUR PAYS

722.

DEA/5050-40

*Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires des États-Unis*
*Secretary of State for External Affairs
to Chargé d'Affaires of United States*

No. 50

Ottawa, April 22, 1943

Sir,

I have the honour to refer to your note No. 869 of April 14, concerning the detailed agenda for the Conference on food and agricultural products which is to convene on May 18 at Hot Springs, Virginia. Careful consideration has been given to the proposed agenda by the departments of the Canadian Government most intimately concerned with the work of the Conference. The general view is that the agenda will provide a sound basis for arranging the work of the Conference.

The proposed agenda is arranged under four main headings. It is anticipated that the first two will be concerned mainly with the assembling of information and with its reduction to a form which permits of ready comparison between conditions for the various countries concerned. It seems probable that it is only after some progress has been made with the work which falls under these two headings that it will be possible to turn to the third heading, which seems to contemplate an assembly of statements of national policy and national attitude with a view to formulating general resolutions. In the view of the Canadian Government it is extremely important that the Conference should be a success, and it is felt that its success will be judged largely by the general resolutions upon which agreement can be reached.

While the Canadian Government is not proposing any changes in the structure of the agenda, a few notes on points of detail may be of assistance when its revision is undertaken.

1. It is noted that there is no reference to fish as a foodstuff. This omission is unfortunate because some of the problems raised in the second section of the agenda arise quite as much in the case of fish as they do in the case of agricultural products, while measures of conservation are more likely to have an international aspect in the case of fisheries than in the case of agricultural produce. In the case of fish it is also possible that there may be some reference to the declarations as to the right of all nations to access to sources of raw material.

2. The reference to the consumption of low income groups in paragraph 3 c. 1 of the agenda appears to be somewhat unfortunate in a Conference in which so many countries are represented that the low income groups in the richer countries may actually be better off than the average income groups in the poorer countries. Countries where general nutrition is low may feel that their problem should have precedence over those of low income groups in the richer countries.

3. It is assumed that paragraph 1 a. 1 refers to consumption in a typical pre-war year and not to the consumption deficiencies which have arisen in the course of the war or which may be anticipated during the immediate post-war

period. If this assumption is correct it is suggested that the agenda might be expressed so as to make the point clear.

The Canadian Government is giving consideration to the personnel of the Canadian delegation and to the numbers that will be required. It is impossible to reach a final decision on this point until the agenda of the Conference has been reduced to its final form, as it is the wish of the Canadian Government to have experts available who can deal with any of the topics which may be brought up in discussion.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

723.

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Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1688

Ottawa, May 8, 1943

IMMEDIATE. CONFIDENTIAL. Following for Pearson from Robertson, Begins: Canadian delegation to Food Conference has not yet been announced³⁴ but following list of personnel may be communicated to the Department of State. It should be regarded for the time being as confidential:

Delegates:

- Dr. G.S.H. Barton, Deputy Minister of Agriculture, (Chairman)
- Georges Bouchard, Assistant Deputy Minister of Agriculture
- Dr. T.W. Grindley, Secretary, Canadian Wheat Board.
- H.F. Angus, Special Assistant to the Under-Secretary of State for External Affairs and Chairman of the Food Requirements Committee.
- L.B. Pearson, Minister-Counsellor, Canadian Legation, Washington.

Advisers:

- Dr. L.B. Pett, Director, Nutrition Service, Department of Pensions and National Health
- Dr. C.A. Morrell, Department of Pensions and National Health
- Dr. J.F. Booth, Associate Director of Marketing, Department of Agriculture.
- A.E. Richards, Department of Agriculture
- G.R. Paterson, Animal Products Trade Commissioner in the United Kingdom, Department of Trade & Commerce
- T.G. Major, Department of Trade and Commerce
- G.W. Britnell, Economist, Wartime Prices and Trade Board.
- H.H. Hannam, President, Canadian Federation of Agriculture
- C. Vaillancourt, Secretary, Quebec Maple Sugar Producers Association

Secretary of Delegation: Jean Chapdelaine

³⁴ Les noms des délégués furent annoncés dans un communiqué à la presse du ministère des Affaires extérieures le 10 mai.

³⁴ The names of the delegates were announced in a Department of External Affairs press release on May 10.

CONSULTER SUR PLACE

724. DEA/5050-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-2259 Washington, May 11, 1943

IMMEDIATE. Following for Robertson from Pearson, Begins: Your letter of April 21st, points arising out of Food Conference agenda³⁵. As stated in my letter of April 28th¹, I took this matter up with Mr. Dean Acheson in the State Department, and have just received the following reply:

"I quite agree that you have posed some very important and searching questions to which there is no very easy answer and that these questions are very likely to arise at the Food Conference. Indeed, they are at the heart of some parts of the agenda. At the same time the question of an adequate world organization with respect to international trade is one which, as we understand it and as we hope we have clearly expressed to the other Governments, goes beyond the competence of this Conference. Furthermore, as you know, the Conference is at a technical and advisory level in which the delegations will not be able to make any commitments which are binding on their Governments.

"Accordingly, while it would not be our thought to attempt to head off any discussion which was pertinent to revealing the relationship between the national and international aspects of agricultural problems, we would expect that in the Conference's discussions of item III A of the agenda it would be recognized that the improvement in the organization of production with a view to reaching reasonable consumption goals would be dependent in a very considerable degree upon adequate action by the various nations in the expansion of international trade and in pursuing broad policies for assuring increased production and consumption in general. The Conference would then, presumably, recommend to the various Governments that this broader problem be further examined by the nations represented, perhaps at another United Nations Conference.

"If you should care to discuss this further with any of us here in the Department, we should be only too glad to be at your disposal." Ends.

725. DEA/5050-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-2319 Washington, May 13, 1943

IMMEDIATE. Food Conference. I attended a meeting this afternoon of British Commonwealth delegates to the Food Conference and Judge Marvin Jones at the latter's office. Lloyd Steere and Achilles, who will act as assistants to Judge

³⁵ Voir le document 720.³⁵ See Document 720.

Jones as Chairman of the Conference, were also present. Questions of organization were discussed. There was submitted to us a tentative list of the personnel who might be suitable for Chairman, Vice-Chairman, and Rapporteur of the four main sections, as follows:

Section 1: Chairman from the Chinese Delegation, Vice-Chairman from Mexico, Rapporteur, Dr. Ackroyd (India).

Section 2: Chairman, U.S.S.R; Vice-Chairman, India; Rapporteur, Lincoln (U.S.A.).

Section 3: Chairman, Brazil; Vice-Chairman, Yugoslavia; Rapporteur, Hart (Netherlands).

Section 4: Chairman, United Kingdom; Vice-Chairman, Cuba; Rapporteur, McDougall (Australia).

I was the only person who ventured to query these suggestions. I stated bluntly that if the Steering Committee of the Conference were to consist of the Conference Chairman, the Section Chairman and Vice-Chairman, Canada would not favour this list, as she would feel that at a Food Conference her importance would justify membership on the Steering Committee.

I pointed out that the Section Chairmen and Vice-Chairmen included three Latin Americans. Apparently the Americans feel that the Steering Committee might possibly be chosen on a different basis, and apart from the Section officers. It was suggested in this regard that the Steering Committee should consist of representatives of the Big Four, two European countries, two Latin American countries, one Near Eastern country, and one British Dominion. I emphasized that however chosen, Canada would expect to be on the Steering Committee. Please tell me how far I should go in emphasizing this.

2. There was considerable discussion as to whether the choice of the officers of the Section Committees should be left to the sections or whether slates should be prepared in advance. If the latter is not done, there will obviously be much time wasted at a conference where time is at a premium. Therefore the Americans had made a tentative selection from the various delegations which conferred on every country some post on every Committee, whether Chairman, Vice-Chairman, or second Vice-Chairman. They have suggested Dr. Barton as Chairman of Committee 1. of Section 2. Other Committee Chairmen suggested were:

Section I, Committee 1. Dr. Evang (Norway)

Committee 2. Arvaessos (Greece)

Committee 3. Dantos (Brazil)

Section II, Committee 2. Castro (El Salvador)

Committee 3. Elizalde (Philippines)

Committee 4. McCarthy (Australia)

Section III, Committee 1. Maud (Great Britain)

Committee 2. Duncan (New Zealand)

Committee 3. Alphan (France)

Committee 4. Stenberg (Netherlands)

CONSULTED SUR PLACE

726.

DEA/5050-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1787

Ottawa, May 14, 1943

Following for Pearson from Wrong, Begins: Your message WA-2319 of May 13th. Food Conference. I think that undoubtedly Canada should be represented on the Steering Committee of the Conference. As long as this is achieved it does not matter much how it is done. If the Steering Committee is to be composed of Section Officers, however, a Canadian should be among those selected as Chairman, Vice-Chairman or Rapporteur of the Sections. A better Steering Committee might be secured by some other method of selection but it would probably be difficult to agree on an alternative method. Our representative on the Steering Committee should be either you or Dr. Barton.³⁶

727.

DEA/5050-40

Mémorandum de l'adjoint spécial en temps de guerre³⁷
au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Special Wartime Assistant³⁷ to
Under-Secretary of State for External Affairs

[Ottawa,] June 8, 1943

IMPRESSIONS OF THE UNITED NATIONS FOOD CONFERENCE
 AT HOT SPRINGS, VIRGINIA

1. The Conference was a complete success in the sense that it achieved all that it could possibly have been expected to accomplish. The technical discussions proceeded smoothly and general issues of policy were settled in complete unanimity.

2. This success may be of value in two ways:

a. It may serve as a basis for propaganda within the United Nations, among neutral countries and even in enemy countries;

b. It may establish the basis for genuine collaboration at a later date by committing the countries concerned in some degree to such a policy and by accustoming their peoples to considering such a development as reasonable.

3. The unanimity on matters of policy was reached by the simple process of pushing aside any questions on which disagreement seemed likely to arise. These questions were numerous, particularly in Section 3 which was concerned with matters of government policy and ultimately with matters in which strong

³⁶ Le Canada fut représenté par G.S.H. Barton.

³⁷ H.F. Angus.

³⁶ Canada was represented by G.S.H. Barton.

political roots in each country will be affected. A few illustrations will make my meaning clear:

a. The unanimous opinion that trade barriers should be reduced was qualified in debate by the delegates from several countries who pointed out that the trade barriers which they imposed and also those barriers which they intended to impose were of so eminently reasonable a character as not to fall within the scope of the resolutions. It was clear that Australia intended to practise protection in order to secure the establishment there of a diversified industry. The delegates objected to the words "suitable industry" as limiting their freedom of action. Tariffs were said to be needed to protect Australian industry against the competition of established industries in more mature industrial countries. They were also said to be needed for the purpose of social diversification, which presumably means that some industries may be permanently protected in order that people with special aptitudes who seek employment in those industries may not be compelled to leave Australia. No mention was made of defence as a reason for protection, and it would have been ungracious to mention defence in view of the fact that the Conference itself had postulated freedom from fear as something which must be established by international collaboration. However, should international collaboration not reach this point of perfection it is almost certain that the Australians will add to their reasons for protection Adam Smith's preference for defence rather than opulence;

b. India was quite as emphatic as Australia in stressing the need for using trade barriers in order to establish industries in the face of foreign competition, and Sir Girja Bajpai³⁸ said expressly that he would be considered as having given away the Indian cause if he were to agree that protection should be confined to suitable industries;

c. Delegates from Mexico explained that they considered that trade barriers would be necessary in that country to exclude the competition of Japanese labour because of its low living standards;

d. My suggestion that a constructive method of approach to the problem would be to find out if the objects served by protective tariffs could be as well, or even better, achieved by concerted international action was not badly received, but I do not think that anyone considered it practicable and it would certainly have gone somewhat beyond the scope of the Conference. There was a tendency to use the words "excessive tariffs" but as there was no test as what was excessive the term appears to have meant nothing more than tariffs imposed by nations other than that of the person using the term. I do not think that anyone would have been prepared to accept the idea of an international authority entrusted with the duty of determining when trade barriers became excessive;

e. It was impossible to secure an exception for so-called revenue tariffs, that is to say tariffs on commodities not produced in the taxing country, or tariffs counterbalanced by equivalent excise taxes on home production. It does, of course, seem grotesque to suggest that a country may legitimately tax tea, salt or beer as long as it is itself the producer of the whole amount required for its

³⁸ Président, délégation de l'Inde.

³⁸ Chairman, Delegation of India.

CONSULTED SIR PHILIP

annual consumption, but that it may not tax any of these commodities if it imports all or part of its supply. The reason for not pursuing the discussion of this topic was that some of the countries which exported coffee were aggrieved by the very high tariffs imposed on coffee by France and Italy although these countries were in a position to say that their tariffs were not protective in character;

f. Although the British proposals concerning buffer stocks made it clear that purchases by an international authority and sales by that authority were to be limited to two purposes, namely,

- a. the moderation of short-term price fluctuations, and
- b. the arresting of incipient depressions by maintaining the purchasing power of certain agriculture producers,

it was quite clear that some countries wish to use this device for a totally different purpose, namely, the maintenance of a fair price, or of some sort of parity between the price of the commodity concerned and the price of industrial products. The Cuban delegation went so far as to define a fair price as a price which would enable the producer to maintain an adequate standard of living (presumably the standard which the Japanese were reproached for not maintaining). It was obvious that if buffer stocks were used for this purpose they could not at the same time follow the long-term price trend in such a way as to eliminate the less efficient producers by making it impossible for them to earn an adequate income in the occupation of their choice. Indeed, this idea of eliminating inefficient producers was not really acceptable to all the countries concerned. The Australians, for instance, succeeded in having a reservation made to the effect that the stocks should be so managed that any occupational change should be gradual and orderly;

g. While there is complete agreement that if buffer stocks could not be sold without producing a disastrous fall in prices they should be used to feed undernourished people and should not be destroyed, there was a great temptation to make this enlightened declaration the only commitment for meeting the needs of chronically undernourished peoples. Hesitation on this point was curious in view of the avowed wish of the Conference to abolish hunger throughout the world;

h. Yet, this paradox is capable of explanation. The British delegation made it clear that it expected the improvement in nutrition in backward countries to be a gradual and possibly a slow process. It obviously wished to avoid the financial burden of providing adequate diets throughout the dependent Empire. The United States delegates were clearly desirous of avoiding the reproach, which might be fatal politically, that they were casting the United States for the role of Santa Claus. The result was that no emphasis was placed on the need for adequate agricultural programmes to meet the requirements of undernourished countries. While some attention was given to the desirability of enabling these countries to put an end to the conditions of poverty, that had prevented them from securing sufficient food, the only practical suggestions were that technical assistance might be provided, supplies of per capita goods might be forthcoming and financial assistance might be organized. There was, however, reticence

on the balance of international payments, the problem of these countries, and little was said about the problem of finding markets for the produce of backward countries if some special assistance were required.

4. The President of the Conference in his final speech made a great showing of the fact that nations great and small had met on the footing of perfect equality and that there had been no sacrifice of national sovereignty. This declaration may make it difficult for any permanent body to recommend joint action in the field of policy with any prospect of its recommendation being accepted.

5. The upshot of the matter seems to be, therefore, that the basic questions of policy have still to be faced, although perhaps in a better atmosphere than existed before the Conference met.

6. With this review in mind, it is possible to approach the question of whether or not it was wise to call the Conference at all. As has been shown, the Conference has probably improved morale at the present time and may be a stepping-stone to something more constructive. It has, however, excited expectations which are quite possibly doomed to complete disappointment. It is hardly necessary to emphasize how disastrous an effect disappointment and disillusion may have in the years after the war.

7. My own view is that, as the end of the war approaches, it will be necessary for statesmen in all countries to impress on their people that the task of "winning the peace" and of establishing the better world promised to the men who died is quite as difficult as the task of winning the war, and that it will require substantial sacrifices of immediate interests by many nations and by substantial groups within each nation. I fully realize that it is much harder to bring this point home than it is to make a "sweat, blood and tears" speech in a moment of obvious military crisis.³⁹

728.

DEA/5050-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-2930

Washington, June 17, 1943

IMMEDIATE. Following for Robertson from Pearson, Begins: Following is the text of a note from the Department of State received this morning, dated 11th, Begins:

"The Secretary of State presents his compliments to their Excellencies and Messieurs the Chiefs of Mission, and refers to previous correspondence concerning the United Nations Conference on Food and Agriculture, which terminated its sessions at Hot Springs, Virginia on June 3, 1943.

³⁹ La note suivante était écrite sur ce mémorandum:

³⁹ The following note was written on the memorandum:

Copy given Macdonald for information of Commercial Policy delegate. R[OBERTSON]

CONFIDENTIAL - SECURITY

"In resolution II of the final Act⁴⁰, the Conference resolved that an Interim Commission be established for carrying out the recommendations of the Conference; that each of the Governments and authorities represented be entitled to designate a representative on the Interim Commission; that the Interim Commission be installed in Washington not later than July 15, 1943; and that the Government of the United States be invited to take whatever preliminary action may be necessary for the establishment of the Interim Commission.

"The Government of the United States has willingly undertaken to facilitate the establishment of the Interim Commission. In order to carry out the mandate of the Conference, the Diplomatic Missions of the United States abroad have been instructed by telegraph to request each of the Governments which participated in the Conference to indicate the name, title, and address of its representative on the Commission.

"In order that this Government may be in a position to communicate without delay with the representative designated by each Government, and proceed to take whatever steps may be necessary for the establishment of the Interim Commission in Washington prior to July 15, Mr. Hull would be grateful for the assistance of the Chiefs of Mission in obtaining prompt notification from their respective Governments with regard to the membership of the Interim Commission." Ends.

729.

DEA/5050-40

*Le président, le Comité sur les besoins alimentaires,
au greffier du Conseil privé*

Chairman, Food Requirements Committee, to Clerk of the Privy Council

Ottawa, June 25, 1943

Dear Mr. Heenev,

At its meeting yesterday evening the Food Requirements Committee recommended that the Government of Canada should approve of the Final Act of the United Nations Conference on Food and Agriculture. Although no formal request for advice on this subject had been received, I had been asked by Mr. Robertson to treat the reference as having been made.

The Final Act comprises a long series of resolutions and may require some study before the members of the Government are in a position to form a clear picture of the principles to which they have been invited to give their approval. My personal view is that some emphasis should be placed on the following points:

(1) Approval of the Final Act will commit the Government to membership in a permanent body which it is proposed to set up for the purpose of securing

⁴⁰ L'Acte final fut présenté à la Chambre des Communes le 14 juin. Voir Canada, Chambre des Communes, *Débats*, 1943, volume 6, pp. 3686-9. Voir aussi le document de session No 390.

⁴⁰ The Final Act was tabled in the House of Commons on June 14. See Canada, House of Commons, *Debates*, 1943, Volume 6, pp. 3591-3. See also Sessional Paper No. 390.

international co-operation in raising the levels of nutrition and improving the efficiency of agricultural production.

(2) The Government will also be assenting to the establishment of an Interim Commission on which each Government would have one member which would formulate a specific plan for the permanent organization and which, in the meantime, would in some ways carry on the work of the Food Conference.

(3) The Government would undertake to pursue certain lines of policy directed to increasing the food resources of Canada and improving the diet of the Canadian people. Without analysing these policies in detail, it may be said that they include measures for increasing the efficiency of agriculture in almost every possible way and measures for the attainment of social security and the abolition of poverty, at least in so far as poverty is a handicap to adequate nutrition.

(4) The Government would also be affirming the principle of mutual responsibility with other Governments and the importance of co-ordinated action for three main purposes:

(a) maintaining the general food supply during the period of shortages which is expected to precede and to follow the termination of hostilities;

(b) the maintenance of international security;

(c) the pursuit, after the period of shortages, of an expansionist economic policy designed to secure full employment within each nation on a basis consistent with the expansion of international trade so that advantage can be taken of international specialization.

In suggesting that these points should be emphasized I do not wish to suggest that they are the only important points covered in the lengthy resolutions which constitute the Final Act. These resolutions have been carefully framed to cover the whole ground and also to include numerous reservations designed to protect the particular interests of a number of countries. These reservations are naturally more important in relation to that part of the work of the Conference which was concerned with national economic policies than in that part of the work which had to do with the more technical aspects of nutrition and production.⁴¹

Yours sincerely,

H. F. ANGUS

730.

DEA/5050-B-40

*Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires des États-Unis*

*Secretary of State for External Affairs
to Chargé d'Affaires of United States*

No. 76

Ottawa, June 28, 1943

Sir,

I have the honour to refer to your note No. 910 of June 12⁴², in which you ask to be informed of the representative designated by the Canadian Government

⁴¹ L'Acte final fut approuvé par le Conseil le 6 juillet 1943.

⁴¹ The Final Act was approved by Council on July 6, 1943.

⁴² Voir le document 728.

⁴² See Document 728.

CONSULTER SUR PLACE

to act on the interim commission which is to be established for carrying out the recommendations of the United Nations Conference on Food and Agriculture. The Canadian Government has designated Mr. L. B. Pearson, Minister-Counsellor in the Canadian Legation at Washington, to act in this capacity.

It will be appreciated if you will transmit this information to the United States Government.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

731.

DEA/5050-B-40

*Le ministre-conseiller, la légation aux États-Unis, au
sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States, to
Under-Secretary of State for External Affairs*

Washington, July 23, 1943

Dear Mr. Robertson,

There are some matters concerning the organization and activities of the United Nations Interim Commission on Food and Agriculture about which I think I should write you in the hope that you will take them up with those concerned in Ottawa.

We have begun to receive documents and papers of the Commission and are sending two sets of these to Ottawa. If additional sets are required, will you let me know so that I can ensure that in the future you receive the right number.

I have been giving some consideration to Canadian representation and participation in the work of the Commission. My duties of Chairman (which are pretty heavy at the moment) will prevent my giving as much time as otherwise would be the case to following the work of the committees and reporting on phases of that work of particular interest to Canada. It is, I think, therefore essential that an alternate Canadian delegate or a Canadian adviser be appointed who can attend committee meetings when I am not able to do so. There are two possibilities in this regard: Drummond, of Mr. Plumtre's office, and Bull, of Mr. Scott's office. So far as Drummond is concerned, I think he would probably be of greater value as a member of the Commission's Secretariat and we are hoping to use him in that capacity. However, if it later seemed advisable, he could be made alternate Canadian delegate and represent us on the necessary committees. The other possibility is that Bull could attend committee sessions when necessary. I have talked to Scott about this and to Bull, and they are agreeable. It should not take up too much of Bull's time as he would only have to follow the work of the committees in a general way and to assist me generally. I would be grateful, therefore, if the question as to how Drummond and Bull could most effectively be used could be left to my discretion. Could a telegram be sent to me on this point?

This is an extraordinarily difficult Commission to get going. We represent forty-four governments but we have no secretaries, experts, or staff, and no funds of any kind. So far as staff is concerned, I have been spending a great deal of time this week going over lists of possible people with the Department of Agriculture and the State Department. We hope to establish a position of Secretary General which will not be filled for some time until we see how the work of the Commission develops and how the other secretaries pan out. We are, however, hoping to fill at once — and indeed we must do so in order to begin the work — the position of Executive Secretary and also appoint four or five associate secretaries who can take charge of the three committees we have already established. The Executive Secretary will be a key appointment and we are having a hard time getting the right person. We are agreed that he should be an American because we need so much help from here, but the Americans who would be suitable without question are usually not available, and of those available we are having some difficulty in choosing the best.

I have also been having discussions with the State Department and with Loveday as to how the League Economic and Financial Section can be used — if, indeed, it can be used at all. The Americans are extraordinarily sticky on this point.⁴³

There remains the all-important question of finance. As I said above, we haven't a penny and are not likely to be able to work out a scale of contributions from governments which can be put into effect for some months. Such a scale will, of course, depend largely upon the scale adopted for the proposed permanent body. Meanwhile, we must have money. Both the British and the American delegates (Twentyman and Appleby) are approaching their governments for advances which may be credited against subsequent contributions. In view of the prominent position which Canada has been given in this work, would it not be possible for us also to make a gesture by advancing twenty or thirty thousand dollars? Here again, such an amount would be credited against subsequent contributions which we may make. In the meantime, however, it would be a great help to the Commission and would certainly increase our prestige on that body. With such an inadequate and inexperienced Canadian as Chairman, the question of increasing our prestige is an important one!

I would be glad if those concerned in Ottawa would look into these questions. I am anxious to have word as soon as possible as to whether I can use Drummond full time and Bull part time as suggested above; the exact manner of their use to be left to my discretion.

Yours sincerely,

L. B. PEARSON

⁴³ Une procédure fut établie éventuellement. Voir la lettre du 2 septembre du ministre-secrétaire d'État aux Affaires extérieures dans DEA/5050-B-40.

⁴³ An agreed procedure was eventually worked out. See letter of September 2 from Minister-Counsellor, Legation in United States, to Under-Secretary of State for External Affairs in DEA/5050-B-40.

CONSULTER SUR PLACE

732.

DEA/5050-B-40

*Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis**Secretary of State for External Affairs to Minister in United States*

TELETYPE EX-3003

Ottawa, July 31, 1943

IMMEDIATE. Following for Pearson from Robertson, Begins: Reference your letter of July 23rd re organization of the United Nations Interim Commission on Food and Agriculture.

An immediate advance of 10,000 dollars (U.S. funds) by the Canadian Government toward the expenses of the Commission has been arranged. This advance is to be credited against subsequent contributions. Please let me know when, how and to whom these funds should be transferred.

The question of using Drummond and Bull to assist you with the work of the Commission has been discussed with the appropriate authorities here. The Department of Trade and Commerce is quite agreeable to your using Bull part time in the manner you have suggested. They assume that you have made mutually satisfactory arrangements with Harry Scott. With reference to Drummond, the Food Administrator, Ken Taylor, states that about half of Drummond's time is taken up with work for his administration and that if Drummond is taken away someone would have to be found to replace him. In any case before Drummond could be taken the matter would have to be cleared with Plumptre. Furthermore, there is some doubt here about Drummond's suitability as a Canadian representative on committees. W.P.T.B. say his work has been very satisfactory but that he has had virtually no experience with committee work. If he were to be used in the latter connection they would have some reservations and would wish to consider the matter further. In these circumstances it might be advisable to leave Drummond where he is, since he would have to be replaced anyway, and try to find someone else for the work you have in mind. We shall explore the possibilities here. Any further details of the nature of the position, responsibilities, qualifications, remuneration, etc., would be helpful.

PARTIE 3/PART 3

CONFÉRENCE DES MINISTRES DE L'ÉDUCATION ALLIÉS

CONFERENCE OF ALLIED MINISTERS OF EDUCATION

733.

W.L.M.K./Vol. 346

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures**High Commissioner in Great Britain to
Secretary of State for External Affairs*

DESPATCH A. 255

London, August 10, 1943

Sir,

I have the honour to refer to the Conference of Allied Ministers of Education which has been sitting in London under the chairmanship of the Rt. Hon. R.A. Butler, M.P., President of the Board of Education. It was first convened in November 1942, on the joint initiative of the Board of Education and the

British Council; and it has met once every two months since then. The Ministers of Education of all the Governments-in-Exile are members of the Conference on which the Board of Education, the British Council, the Foreign Office and the Scottish Education Department are also represented. In May of this year I was invited to appoint a Canadian observer. I nominated Mr. D.V. LePan. The U.S.A., the Soviet Union, China, and the other Dominions are also represented by observers:

2. The problems which the Conference is considering are primarily those connected with the task of re-establishing the systems of education in the occupied countries of Europe as soon as an Armistice is signed. The provision of books and periodicals to devastated national and university libraries such as those of Rotterdam, Louvain, and Warsaw; the recovery from Germany of the scientific equipment which has been stolen; the possibility of training teachers in this country for service in Europe; the publication of new school text-books to replace the partisan tracts prescribed by the Nazis; these are some of the questions which the Allied Ministers have had under review. Already much has been accomplished. Information has been pooled about the present state of education and educational facilities in the various occupied countries, and rough estimates have been made of the damage which has been done and of the replenishments which will be needed, so that the point is now being approached when practical decisions can be taken. The Ministers have agreed that the problem of the re-education of Germany does not fall within their province but is properly the concern of the authorities which will direct the Allied Armies of Occupation. By this decision, they have rid themselves of a number of embarrassing complications, which are political rather than pedagogical. At other points, however, they are examining projects which have political implications. Suggestions which are being considered for a short factual history of the War to be published as soon as hostilities cease in order to dispel the smoke left by German propaganda, and for a common European history to be used by boys and girls between the ages of 16 and 18, might present political difficulties.

3. The Conference has also paid some attention to a number of long-term questions. For example, one of its Commissions has examined the various bilateral cultural conventions, which were entered into by European countries before the War to facilitate the exchange of university professors and students and to further intellectual co-operation in other ways, and has submitted a number of recommendations about the use of such conventions in the future. These recommendations have been approved by the Conference, and have been published as an official paper by H.M. Stationery Office. I am enclosing a copy[†] for your information.

4. Canadian participation in the work of the Conference is warmly sought. It is hoped that Canada will be able to provide some of the educational supplies which will be urgently needed. Specifically, I have been asked to inquire whether Canada would be prepared to help restock the national and university libraries in Europe which have either been censored and pillaged by the Nazis or have been gutted by military action. The books and periodicals required would fall into four classes:

CONSULTED SIR PEARCE

- (a) standard works to replace those which have been destroyed,
- (b) books published during the War (These of course, have not been available to European libraries).
- (c) Government publications and the periodicals of scientific and learned societies (Copies of these should be reserved now, as they appear, for dispatch to Europe after the war. Previous issues of important periodicals, if they are now unavailable, might be microfilmed).
- (d) books about Canada or by Canadians. (This category of books stands on a somewhat different footing from the other three, since in the case of most European libraries it would represent an addition rather than a replacement. The Allied Ministers, however, have especially asked that attention be paid to this possibility).

It has also been suggested that, because of the shortage of paper, both here and in the occupied countries, and because of the dislocation of the publishing trade, arrangements might be made in Canada to publish the textbooks which will be necessary. The French publishing houses in Montreal and Quebec might be especially valuable in this connection.

5. The Conference now stands at a watershed. Up till the present, membership has been limited to representatives of the European Allies. The Conference has met every two months, but it is not a standing body, and has no secretariat of its own, using simply the staff of the British Council. It now wishes to transform itself into a United Nations organization, on which all the United Nations would be represented by members, and which would have its own secretariat. I should like to have the views of the Canadian Government on these proposals. Would it be willing to sit on such a United Nations body to consider the questions I have outlined in paras. 2, 3, and 4 above? Although there is some difference of opinion between the present members of the Conference on the details of the proposed organization and on the expediency of setting up at present a separate secretariat (which would be necessarily small), there is complete agreement that all the United Nations should participate as members. I assume that the Canadian Government would wish to participate on these terms. I should, for my own part, most strongly recommend participation. If you sanction this step in principle, I shall later, no doubt, be asked to ascertain your views as to how the new body should be organized and staffed.

6. The fact that education is a Provincial rather than a Dominion matter might seem to present some difficulties. I suggest, however, that this is one place where the newly formed Canada Foundation might prove useful. The Dominion Government might ask it to undertake the responsibility of securing books and periodicals in Canada for the European libraries, and to explore the possibility both of printing textbooks in Canada for the use of European schools and of providing scientific apparatus. The National Research Council might also be useful in the latter inquiry.

7. It will be seen that the proposed reconstitution of the Conference of Allied Ministers of Education would create a United Nations bureau which, although of lesser importance, would stand beside the Interim Commission on Food and Agriculture and the projected United Nations Relief and Rehabilitation Ad-

ministration. Obviously the decision of the Government on the subject of this dispatch must be taken in the light of its general policy towards all these organizations which embody the concept of the United Nations.

I have etc.

VINCENT MASSEY

734.

DEA/5582-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] September 24, 1943

A Conference of Allied Ministers of Education has been meeting in London every two months since November 1942. In general it has been considering problems connected with the task of re-establishing the systems of education in the occupied countries of Europe as soon as an Armistice is signed. Such questions as the provision of books, training of teachers, and the publication of textbooks have been discussed. A representative from the High Commissioner's Office has been attending the meetings.

It is now proposed to transform the conference into a formally organized United Nations Commission or Bureau with a small secretariat of its own. The High Commissioner strongly recommends that Canada participate in this organization. He has asked whether or not the Canadian Government would be willing to sit on such a United Nations body.

The history and functions of this body were outlined in Mr. Massey's despatch A. 255 of August 10 last, of which you received a copy. One suggestion is that Canada should help to restock devastated libraries and to provide facilities for publishing textbooks, of which there will be a great dearth in Europe. I think we should agree to participate⁴⁴.

N. A. R[OBERTSON]

735.

DEA/5582-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

DESPATCH A. 380

London, November 19, 1943

Sir,

With reference to your despatch No. 1163 of November 9th,[†] which dealt with the Conference of Allied Ministers of Education in London, since my

⁴⁴ La note suivante, était écrite sur ce mémorandum: ⁴⁴ The following note was written on the memorandum:

This will need to be considered in Council and thought through as to what will be involved, what books, firms, taxes? K[ING]

despatch of August 10th there have been certain developments in the direction of the establishment of a permanent United Nations organisation to deal with questions of education.

2. The Select Committee of Ministers of Education which was set up by the Conference to study the question of future organisation has made its report, and I am enclosing a copy of this report herewith, Paper AME/A/20a.[†] You will see that the Committee recommended that a Bureau should be set up along the lines indicated in paragraph 5 of my despatch of the 10th August, and that the Bureau, in turn, should be empowered to organise a Secretariat. The Report was considered at the 6th Meeting of the Conference of the Ministers of Education of the Allied Governments on the 5th October. The American representative who was present on this occasion was Mr. Ralph Turner, of the Cultural Division of the State Department. Mr. Turner said that he would recommend to his Government that they should ultimately appoint a representative to the Bureau and that in the meantime they would be represented by an observer at the main Conference of the Ministers of Education.

3. It was pointed out during the course of the meeting that one of the recommendations of the Select Committee's report was that countries at present represented by observers should now be invited to become full members of the Conference of Ministers of Education, and that the new Bureau would be an executive bureau of the Conference and was of a purely temporary nature. It would be within the terms of reference of the bureau to consider the more long-term project of the creation of a United Nations Bureau of Education. I should point out that so far no official invitation has been received by me — or, indeed by any of the other Dominion High Commissioners — for Canada to become a member of the Conference.

4. Meanwhile the Bureau held its first meeting on the 27th October at the Board of Education. It had been proposed in the Report of the Select Committee that as it was necessary to restrict the size of the Bureau it would not be possible for all countries to be represented directly. Accordingly a scheme of representation was drawn up based on the allocation of one or two representatives to each of several groups of countries. It was proposed that the Dominions and India should have one representative between them, and that representation should rotate among them. In actual fact none of the Dominions found it possible to be represented at the first meeting of the Bureau, of which I enclose the draft report herewith.

5. Subsequent to the first Meeting of the Bureau representatives of the High Commissioner's Offices of the four Dominions, with the Official Secretary to the Office of the High Commissioner for Australia in the Chair, met at Australia House to talk over informally their relation to the Conference and the newly-created Bureau. Mr. Ritchie represented this Office at this meeting. It appeared that none of the Governments had as yet decided to become members of the Conference, and there was a general tendency to feel that as no instruction had been received from the respective Governments it would be as well to hasten slowly in relation to the Bureau. There was some tendency to feel that the Bureau had taken rather a lot for granted at their first meeting by suggesting

that the Dominion Governments should each provide £750 as a contribution to the first year's administrative expenses. Nor were the Dominion representatives altogether happy about the arrangements by which it was proposed that all Dominions would be represented by one of their number at the meetings of the Bureau. It was eventually decided unanimously that instructions from the respective Governments should be awaited before participation in the work of the Bureau.

6. With general reference to the subject of this despatch I am enclosing copies in English and French of the Report of the Commission appointed by the Conference of the Ministers of Education of the Allied Governments to consider Conventions for the Adjustment of Intellectual Co-operation between the British and Allied Governments.†

I have etc.

VINCENT MASSEY

736.

DEA/5582-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

DESPATCH A. 400

London, December 7, 1943

Sir,

With regard to my despatch No. A. 380 of the 19th November and previous correspondence concerning the Conference of Allied Ministers of Education in London, I am now enclosing a copy of a letter from the Secretary of State for the Dominions† inviting the Canadian Government to appoint a full representative to the Conference. No doubt, in principle, as I represented to you in my despatch No. A. 255 of the 10th August, it is desirable that Canada should support this Conference which it is hoped will develop into a clearing house for educational questions on an international scale.

2. The only question that occurs to me is whether it is desirable that we should join as a full member now, and on this point I should be very grateful for your views. On the one hand, it is clear that the United Kingdom Government intend to join and to make a very substantial financial contribution, and that any encouragement which could be given to the emerging organisation would be doubly valuable if it could be given now rather than later. On the other hand, the United States attitude seems to be that they prefer to consider further before accepting full membership of the Conference.

3. As I mentioned in my despatch No. 380 of the 19th November, Mr. Turner of the Cultural Division of the State Department, who has been in London to attend the Sixth Meeting of the Conference, has now returned to Washington where he is discussing with the State Department the question of American

CONSULTEZ SUR PLACE

membership. I rather gather from the American Embassy that the United States would like to see the Conference expanded to include some of the Latin-American Nations and that they feel that in its present form it is perhaps too exclusively European.

4. There are two other points in connection with Canada's membership of this Body which I may mention: one is that of finances. You will notice that the Secretary of State's letter of the 26th November¹ refers to financial support. I think that the sum mentioned in the fifth paragraph of my despatch No. A.380 of the 19th November, i.e., £750 for the first year as administrative expenses is the contribution which would be expected of the Dominion Governments as a contribution to a total budget of £15,000 for the first year of the new organisation's existence. This budget does not seem excessive provided the Conference develops the more extended functions which it intends to assume.

5. The other question is one of representation. To do a useful job in connection with an international educational Body we really need a specialist in educational matters in London, and at present I have no one on my staff who can spare the time to follow up the work of the Conference and the Bureau as fully as might be desirable.

I have etc.

VINCENT MASSEY

737.

DEA/5582-40

*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Under-Secretary of State for External Affairs
to High Commissioner in Great Britain*

Ottawa, December 27, 1943

Dear Mr. Massey,

With reference to your despatches Nos. A. 380 of November 19th and A. 400 of December 7th on the Conference of Allied Ministers of Education, I think that it is likely that there will be a further delay before we return a reply to the invitation for the appointment of a full Canadian member. This is not an easy matter to decide. We are making enquiries in Washington to see whether the Department of State has yet reached a definite decision on participation.

One reason for hesitation is the lack of Federal responsibility for educational matters and the consequent difficulties in the way of the Canadian Government adopting a definite attitude in educational questions of international concern. Another difficulty arises from the European origin and scope of the Conference. I think it quite likely that the Government will agree to make some contribution towards educational reconstruction in Allied European countries but I am not sure at all that this should take the form of membership in the Conference and I think it most unlikely that we would be prepared to be represented on the

Bureau in the manner suggested in one of the documents enclosed with your despatch A. 380.

We have been in touch with Mr. Walter Herbert of the Canadian Committee who expresses very considerable interest and considers that it would be possible to arrange for private contributions to educational reconstruction so as to finance the purchase of books and other equipment.

We have not yet submitted a definite recommendation for ministerial consideration. If you have any further comments to offer I should be glad to receive them.

Yours sincerely,

N. A. ROBERTSON

PARTIE 4/PART 4
 PRÉPARATION EN VUE D'UNE ORGANISATION
 DES NATIONS UNIES ⁴⁵
 PREPARATION FOR A UNITED NATIONS ORGANIZATION ⁴⁵

738.

DEA/22-Ds

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

MOST SECRET

Ottawa, March 1, 1943

Dear Mr. McCarthy,

In your personal letter of February 18th¹ you referred to the discussion at the meeting of the Pacific Council on February 17th about the wisdom of having a meeting of all the United Nations. Since then the President has made public at his Press Conference⁴⁶ his suggestion that such a meeting might be held in order to discuss problems of food and nutrition in the post-war world. This will not, I imagine, meet the views of Mr. Nash and others who have been pressing for a meeting as they would not be inclined to accept as adequate a conference with so limited a field.

There is a great deal to be said for giving more reality to the conception embodied in the phrase "United Nations". Actions are constantly taking place in the name of the United Nations about which a good many of the partner nations have never been consulted. I think, however, that a general conference of the United Nations on war aims should not take place without a good deal of preliminary settlement behind the scenes.

⁴⁵ Voir les documents 193, 197, 668 et 711.

⁴⁵ See Documents 193, 197, 668 and 711.

⁴⁶ Du 23 février.

⁴⁶ Of February 23.

CONSULTER SUR PLACE

There are a number of obvious difficulties, one of the chief of which is that the Soviet Government is not at war with Japan and might well be unwilling to participate in any meeting at which questions affecting the war against Japan would come up. On the other hand there is growing public questioning in Canada over the influence exercised by Canada in the conduct of the war and there are some signs that this may become a matter of considerable political importance. My own view is that it is desirable to embody the idea of the United Nations in some institutional form but that a great deal of preliminary discussion and negotiation among the chief countries is necessary before this can be done with advantage.

As you know, we are not satisfied with the place that has been accorded to Canada in some of the bodies set up for the direction of the war. You also are familiar with the position that we have adopted over our proper place in the Relief Administration. We cannot accept the idea that our destinies can be entrusted to the four larger Powers and we have advanced the principle that representation on international bodies should depend on the extent of the contribution which each country would be expected to make to their work. We intend to continue to press for the acceptance of this principle and for Canadian representation on bodies in which we have a special interest. To ensure that these bodies exercise in some sense a mandate for the United Nations in whose name they often speak, it may be desirable that there should be a general meeting before long. I think, therefore, that you should certainly not oppose such a scheme although you should also not strongly urge it at present.

Yours sincerely,

W. L. MACKENZIE KING

739.

DEA/22-Ds

*Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs*

SECRET

Washington, March 11, 1943

Dear Mr. Robertson,

When I was talking to Berle on Monday, we got on the subject of what seems to be the increasing demand for a United Nations meeting. I think you know my own view on this matter; that such a meeting should be held, and that, if the preparatory work is carefully done, its advantages would be great and its dangers (which seem to loom pretty large in many minds) minimized. Certainly something should be done to give the United Nations idea institutional form; something which it lacks almost 100% at present. May I mention in this regard paragraphs 9, 10, and 11 of the minutes of the informal discussion on Anglo-American relations held in Ottawa on February 6th and 7th last,[†] where this

point of view is expressed so well? Also, such a meeting would emphasize the unity of purpose of the United Nations in a way which no statement from any single United Nations leader could hope to do. As such, it would be most valuable for political warfare purposes.

There is another point, however, and this is what I particularly talked to Berle about. It would appear that there are four or five subjects ripe, or soon to be ripe, for general discussion by United Nations representatives. The President himself mentioned one when he talked about a United Nations conference on "food" though I am not sure what was in his mind in this regard. Sumner Welles carried the idea further when he talked in Toronto about United Nations economic discussions.⁴⁷ There are also the questions of relief and rehabilitation; financial stabilization, refugees, and possibly civil aviation. If a United Nations meeting were held, it could refer all these matters or such of them as were considered appropriate, to committees which would be set up by it. This would accomplish two things: It would give the meeting in question something concrete to do and make its assembly of practical as well as of political importance; secondly, it would ensure that the committees in question would derive their authority from the United Nations and not from any one man or any one pronouncement, or even any bilateral decision.

Mr. Berle said that this idea had occurred to them in the State Department and that there was a good deal to be said for it. On the other hand, he felt there might be political difficulties in tying up these technical discussions directly to a United Nations conference. The political difficulties he was thinking of were no doubt "congressional". He thought, therefore, that it might be better if the various United Nations committees were set up independently as the need for them arose; without any particular connection with each other or any parent body. Personally, I think this a much less desirable course of procedure than the alternative mentioned above, and I hope it can be avoided.

I understand that Mr. Eden, during his visit to Washington, is to discuss with the President and the Government here ways and means of implementing the United Nations idea. I think it would be most useful if we could secure from him, before the discussions begin, some indication of the lines along which he intends to proceed. If you agree, I shall try to do so, possibly through the Embassy. I would also be glad to give to him, or to the Embassy for him, any ideas which we might have on the subject. I cannot, however, do that until I know what those ideas are.

Yours sincerely,

L. B. PEARSON

⁴⁷ Voir le discours prononcé à une convocation à l'Université de Toronto dans États-Unis. *Department of State Bulletin*, volume 8, 27 février 1943, pp. 179-84.

⁴⁷ See speech given at a University of Toronto Convocation in United States. *Department of State Bulletin*, Volume 8, February 27, 1943, pp. 179-84.

CONSULTED FOR FILE

740.

DEA/53-SW-40

*Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs*

SECRET

Washington, March 15, 1943

Dear Norman [Robertson],

I spent two or three hours with William Strang and Ronnie Campbell on Saturday night and the same length of time with Noel Hall and Gladwyn Jebb last night. It is strange that neither Strang nor Jebb had ever been in the Western Hemisphere before. Both were pretty excited about their trip and both are looking forward to their visit to Ottawa.

I was not able to get very much from Strang about the hopes or purposes of the Eden mission, and it was, of course, too soon to find out how things were going, as they had only arrived the night before. Strang said that they came with no agenda of any kind, but were entirely in the hands of the President and the State Department. They were quite prepared to discuss anything the Americans brought up, but were not committed in advance to the discussion of any particular subject. As you know from the press announcement, they expect to examine the United Nations idea; and apparently to prepare the ground for the certain United Nations meetings. I see from the press (we have had no word about it officially) the first of such meetings is to be held on April 27th.⁴⁸

I expounded at some length, but purely personally, to Strang, and to Jebb also, my thesis that it is a mistake to set up a series of unrelated and separate committees to discuss specific technical questions; that it would be much better to have one full-dress United Nations meeting, which could itself set up the committees to discuss the subjects mentioned in the memorandum of March 9th that you prepared for the War Committee.¹ Both Strang and Jebb agreed that this was, from their point of view, the best procedure, but they were both aware of U.S. political difficulties which were supposed to stand in its way. Personally — and I pointed this out to them — I do not think those difficulties are as great as they may appear to be. After all, if it is the President's intention to have these United Nations matters discussed with a minimum of publicity, that will not, I fear, be achieved by setting up separate committees to discuss separate subjects, each one of which will provide a news story. On the other hand, while one general meeting would receive a great deal of publicity and might cause some suspicion in Congress, nevertheless the committees set up by that meeting to discuss special subjects, could work, as committees, with practically no publicity at all.

Jebb wanted to talk to me particularly about the relief question. Like the rest of the British, he is, of course, very worried about the present position. He wondered whether a way out of the difficulty might not be found by Canada

⁴⁸ Voir le document 716.

⁴⁸ See Document 716.

taking the place of the U.K. on the central committee. I feel, however, that he was thinking that, if this were done, Canada might represent the whole of the Commonwealth on that committee. Jebb is possibly somewhat old-fashioned in these Imperial constitutional matters and did not fully appreciate the difficulties in the way of this widening of our responsibilities. I gather from the Minister that at the meeting on Saturday, when Mr. Eden met the heads of the Dominions missions, Lord Halifax, in an aside afterwards, hinted at some such solution to Mr. McCarthy.

Certainly the Prime Minister's despatch⁴⁹, which arrived on Saturday, makes it quite clear to us that no compromise of the kind put forward by Dean Acheson will satisfy the Canadian Government. I would be glad, therefore, to get your views as to whether the substitution of Canada for the U.K. on the central committee would be satisfactory; and, if so, whether we could accept an understanding, which need only be tacit, that we would also act as spokesman for the U.K. on suitable occasions before that committee.

Jebb also mentioned the financial stabilization discussions and indicated that he would be glad to have a chance to talk about this matter with you and others interested in Ottawa.

On both nights we had a good deal of general discussion on U.K.-U.S. relations. Apparently the misunderstandings which seem to develop are causing a good deal of distress in the Foreign Office, where they feel that the Americans are unduly suspicious of British motives and British methods; are too sensitive about criticism of their own methods, and probably a little too assertive in taking the lead in United Nations affairs. On this latter point, I argued with Strang that they should not worry unduly about the apparent U.S. desire to take the initiative; that Washington should be allowed, and in fact should even be encouraged, to take the lead and make the running. After all, one of the main anxieties of the British is that the United States will withdraw unto itself after the war. Therefore, they should not discourage tendencies in the other direction

now, even if it meant an immediate loss of some prestige for them; furthermore, the fact that the Americans took the initiative in these matters did not mean that the British would not have lots of opportunities to influence developments later.

We had some talk about North Africa, and I was encouraged to hear from Strang that things are going much better there on the political side and that Anglo-American co-operation was closer than it had been.

I shall keep closely in touch with the members of the Eden mission and, if anything develops of particular interest, I shall telegraph you.

Yours sincerely,

MIKE [PEARSON]

⁴⁹ Voir le document 681.

⁴⁹ See Document 681.

741.

DEA/22-Ds

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-901

Ottawa, March 16, 1943

IMMEDIATE. SECRET. Following for Pearson from Robertson, Begins: Your letter of March 11th concerning organization of United Nations. You have doubtless seen the Prime Minister's recent letter to Mr. McCarthy⁵⁰ on this subject in reply to Mr. McCarthy's report of the discussion in the Pacific Council on February 18th¹. This letter, together with the statements of our position on the constitution of the Relief Administration⁵¹, should give you a general indication of the Canadian attitude.

We gave some thought last year to a procedure whereby the Combined Boards, or at any rate the Combined Food Board and perhaps the other Boards not directly concerned with strategy, might be given some sort of mandate from the United Nations. This idea was not pursued when a temporary settlement of the Combined Board problem was reached last September. The War Committee, however, has decided that our request for full membership on the Food Board should be renewed and we may have a chance to discuss this with Mr. R.H. Brand here today.

In general we are not very happy about the current arrangements for organizing the war effort and planning the peace and would welcome their improvement, but do not feel able to advocate as yet any general plan for the better organization of the United Nations and realize the importance of careful preparatory work before a United Nations Conference is called.

I do not like Berle's idea that the various United Nations Committees on technical questions which are needed or will be needed should be set up independently without any connection with each other. I feel that such a method would precipitate argument in each case over the constitution of the committees and would prevent them from getting down to business. This in fact is what has happened over the Relief Administration.

742.

DEA/2295-G-40

Le sous-secrétaire d'État adjoint aux Affaires extérieures
au ministre-conseiller, la légation aux États-Unis
Assistant Under-Secretary of State for External Affairs
to Minister-Counsellor, Legation in United States

PERSONAL

Ottawa, March 20, 1943

Dear Mike [Pearson],

I enclose the memorandum which I mentioned to you on the telephone. This has no authority but I sent a copy of it to Mr. King this morning. It is not a very

⁵⁰ Document 738.⁵¹ Voir les documents 670, 678 et 681.⁵¹ See Documents 670, 678 and 681.

satisfactory document. In so far as it reaches definite conclusions, however, they are, in general, shared by Norman⁵² and by Bill Mackintosh to judge from my talks with them.

Yours ever,

H. H. WRONG

[PIÈCE JOINTE/ENCLOSURE]

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa,] March 19, 1943

It may be desirable to develop our views on the organization of the United Nations before Mr. Eden comes to Ottawa. This is one of the major questions which he is discussing in Washington, with reference more to the planning of the peace than to the direction of the war. You will have noted from Dominions Office telegrams D. 149^t, 150^t, 151^t and 152^t that there have been considerable developments as between the United Kingdom and the United States.

Hitherto our main concern has been to endeavour to secure a proper influence for Canada in certain of the bodies set up for war direction and also in the Relief Administration which was the only subject on which post-war planning had reached an advanced stage of international negotiation. We have approached the questions singly and have improvised as successful methods as we could manage, such as our liaison with the Combined Chiefs of Staff through the Canadian Joint Staff in Washington, our membership of the Production and Resources Board and of the Pacific Council, and our contacts with the Food Board which have not gone as far as we wish.

The United States Government has not indicated its readiness to participate in a series of post-war discussions on a broad economic front — relief, food consumption and distribution apart from relief, international monetary arrangements, and other economic questions. Their largest proposal is for the convocation on April 27th in the United States of a conference of the United Nations on food consumption and production. In the monetary field there is both a British and an American plan which without careful handling may become rival plans; the British plan was the main topic during last autumn's meetings in London, and it is proposed to submit one or both of the plans to further examination by United Nations experts. As for relief, before the Relief Administration can be set up the draft agreement will have to be approved by the United Nations, all of which will be represented on the Relief Council.

⁵² N.A. Robertson.

The British are anxious that these subjects of international discussion should be brought together in some orderly fashion so as to provide against overlapping and to ensure that the discussions are conducted to some sort of timetable and on a fairly uniform basis. They point out, for example, in telegram D. 152 that one cannot make international plans for the consumption and production of food after the war without taking into account the organization of food supplies for relief, which is a problem of immediate urgency. The Americans seem rather inclined to arrange for a series of *ad hoc* meetings and conferences, partly because they are afraid of congressional reactions and wish to avoid publicity as much as possible. Before the British were invited to attend the Food Conference they took the view (see telegram D. 149) that the aim should be to hold a United Nations Economic Conference after preliminary agreement with the United States and consultation with China and Russia. Such a conference, they suggested, might establish a Steering Committee, which might remain in being "as a permanent nucleus for economic cooperation between the United Nations".

Both Governments seem to be contemplating discussions between experts, and there is undoubtedly a great deal of work to be done before Governments can be asked to commit themselves to specific plans at a full-dress conference on the political level. The United Kingdom Government suggests that discussions on political security problems should begin with talks in London between the four larger powers.

We are, of course, deeply concerned with both the form and the substance of international post-war planning. As to the substance, a good deal of preliminary study has been given here to some of the economic questions, notably in the monetary field, and the committee under Mackintosh is developing a general plan for further study. As to the form, we have hitherto advanced, in our approaches over the Relief Administration and to some extent in connection with the Combined Boards, the principle that representation on international bodies should be determined on a functional basis so as to permit the participation of those countries which have the greatest stake in the particular subject under examination. We have used this principle both to combat the argument that the four largest powers should have a special responsibility in all the fields of planning and organization and to avoid the other extreme which would allow each member of the United Nations to be represented on a basis of nominal equality. I think that we should stick to this functional principle. If we can secure its general acceptance, it would permit the representation of Canada on most of the bodies in which we are deeply interested.

On this matter of representation there is one aspect which deserves emphasis. The suggestion has been made informally by British representatives in Washington that Canada should take the seat allotted to the United Kingdom on the Central Committee of the Relief Administration, and should act there, perhaps by tacit agreement, as the representative of the whole British Commonwealth. Mr. Pearson has reported that Mr. Eden on March 17th in an off-the-record press conference described the United Nations as resting in the first instance on

a four-legged stool, and indicated his hope that the fourth leg of the stool might be not so much the United Kingdom as the British Commonwealth and might on occasion be from the Dominions. This amounts to a revival of the old concept of the diplomatic unity of the Commonwealth and is an unexpected consequence of our attempts to secure a proper place for Canada in the Relief Administration. Our acceptance of this idea either in this connection or in other connections might well have some dangerous results. It would almost certainly bring about a revival of the old arguments after the last war that the British Commonwealth was being given six votes in the League, and might even be used to reopen the issue of joint or separate Commonwealth delegations at conferences. If in one context we were to agree to speak for the whole Commonwealth, undoubtedly in other contexts the assumption would be made that the United Kingdom would speak for us when we were not present. If this view is allowed to prevail, I foresee plenty of trouble.

I think that the tidiest way of dealing with the present situation would be to hold as soon as possible a full-dress conference of the United Nations with an agenda mainly restricted to the establishment of methods of post-war planning. There should first be a measure of preliminary agreement between the chief participants on what ought to result. The conference might set up a series of bodies of experts to prepare draft plans in particular fields, applying the functional principle to their composition. The occasion might also be used for the formal adoption of some general declarations of purpose, perhaps embodying the economic principles in Article 7 of the Lend-Lease Agreement which were repeated in our own exchange of notes with the United States last November. In this way a mandate could be given by the United Nations for a programme of international collaboration of a flexible character, and we should avoid what I feel would otherwise be the case — a series of disputes like that over the Relief Administration about what countries are to be represented on each body.

It seems to me that the best position for us to assume is as follows:

1. It is desirable that the concept of the United Nations should be embodied in some institutional form.
2. In setting up agencies to act for the United Nations representation should not be limited to the largest powers but should be extended to include those countries which have the chief contribution to make in each field.
3. When some member states of the British Commonwealth are represented on United Nations agencies they should accept responsibility for keeping other member states who are not represented informed of matters of concern to them but they should not directly represent them.
4. An early agreement is desirable so as to avoid disputes about the form of international cooperation and to permit progress towards agreement on the substance of international problems.
5. This might best be attained by holding a United Nations conference charged with the duty of setting up expert bodies to study particular problems. If this method, however, is not acceptable to the large powers, it would not be in our interest to press for its adoption.

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6. While we must accept the procedure of preliminary four-power consultations on matters of interest to us, we should do our best to ensure that the United Kingdom Government (and as far as possible also the United States Government) keeps us informed of the substance of these consultations while making it clear that the Canadian Government alone can make commitments on behalf of Canada.

H. W[rong]

743.

DEA/22-Ds

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures⁵³
au Premier ministre*

*Memorandum from Assistant Under-Secretary of State for External Affairs⁵³
to Prime Minister*

[Ottawa,] March 22, 1943

I enclose a note¹ which Mr. Escott Reid has given me, reporting a conversation with Berle that took place at a meeting of the Joint Economic Committees in Montreal. This gives some indication of Berle's views of the Eden conversations in Washington. You will notice that Mr. Berle offered advice on the need for our making clear our position on the organization of the United Nations. It is rather disturbing that he considers that we have not made our position clear in Washington, especially as I gather from a short talk this morning with Mr. McCarthy that Mr. McCarthy shares this view.

In fact, we enunciated the general principles which we thought ought to be followed in the memorandum on the Relief Administration, which was given to Mr. Welles on February 9th⁵⁴ after consideration by the War Committee. The text of the memorandum was also communicated to the United Kingdom and Soviet Governments. It contained the two following paragraphs:

"There is already a good deal of public questioning over the place accorded to Canada in the various inter-Allied bodies which have been set up for the direction of the war. During wartime, problems of this nature are to some extent disguised, because of public concentration on the attainment of victory and because of the secrecy which must surround many aspects of war direction. After the fighting ends, the issues will be seen nakedly. The full activities of the Relief Administration will not begin until the war is over; and it will be very difficult, or even impossible, to persuade the Parliament and people of Canada to accept the financial burdens and other sacrifices, such perhaps as the continuation of rationing and other restrictions on the domestic supply of consumers' goods, which will be necessary for the provision of relief through the Administration on the expected scale, unless they are satisfied that their representatives exercise their due part in its direction.

⁵³H. Wrong.

⁵⁴Voir le document 670.

⁵⁴See Document 670.

It is appreciated that there are great practical difficulties in creating effective international agencies that are properly representative of the United Nations. These difficulties are a challenge to statesmanship; they must be faced and on their solution depends in large measure the possibility of an enduring peace. No lasting international system can be based on the concentration of influence and authority in bodies composed of a few large powers to the exclusion of the rest. Such a system would be a denial of the democratic principle. It would also be unreal, for it is not always the largest Powers that have the greatest contribution to make to the work of these bodies, or the greatest stake in their success. In the opinion of the Canadian Government representation of countries on international bodies should be determined on a functional basis whenever functional criteria can be applied; this principle can be given wide application, particularly in the case of international economic and technical organizations such as the Relief Administration."

If Mr. Berle is really speaking with knowledge, it looks as though we ought to take up the question again in Washington, at a high level. It is not possible to meet his suggestion that we should specify the committees of the United Nations on which we want representation as no such committees have been established and we do not know what is contemplated. The Combined Boards are not committees of the United Nations in form, though they act as such in function to a considerable degree.

744.

DEA/5475-40

*Le haut commissaire en Grande-Bretagne au
sous-secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Under-Secretary of State for External Affairs*

SECRET AND CONFIDENTIAL

London, April 10, 1943

Dear Mr. Robertson,

I have read with much interest Mr. Wrong's letter of March 30th, and his attached memorandum on the form of organisation which should be given to the United Nations, and particularly with regard to the question of Canada's representation on International bodies.⁵⁵ One point appears to be of special relevance to relations between Canada and the United Kingdom. On this I venture to make some comments.

In his memorandum, Mr. Wrong refers to "a revival of the old concept of diplomatic unity of the Commonwealth" at Washington as "an unexpected consequence of our attempts to secure a proper place for Canada in the Relief Administration". I am in entire agreement with the statement that "our acceptance of this idea, either in this connection or in other connections, might well have some dangerous results". Judged from the standpoint of Canadian inter-

⁵⁵ Voir le document 742.

⁵⁵ See Document 742.

CONFIDENTIAL

ests the revival of this principle would be very unfortunate, as most Canadians would now agree. Moreover, from the point of view of intra-Commonwealth relations generally, the idea of "diplomatic unity" would provide a fruitful and dangerous source of misunderstanding between member states of the Commonwealth. On the other hand, it would surely be equally undesirable from our standpoint to drift towards the view which lies at the other extreme and to find ourselves regarding our relations with Great Britain as being no different from those with any other friendly country. In this direction lies a gradual weakening of those remaining ties which still bind our two nations, to the mutual benefit of both.

It would seem more than ever urgent, therefore, that we should clearly define our attitude to the problems of post-war international relations to the Government of this country. Failure to do so may lead to an unconscious movement in one of two opposite directions, in each of which lies danger.

There is a growing realisation here that after this war Great Britain will find herself standing in greater need than ever of the British Commonwealth. It is felt increasingly that this country may be able to retain her position as a first-class Power only by stressing her membership of the Commonwealth, which as a group would represent a factor in international affairs as important as each of the other two great Powers — the United States and Russia. Far-sighted people here are becoming conscious of this changing orientation.

The tendency on the part of Great Britain to set greater store by her Commonwealth ties is by no means, in my opinion, to our disadvantage. For the position of Canada too, is surely likewise enhanced by our association with the other nations of the Commonwealth in a great world-wide alliance.

This development, however, need not lead us, in my opinion, to a renewal of the idea of the "Empire" diplomatically "speaking with one voice". It would seem to me, therefore, well to make it clear to Great Britain that while we cannot accept the notion of "diplomatic unity", which would not be in accordance with the existing relations between the nations of the Commonwealth, we are prepared to co-operate on the analogy of an alliance between them, each giving the other the closest mutual diplomatic support on a basis of equality and in a manner consistent with their respective interests.

By the same token we cannot accept the view that any nation of the Commonwealth, except possibly by prior agreement in minor matters, can speak for any other nation, on the international bodies which are to be set up when the United Nations are given some definite form of organisation.

In this connection I am in entire agreement that the "functional" principle should be the criterion as to membership in these post-war international bodies and that those countries should have a place who have the greatest practical stake in the principal subject under reference and the greatest contribution to make.

Although our relations with the United States lie outside the scope of these comments they cannot be neglected in any consideration of Canadian external policy. It is obvious that our relations with the American Government will be

the most important field where the policy of mutual and independent support referred to in this memorandum is likely to be put to the test. For this reason it is of the greatest importance that the nature of the British Commonwealth and of Canada's relation to it, should be understood in Washington.

Yours sincerely,

VINCENT MASSEY

745.

DEA/7-Vs

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures*⁵⁶

*Memorandum by Assistant Under-Secretary of State for External Affairs*⁵⁶

MOST SECRET

[Ottawa,] August 7, 1943

POST-WAR INTERNATIONAL ORGANIZATION⁵⁷

This may be among the most important subjects of discussion. The Canadian Government has received very little information on the views of the United Kingdom and United States Governments on the organization of international security. It must be assumed, however, that much thought has been given to this subject in London and Washington. It is generally agreed that an effective security system is a necessary foundation for all post-war planning, and that international plans for civil aviation, monetary stabilization, commercial policy and so on can only be effective in an atmosphere of international security. We have now reached a stage in the war at which it is most desirable that there should be an exchange of views on these vital questions.

Mr. Churchill publicly referred some months ago to the possibility of establishing a Council of Europe and perhaps a Council of Asia, implying his preference for a regional organization of security without necessarily discarding the conception of a world organization.⁵⁸ From the Canadian point of view there is much to be said against great emphasis being laid on regional methods, especially if the regions are taken to be the continental land masses. In such a system Canada would be in the American region but would also be intimately concerned with security in the European and Asiatic regions. Emphasis on regionalism would tend to lead the forces in the United States that are opposed to international commitments to concentrate on security in the American region as the particular sphere of the U.S., and to argue for the assumption of no responsibility for European stability. We have in the last four years had a striking demonstration of the truth of the doctrine that peace is indivisible in the modern world, and, therefore, that security everywhere is the concern of all countries. Furthermore, "regions" from the security point of view can no longer be identified with continents. It is more realistic to regard the North Atlantic area as a security region than the continents of North and South Amer-

⁵⁶ H. Wrong.

⁵⁷ Ce document fut probablement préparé en vue de la Conférence de Québec.

⁵⁸ Voir "A Four-Year Plan: A World Broadcast, March 21, 1943" dans C. Eade, ed., *Onward to Victory: War Speeches by the Rt. Hon. Winston S. Churchill, C.H., M.P.* Toronto: McClelland and Stewart, 1944, pp. 45-62.

⁵⁷ This document was probably prepared because of the forthcoming Quebec Conference.

⁵⁸ See "A Four-Year Plan: A World Broadcast, March 21, 1943" in C. Eade, ed., *Onward to Victory: War Speeches by the Rt. Hon. Winston S. Churchill, C.H., M.P.* Toronto: McClelland and Stewart, 1944, pp. 45-62.

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ica. While regional bodies may play a valuable part, it seems desirable that we should support a world system on which any regional bodies would depend.

The Covenant of the League of Nations is still in force between a substantial majority of the states of the world. There has been no exchange of views on the future of the League and a time has come when the existing obligations of the Covenant should be considered in relation to the organization of security by the United Nations. If the League is to be scrapped a method must be devised for its scrapping which will be acceptable to Member States. Any world security system would necessarily include many provisions of the Covenant, but it may well be that the United States would not be ready to participate in a revision of the Covenant and would prefer that a fresh start be made. It is by no means clear that the President will favour either a new formal security system or a revised League. He may prefer an *ad hoc* "Concert of great Powers" operating without any international instrument. In this way he might avoid difficulties with the U.S. Senate, but the responsibilities of the United States would be undefined and would be varied with each change in the Presidency.

The work of the International Labour Office and many of the technical activities of the League Secretariat are continuing but there has been no agreement on their relationship to any new international bodies that may be set up, such as the contemplated permanent institution dealing with food and agriculture. It is important that the work done and under way by the League organizations should be employed and that their skilled personnel should be made use of in framing certain aspects of the settlement. In Washington they appear to contemplate the creation of a number of independent international bodies, separately constituted and certain frequently to overlap in their functions, and also likely to cover ground already occupied by the League and I.L.O.

In general discussions on international organization opportunities are likely to arise for advocating the adoption of a functional method of representation, at any rate on international bodies of a technical character, in preference either to participation of all states large and small or to concentration of representation in the hands of the largest powers. Canada has already made known its views, both in the prolonged negotiations on the constitution of the Relief Administration and in the Prime Minister's speech of July 9th in the House of Commons⁵⁹. The "four-power concept" is known to commend itself to Mr. Roosevelt and Mr. Churchill. This is as good an occasion as is likely to arise to put the Canadian point of view forward once more.

In general it is becoming increasingly important that we should know more of the ideas of other Governments, and especially of the United States and the United Kingdom, on these vital problems of world organization. As matters stand Canadian planning in this field must be undertaken in the most hypothetical way. There is danger that we may be confronted with a prior understanding, especially between the United States and the United Kingdom, which would be difficult to change and which might not accord to Canada a place that we would be ready to accept.

⁵⁹ Voir Canada, Chambre des Communes, *Débat*, 1943, volume 5, pp. 4688.

⁵⁹ See Canada, House of Commons, *Debates*, 1943, Volume 5, pp. 4558.

746.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Quebec, August 31, 1943

POST-WAR INTERNATIONAL ORGANIZATION

16. THE UNITED KINGDOM PRIME MINISTER said that discussions of post-war organization with President Roosevelt had been of a tentative, exploratory character.

The U.S. government were thinking along the lines of a central agency consisting of the four Great Powers — the United Kingdom, United States, China and the U.S.S.R., and a broader committee on which all nations would be represented, but in which voting would be limited to regional or other groupings of the smaller countries with, for example, one vote for Europe and one for the Dominions.

These proposals were being given to the United Kingdom, unofficially, for study and comment, in the form of a memorandum. The Dominions would be given full opportunity to comment on this U.S. paper and on any other proposals for post-war organization which might be put forward.

17. MR. CHURCHILL observed that these tentative proposals did not accord with his own approach to the problem of post-war machinery. He would prefer a system of regional councils, a Council of Europe, a Council of Asia, and a Council in the Western Hemisphere upon which Canada would represent the Commonwealth.

The restoration of a strong France was essential to the security of Europe and adequate provision would have to be made for French representation.

The only firm basis for the post-war world lay in the continued close co-operation and association of the British Commonwealth and Empire, with the United States, and the establishment of a strong and satisfactory understanding between both and Soviet Russia.

18. THE PRIME MINISTER observed that, in the Canadian view, the establishment of machinery which created even the impression of domination by the Great Powers would inevitably have grave results. After the war each nation would be looking to its own place in international organization. Clearly, each could not be given an equal voice in the councils of the nations, but some method should be sought which would enable an equitable apportionment of rights, functions and responsibilities to be made. It had been possible to leave the supreme direction of the war largely in the hands of the U.K. and U.S. governments, but the same conditions would not obtain in time of peace.

19. THE WAR COMMITTEE noted the statements of Mr. Churchill and Mr. King.

REGISTERED MAIL

747.

DEA/7-Vs

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

MOST SECRET

[Ottawa,] December 16, 1943

Dominions Office telegram D. 1102 of December 14th[†] reports the initiation of discussions between London and Washington on the course to be followed to give effect to paragraph 4 of the Four-Power Declaration on security issued at Moscow.⁶⁰ The United States have proposed (and the Soviet Government have agreed) that the parties to the Declaration should invite the adhesion of other United Nations to this paragraph, which reads as follows:

“That they recognize the necessity of establishing at the earliest practicable date a general international organization, based on the principle of the sovereign equality of all peace-loving states, and open to membership by all such states, large and small, for the maintenance of international peace and security.”

The United Kingdom without rejecting this suggestion has proposed that there should first be a preliminary exchange of views between the U.S., U.K. and U.S.S.R. In London they favour pressing on with the establishment of the organization, possibly even before the defeat of Germany.

It is open to question whether we should make any comment at this stage. I do not myself like the United States suggestion that all the other United Nations should merely be asked to adhere to the paragraph quoted above. This would repeat the sort of procedure adopted in the Declaration by United Nations of January 1st, 1942⁶¹, when the Atlantic Charter was generally accepted, but to take this line now would emphasize the gulf between the Great Powers and the rest in a more direct fashion since the Declaration of January 1, 1942, constituted the acceptance of the Atlantic Charter by the U.S.S.R. and China as well as by the other United Nations. In short the U.S. proposal would be an invitation from the big boys to the little fellows to sign on the dotted line.

It is important that some further development should soon take place of the plans for international security and at a very early stage countries other than the Great Powers should be brought into the picture. I should prefer this to be done initially by an expansion of the Moscow statement rather than its mere repetition. Probably this would have to be agreed on in the first place between the U.S., U.K. and U.S.S.R. and we might, therefore, indicate to London that we support their proposal for further talks before approaching other Governments.

⁶⁰ Voir les documents 247 et 248.

⁶¹ Voir le document 131.

⁶⁰ See Documents 247 and 248.

⁶¹ See Document 131.

Incidentally, we have not received from London any indication of their views on the methods whereby the obligations of the League Covenant are to be dealt with. The Moscow Declaration is an accurate description of the general character of the League of Nations. Plans will have to be made either for winding up the League and replacing it with a new security system or for amending the Covenant so that those United Nations which are not League members will be ready to adhere. The first alternative seems more likely than the second. Should we ask London for a statement of their views on this point which is certain to give rise to some intricate problems? As a basis for further discussion I attach a draft telegram to the Dominions Office.⁶²

H. W[RONG]

748.

DEA/7-Vs

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 199

Ottawa, December 19, 1943

MOST SECRET. Your telegram D. 1102 of December 14.[†] Moscow Declaration on security. Following from the Prime Minister, Begins:

1. We feel that it would be a mistake for the parties to the Moscow Declaration to invite other United Nations to adhere to paragraph 4.
2. We think it may be assumed that none of the other United Nations is in disagreement with the principle expressed in paragraph 4 and there would be no real gain in having a formal adherence to it. Such adherence might, in fact, have an entirely negative effect in giving rise to the suggestion that the United Nations could not, at this date, go beyond the general formulation of principle in paragraph 4. Accordingly, we favour your proposal for a preliminary exchange of views between the parties to the Moscow Declaration. It is certainly desirable that other United Nations should soon be brought into the picture. Perhaps the best course would be to attempt the expansion of paragraph 4 of the Declaration into a somewhat longer statement of purpose and method with a view to submitting it for consideration to other Governments in the near future. This would be a stage towards the elaboration of the general international instrument defining the scope and authority of the security organization. Concurrence in such an instrument would constitute a development of real value.
3. We also feel that it would be unfortunate to emphasize unnecessarily a distinction in status between the signatories of the Moscow Declaration and the other United Nations by having them merely concur in a principle agreed on by the largest powers. Difficult questions as to the relationship of the largest powers to the rest will have to be faced but they should not be raised over an issue so devoid of substantial advantage as adherence to the present declaration of purpose.

⁶² Voir le document suivant.

⁶² See following document.

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4. The majority of the United Nations are still members of the League of Nations and will, therefore, have to relate their position under any new scheme to the League Covenant. We assume that you have been giving consideration to this problem and we feel that the time has come for some exchange of views between Commonwealth Governments on what should be done. Ends.

CHAPITRE V/CHAPTER V

AUTRES ORGANISATIONS ET CONFÉRENCES
INTERNATIONALES
OTHER INTERNATIONAL ORGANIZATIONS
AND CONFERENCES

PARTIE I/PART I
SOCIÉTÉ DES NATIONS
LEAGUE OF NATIONS

749.

W.L.M.K./Vol. 301

*Le Premier ministre d'Australie au Premier ministre
Prime Minister of Australia to Prime Minister*

TELEGRAM 11

Canberra, May 26, 1943

Addressed Secdomin No. 127, Prime Minister Canada No. 11, Prime Minister South Africa No. 74, Prime Minister New Zealand No. 93, Secretary Government of India No. 94.

Commonwealth Government is disturbed at what is still considered excessive League of Nations budget which is £825,000 as compared with £700,000 for 1942. Further, with the retirement of France and Roumania and the nominal contribution of the Netherlands, practically the whole amount now falls on members of the British Commonwealth.

For our part we note that our assessed contribution is £43,850 as compared with £34,000 for last year.

Whilst fully appreciating the necessity for maintaining the nucleus of the League as an international organisation at the present time we feel grave doubts as to whether the value of the work now being done warrants the contribution levied, and this aspect has been and will continue to be seriously criticised by Parliament and the general public.

2. We propose therefore to inform the Secretary General of the League that the Commonwealth Government is prepared to pay the same amount only as last year, namely £34,000 plus the contribution levied for the reconstruction work of the League £2,900 for 1943. We also propose that the Supervisory Commission should further reduce the ordinary budget, particularly in regard to payments to the pension fund.

3. Before submitting these proposals, however, we would be glad to receive your comments and an expression of the attitude your Government has in mind to adopt.

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SIR PIERCE
1943

750.

DF/Vol. 587

*Le secrétaire d'État aux Affaires extérieures
au Premier ministre d'Australie*

Secretary of State for External Affairs to Prime Minister of Australia

TELEGRAM 4

Ottawa, June 6, 1943

Addressed to Prime Minister of Australia No. 4 repeated to Dominions Office No. 95.

Your telegram No. 11 of May 26th. League of Nations budget. We propose to pay the full Canadian contribution assessed in the budget for 1943. Provided that as you suggest "the necessity for maintaining the nucleus of the League as an international organization" is admitted, we consider that there is little room for reduction in League expenditures. The main reason for the current increase has been the inclusion in the budget of the special reconstruction credit for the International Labour Office which was unanimously approved by the International Labour Conference of 1941. We feel it to be most desirable that this work should continue and that the economic studies of the Secretariat's Economic Financial and Transit Department at Princeton should not be interrupted.

It is of course true that nearly all the League's receipts, apart from token contributions from Allied European Governments, currently come from British Commonwealth countries, but it should be remembered that the United States, Brazil and some other states not members of the League are contributing substantially to the International Labour Office.

The budget figures give an inflated idea of actual League expenditures since the Supervisory Commission has laid down the principle that the League organizations should limit their expenditures to accord with anticipated receipts which of late have amounted to about two-thirds of the total. In any case the current budget has now been in effect for five months and it is too late to reduce the commitments for 1943. If receipts fall short of expectations a deficit will almost certainly be incurred which would have to be met from future contributions. With regard to the Pension Fund we doubt the feasibility of any reduction in the sums allotted in view of the heavy burden placed on the Fund by the premature retirement since 1938 of a large number of officials through staff reductions.

751.

W.L.M.K./Vol. 339

*Le Premier ministre d'Australie au Premier ministre
Prime Minister of Australia to Prime Minister*

TELEGRAM 13

Canberra, July 1, 1943

Addressed to Secretary of State for Dominions Affairs, No. 161, repeated to External, Ottawa, No. 13, Prime Minister of New Zealand No. 112, Prime Minister of South Africa, No. 84. Your telegram June 6th, No. 148. In view of

the action and opinion of other Governments of the Empire, the Commonwealth Government proposes to continue to meet its obligations as a member of the League and to pay assessed contribution of approximately £43,850 in Australian currency. We still feel that the present expenditure budget of the League is out of all proportion to the amount necessary to maintain the nucleus of the League as an international organisation at the present time. It would be very much appreciated if you could see your way clear to instruct the British members of the Supervisory Commission to press for an immediate meeting of that body to reconsider the expenditure of the League with a view to effecting an appreciable reduction in the present rate of expenditure, both for the balance of the current year and while present conditions exist¹. Ends.

PARTIE 2/PART 2
ORGANISATION INTERNATIONALE DU TRAVAIL
INTERNATIONAL LABOUR ORGANIZATION

752.

DEA/74-C-38

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 654

Ottawa, April 1, 1942

Following for Mr. Massey, [Begins:] As it is impossible for the Canadian Government member of the Governing Body of the International Labour Office² to attend the meeting of the Emergency Committee which is to be held in London on April 15th, I should be grateful if you would arrange to attend the opening meeting as Canadian Government member and to have a member of your staff attend subsequent meetings. We are chiefly interested in questions arising out of the budget and in the programme of work on reconstruction after the war. Will provide instructions by cable later.

¹ Le télégramme circulaire D. 457 du 24 juillet du secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures signala que les autorités britanniques avait rejeté cette suggestion.

¹ Circular Telegram D. 457 of July 24 from Dominions Secretary to Secretary of State for External Affairs indicated that the British authorities had rejected this suggestion.

² B.M. Stewart, sous-ministre du Travail.

² B.M. Stewart, Deputy Minister of Labour.

CONSULTER SUR PLACE

753.

DEA/74-C-38

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 734

Ottawa, April 14, 1942

IMMEDIATE. My telegram No. of [sic]³ Emergency Committee of International Labour Office.

1. Budget. Preliminary report seems to indicate that the draft budget is obscure in many items. Do not hesitate to ask for explanations.

2. Assessed supplementary contribution for reconstruction. Canadian Government are not putting their assessed contributions into the estimates under the general League budget, but it will probably appear as a special item under reconstruction. This is being done to avoid prejudicing the position of the Canadian member of the Supervisory Commission, as we still adhere to the view that all League contributions should be handled through the League Treasury.

3. It is not desired that the Conference Resolution on reconstruction should be too widely interpreted by the International Labour Office. We consider they should devote themselves to the exchange of information between governments.

4. In general discussion on the work of the Office please give your support to the view that the International Labour Organization should regard itself as fully belligerent and its prime function at present to serve the needs of the democratic countries in every way possible, in the present war effort.

Understand Acting Director and his party delayed and meeting postponed several days. Please cable probable date of meeting.

Suggest an informal meeting be arranged with Sir Frederick Leggett⁴ and report any particular points which he thinks might be of special interest to us. It might also be useful to get into touch with Rossetti who is the other United Kingdom member of government group.

Dominions Office have been informed that Canadian Government welcome proposal that Soviet Union should be invited to resume its membership in the International Labour Office.

³ Probablement le document précédent.

⁴ Secrétaire adjoint, ministère du Travail et des Services nationaux de Grande-Bretagne et représentant du gouvernement britannique sur le Conseil d'administration, Organisation internationale du Travail.

³ Probably the preceding document.

⁴ Deputy Secretary, Ministry of Labour and National Services of Great Britain and British Government Member on Governing Body, International Labour Organization.

754.

DEA/74-C-38

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1082

London, April 21, 1942

IMMEDIATE. I attended the opening meeting of the Conference. The proceedings began with speech by Mr. Ernest Bevin in which he stressed importance of work of reconstruction and contribution which could be made by International Labour Office. The meeting then discussed Acting Director's report, during the course of which I carried out instructions contained in your telegram No. 776⁵. The meeting next discussed report of Financial Committee in so far as it concerned financial year 1941 and financial position at the beginning of 1942.

(2) In the afternoon there was a general discussion of topics raised in general note¹ prepared by the Office on best method of giving effect to reconstruction resolution. The Acting Director and United States Government member strongly recommended appointment of Committee referred to on pages 4 and 5 of general notes. The type of Committee which the Acting Director and United States have in mind is a small Committee of say 5 very eminent persons not necessarily economists. The intention is that the International Labour Office would not itself make intensive studies of economic measures necessary to realize social objective of Atlantic Charter⁶. These studies and proposals would be made by the League and by such persons or organizations as may be charged with such duties by States. The Committee would be expected to scrutinise economic proposals of other bodies from point of view of their social consequence. It is intended that the Committee should point out if need be the harmful social consequences of economic proposals, and also to suggest modifications in any proposals which might give a better opportunity for a fuller realization of the social objectives of the Atlantic Charter. The Committee would, of course, act in an advisory capacity only and report to Governing Body.

(3) Two members of workers' group and Dutch Government members approved creation of a Committee of this kind. One member of employees' group and United Kingdom member reserved judgment. I now gather that United Kingdom Government, in view of strong stand being taken by the United States, are more disposed to accept a Committee of this kind.

(4) Meeting adjourned last night until 3:00 P.M. Wednesday, April 22nd, when United Kingdom will make known its decision with regard to Committee.

MASSEY

⁵ Ce télégramme avait demandé à Massey de commenter favorablement le travail du directeur par intérim et de son personnel.

⁶ Voir le volume 7, document 327.

⁵ This telegram had requested Massey to comment favourably on the work of the Acting Director and his staff.

⁶ See Volume 7, Document 327.

COMMITTEE FOR THE PEOPLE

755. [REDACTED]

DEA/74-C-38

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1116

London, April 23, 1942

My telegram No. 1082 of April 21st. The meeting yesterday approved unanimously establishment of Committee envisaged in paragraph 2 of my telegram under reference. United Kingdom quite agreeable to a Committee of this kind. No appointments were made to Committee. Acting Director and Chairman of Governing Body are to approach suitable persons but before any decision is made members of the Emergency Committee will be consulted by telegraph. Leith-Ross and Loveday⁷ have both made statements before Committee in which they welcomed steps being taken by International Labour Office to prepare for reconstruction. Yesterday I made a short statement pointing out that whilst we did not underestimate in any way the importance or magnitude of reconstruction problems, we thought the main task of the International Labour Office was to help belligerent countries in the present war effort. I did not, however, oppose creation of Committee.

MASSEY

756.

DEA/74-C-38

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1129

London, April 25, 1942

My telegram No. 1082 of April 21st. Emergency Committee. The meeting adjourned yesterday, supplementary credit for reconstruction both for this year and for 1943 to be included in League budget, and to be collected by the League. Hence League members of International Labour Office will not make any direct contribution to International Labour Office. I understand Supervisory Committee League have now under consideration some proposal whereby for the year 1942 greater part of amount required by the International Labour Office from the League members for supplementary credit will be advanced by the League, and remainder will come out of surplus fund of International Labour Office. I believe members of Supervisory Committee have been consulted by telegram.

⁷ Directeur, département de l'économie, des finances et du transit, Société des Nations.

⁷ Director, Economic, Financial and Transit Department, League of Nations.

Jacklin⁸, after consultation with as many members of the Supervisory Committee as are in London, recommended this course to emergency meeting.

MASSEY

757.

W.L.M.K./Vol. 282

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] November 18, 1943⁹

QUESTION OF INTERNATIONAL LABOUR CONFERENCE

Mr. Goodrich, Chairman of the Governing Body of the I.L.O., and Mr. Phelan, the Acting Director, discussed on November 13th with Mr. Robertson, Mr. Rive and Mr. Wrong the holding early next year of an International Labour Conference. Mr. Vincent MacDonald¹⁰ was also present during the latter part of the discussion. It was made clear that the Canadian officials concerned were speaking on their own responsibility and were not presenting a statement of considered Government policy.

The visitors stated that there was strong support in Washington and London for a meeting of the Conference to take place at the earliest in the late winter and at the latest in the early summer. Messrs. Roosevelt and Churchill had endorsed this view during their conversations in Washington last September. Agreement has not yet been reached on the agenda of the conference or on the place of meeting and they wished to discuss informally these two questions.

On the agenda they both agreed that the main objectives should be to influence and mould social policy in liberated European countries with special emphasis on the attainment of full employment. Generalities such as those expressed by the New York Conference of 1941 would not now be sufficient. What was needed was concrete recommendations to Governments on the course they should pursue which would carry great weight if they had the endorsement of a tripartite conference. The time was not ripe for using the elaborate legislative procedure of the I.L.O. for the preparation of draft conventions to be ratified later by individual states. Mr. Goodrich felt more strongly than Mr. Phelan that a simplification of the normal conference technique was needed but both agreed that the conference ought to result in recommendations containing programmes which European Governments could translate into legislative action, especially on the subjects of employment policies and social security.

⁸ Trésorier, Société des Nations.

⁸ Treasurer, League of Nations.

⁹ La copie dans DEA/74-M-40 est datée du 15 novembre.

⁹ The copy in DEA/74-M-40 is dated November 15.

¹⁰ Sous-ministre adjoint du travail.

¹⁰ Assistant Deputy Minister of Labour.

FOUR - CONFERENCE
 ASSISTANT SIRD PLEST

Messrs. Robertson and Wrong expressed the view that a Labour Conference, if it were to be useful, had to be inspired by a missionary spirit aimed at appealing to and guiding the ferment of opinion which there would be in liberated Europe. They were both doubtful whether at such a time as this a great deal could be done by a conference to prepare specific plans for application inside Europe on liberation. They agreed, however, that a conference would perform valuable work if it could influence opinion inside Europe, especially in labour circles, to concentrate on social legislation of a generally similar type not in conflict with the international economic aims of the United Nations expressed in the Atlantic Charter. All agreed that the main function of a conference would be to seek to give more detailed meaning to the general programme laid down in the Atlantic Charter. Messrs. Goodrich and Phelan were more confident than the Canadian officials that a labour conference would achieve a lot in this direction.

From the point of view of the future of the I.L.O. itself there was general agreement that unless it were able to stimulate enthusiasm and demand support by doing useful work during the period of settlement, it was doubtful whether it could survive as an agency of international social reform.

With regard to the place of the conference, Mr. Goodrich and Mr. Phelan both expressed the view that it should be held in Montreal. The main arguments which they employed were:

1. It would be easier to get full representation, especially from the American countries and notably from U.S. labour organizations if the conference were on this side of the ocean.

2. A large U.S. labour group at the conference with both the A.F.L. and C.I.O. represented would tend to give the I.L.O. new strength since hitherto a chief weakness of the I.L.O. on the labour side had been the lack of interest of U.S. Labour.

3. Technically it was much easier to hold a conference in Montreal than in London since the requisite staff of the Office was already there with the necessary records.

Mr. Goodrich indicated that the U.S. Government desired the conference to be in Montreal especially for the second reason. It was felt to be inappropriate that two conferences running should take place in the United States and there was a great deal to be said for holding it at the temporary seat of the Office. Hitherto also U.S. Labour had been represented by an A.F.L. delegate and the C.I.O. as such had not participated in U.S. delegations. They thought that they could persuade Mr. Green¹¹ and Mr. Murray¹² to attend the conference in Montreal as joint Labour delegates but they would not in all probability be able to get them to go to London or to send representatives to London in a similar relationship. Mr. Goodrich indicated, however, that the preliminary views

¹¹ President, American Federation of Labour

¹² President, Congress of Industrial Organizations.

¹¹ President, American Federation of Labour.

¹² President, Congress of Industrial Organizations.

which they had received from London showed that the United Kingdom Government would prefer the conference to take place there and were prepared to issue an invitation.

The Canadian officials expressed the view that the primary purpose of the conference could best be attained by a meeting in London.¹³ Its object was to assist in the rehabilitation of Europe which might well then be in process of liberation. The closer the contact with the Allied Governments and with European Labour the the greater the chance of useful results. Mr. Goodrich without altering his view that Montreal was the best place indicated that he had been impressed by these arguments and would discuss them in Washington.

Mr. Wrong also found an opportunity to indicate privately to Mr. Goodrich and Mr. Phelan that he was not sure whether the Canadian Government would look with favour on a great international conference taking place in Montreal between March and June 1944.¹⁴ Although the Government would not be responsible for the organization or direction of the conference it would, nevertheless, have to pay considerable attention to it. The timetable indicated that the conference would meet in the middle of a Parliamentary session and in a period when urgent problems, both international and domestic would inevitably require the attention of the Cabinet and senior officials. It was likely, therefore, that on these practical grounds the Canadian Government would prefer the conference to be held elsewhere than in Canada.

758.

DEA/74-M-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2176

Ottawa, December 2, 1943

CONFIDENTIAL. With reference to Wrong's personal telegram No. 2160 of November 30th¹ and your reply No. 3034 of December 1st¹ you are appointed to represent the Government of Canada at the meeting of the Governing Body of the I.L.O. which opens in London on December 16th with Mr. Ritchie as your deputy. The Acting Director of the I.L.O. is being so informed. Instructions on the items on the agenda will be sent to you as soon as possible. We are awaiting further information on some points. Your letter of November 24th¹ has not yet been received.

For your immediate guidance. Concerning proposed meeting of Labour Conference, our view is that if it is held it could best be held in London in the hope

¹³ Note marginale:¹³ Marginal note:

I agree.

¹⁴ Note marginale:¹⁴ Marginal note:

Certainly would not. K[ING]

CONFIDENTIAL

that its recommendations would help to influence social legislation in liberated countries on progressive and orderly lines. The United States authorities and Acting Director have informally approached us over holding conference in Montreal. This is definitely not acceptable to the Government and if Governing Body favours holding of conference on this continent we feel it should take place in United States. Chief reasons advanced by Chairman of Governing Body for holding conference in Montreal are: (a) that Green and Murray would be likely to attend as joint United States Labour delegates and (b) that technical arrangements are much easier to make for conference at temporary headquarters of I.L.O.

759.

DEA/74-C-38

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2232

Ottawa, December 11, 1943

My telegram 2176 of December 2nd. Governing Body of International Labour Office.

1. The following instructions are for your general guidance. I assume you can secure agenda and supporting documents from London Office of I.L.O.

2. We favour admission of representative of French Committee of [National] Liberation. While formally he cannot sit as representative of French Government, a suitable formula should be discoverable. You can support any arrangement acceptable to United Kingdom. French notice of withdrawal from League in 1941 included statement to effect that position respecting membership in I.L.O. might later be reconsidered, and in view of this France can still be regarded as member of I.L.O. No difficulty arises over admission of representatives of French employers and workers.

3. Chief item is agenda, date and place of 26th Session of International Labour Conference. As to date, at least four months notice of convocation of conference should be given and we are inclined to think that longer notice is desirable so that the conference would take place in May or June, 1944.

4. As to place, United States Ambassador has been informed that Canadian Government does not wish Conference in Canada at any time in 1944. This should end pressure for Montreal meeting. Chief benefits of Conference would be its influence on social reconstruction in Europe, and therefore participation of large number of representatives of occupied countries is desirable. We are inclined to favour London but if United States representatives press for conference in United States (or perhaps Bermuda) this would be acceptable as second-best.

5. As to Conference agenda, the questions proposed by the Office for a resolution or declaration on post-war social policies and the future policy of the

I.L.O. are acceptable, and also their suggestions for topics to be included looking to the adoption of recommendations on the organization of employment in the transition from war to peace, social security and social policy in dependent territories. Chief aim of the Conference should be production of orderly programme of social legislation and practice for use in liberated territory (and possibly also in enemy countries after the war) as a general guide to governments, in the hope of encouraging parallel and progressive action on labour standards in the various countries of the continent and curbing revolutionary movements. On most of these subjects time is not ripe for using the detailed Conference procedure of draft conventions and recommendations based on elaborate preliminary studies. More specific results, however, are needed than those of the last Conference in New York.

6. The Office suggests that question of Model Code of factory safety provisions might be included in Conference agenda. We doubt that this is timely; perhaps a preparatory technical conference might be held during the next year.

7. Item 3 of Governing Body agenda concerns relations of I.L.O. with new international bodies. Our general view is that we desire to see the position of the I.L.O. preserved but do not favour an aggressive policy claiming too much territory for I.L.O. Its tripartite nature often makes close association with purely governmental bodies difficult. Its experience should be employed through consultation and at times collaboration in international discussions on social policy. Provision should be made for early consideration of amendments needed in I.L.O. constitution and procedures.

8. We are consulting departments concerned on Items 4 and 5 of the Governing Body agenda and will telegraph later if instructions are required.

9. With regard to Item 6, we are doubtful whether the time has arrived for establishing joint industrial committees on various industries although we think that this ought to receive consideration. We have not yet seen the British Government's proposals. We may later telegraph our view on the future of the Permanent Agricultural Committee.

10. No special instructions seem to be required on financial questions. It is remembered, however, that financial support for the I.L.O. comes from a small group of governments, mainly those of the English-speaking countries. Doubtless if the conference is held, the Governing Body will request supplementary credit to cover its cost.

11. The Office proposals on Item 8 regarding collective agreements are acceptable and also those concerning future meetings of the Governing Body.

12. Please telegraph if you require instructions on any other matters.

FORWARDED AND FILED

760.

DEA/74-C-38

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2254

Ottawa, December 14, 1943

My telegram No. 2232 of December 11th. Governing Body. Item 5 of Agenda¹, you may support proposals concerning inter-American Conference on social security and state, if desirable, that Canadian Government is anxious to facilitate technical cooperation among social security administrations and institutions and to promote exchange of all types of information concerning public health and statistics of morbidity and mortality.

2. Concerning Item 6, Canadian authorities agree in principle with proposal to establish industrial committees within framework of I.L.O. and suggest that the matter might be placed on the Agenda of the Labour Conference for further consideration.

761.

DEA/74-C-38

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 3209

London, December 21, 1943

The meeting of the Governing Body of the I.L.O. terminated yesterday. The most important points dealt with were the place, date and agenda for the I.L.O. Conference in 1944.

(a) Place. The invitation of the United States Government to hold the Conference in the United States, probably at Philadelphia, was accepted by the Governing Body. The United Kingdom attitude in the matter has changed and now appears to be that there will be too many important developments in this country about the time of the holding of the Conference for it to be convenient to hold it here. European representatives made no opposition to acceptance of American invitation, which was put forward very tactfully by Carter Goodrich. The possibility of holding the Conference in Montreal did not come up.

(b) Time. April 20th was agreed on as date for the Conference. The United States Government wanted it earlier and suggested March, but after discussion agreed to the later date, principally on practical grounds that sufficient time must be allowed to prepare for the Conference if it was to be effective. Ritchie made short statement in course of debate urging that adequate time should be given for preparation of material in order that the Conference should be in a position to consider concrete proposals. The chief argument for early Conference was that delay would disappoint hopes of oppressed peoples.

(c) Agenda. The following agenda was agreed upon:

- (1) Future policy, program and status of the International Labour Organization.
- (2) Recommendations to the United Nations for present and post-war social policy.
- (3) The organization of employment in the transition from war to peace.
- (4) Social security principles, and problems arising out of the war.
- (5) Minimum standards of social policy in dependent territories.
- (6) Reports on the application of conventions. (Article 22 of the Constitution).
- (7) Director's report.

The letter communicating the agenda to Governments will make it plain that the first five items on the agenda are general headings, the full scope of each item being illustrated in explanatory paragraphs dealing with each of the matters set out as sub-clauses in the office draft agenda of which you already have a copy.

2. It was thought that the published agenda should be kept as simple as possible as being more effective for publicity purposes. Ritchie made a statement on the Canadian attitude re the agenda in accordance with the general guidance supplied in paragraphs 5 and 6 of your telegram No. 2232 of 11th December.

3. The Acting Director asked for a supplementary credit of from 870,000 to 1,913,999 Swiss francs to cover expenses of I.L.O. and this was unanimously agreed to by the Governing Body.

4. French Committee of [National] Liberation was represented at Governing Body by Tixier.

5. The question of Soviet participation was raised and it was agreed that discreet approaches should be made by the Chairman and Acting Director to the Soviet Ambassador in London with the object of obtaining Soviet attendance at the Conference.

6. The Conference was opened by Mr. Bevin at the initial session which I attended and Mr. Eden delivered a friendly and encouraging speech at the final session.

7. Despatch^t dealing more fully with these and other points follows.

CONFIDENTIAL
1

PARTIE 3/PART 3
UNION PANAMÉRICAINÉ
PAN-AMERICAN UNION

762.

W.L.M.K./Vol. 310

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 11, 1941

THIRD MEETING OF THE FOREIGN MINISTERS
OF THE AMERICAN REPUBLICS

I. On the suggestion of Chile, Secretary of State Cordell Hull has proposed to the Governing Board of the Pan-American Union that a meeting of the Foreign Ministers of the American nations should be held in Rio de Janeiro in the first week of January. The purpose of the meeting is to consult on defence measures for the western hemisphere.

II. In view of the general world situation, of the relationship of Canada to the other nations involved, and of the purpose for which the meeting has been called, it would seem to be desirable that Canada should be represented at the proposed conference.

III. The major arguments in favour of such representation may be summarized thus:

A. — The meeting is for the purpose of coordinating policies for hemisphere defence. Canada, as an American nation, is vitally interested and Canadian cooperation would be desirable from the national as well as from the international angle.

B. — Canada has a natural interest in the defence plans of any nations that are still unconquered, especially when those nations propose to cooperate with Canada and Canada's allies in the common struggle to remain free and destroy the aggressor.

C. — Participation in discussions for hemisphere defence would be a natural development from the Ogdensburg Agreement which covered only the northern half of the Americas.¹⁵ It would be inefficient for Canada to be in the position of having to use Washington as the sole channel for coordination. Canadian experience on the Permanent Joint Board on Defence might be of real value.

D. — The meeting at Rio de Janeiro will probably lay plans for mobilizing the resources of the hemisphere. Canadian participation would be a natural development from Hyde Park¹⁶ and would be essential for the construction of an adequate programme.

¹⁵ Voir le volume 8, document 93.

¹⁵ See Volume 8, Document 93.

¹⁶ Voir le volume 8, document 191.

¹⁶ See Volume 8, Document 191.

E — Canada can assist the United States and the other Allied powers in bringing influence to bear on those Governments that are still hesitating on the verge of war. We need every ally we can get; to forego an opportunity of this kind would be inexcusable.

F — Rio de Janeiro will offer one of the few remaining examples of cooperation in a collapsing world. As such it deserves Canadian support.

G — Finally it would seem rather absurd for Canada, the only power in the hemisphere that has been fighting for two years against what is now the common foe, to be absent from a meeting specifically called to consider means of defeating that enemy.

IV. The only rational arguments *against* Canadian participation are the difficulty of forming a suitable delegation for a Conference which will probably include the Foreign Ministers of all Latin American States, and the fact that the meeting may result in involving Canada in commitments relating to the defence of South America. The first can be overcome if one of the Defence Ministers and one senior official from this Department can attend the Conference. Désy who is in Rio already might also be appointed; and the second is answered by the obvious argument — which has been used so effectively by the Prime Ministers of Canada and the United Kingdom and the President of the United States — that assaults on liberty anywhere are assaults on liberty everywhere. If South America is conquered Canada will not long survive.

V. It is pretty certain that an immediate invitation would be forthcoming once the other countries knew Canada would accept it. Chile, which took the initiative in first proposing the coming Conference, would probably be willing to sound out the others informally. So doubtless would Brazil, which will be host to the meeting. There is something to be said for having a Latin American country, rather than the United States, take the first step in suggesting an invitation to Canada.

VI. A meeting of the Governing Board of the Pan-American Union is to be held in Washington on December 17th. The formal steps to permit Canadian participation at Rio de Janeiro could be taken at that meeting if you thought it advisable.¹⁷

N. A. R[OBERTSON]

DEA/2226-40

763.

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2019

Ottawa, December 16, 1941

IMMEDIATE. SECRET. I have today sent following telegram to Canadian Minister Brazil and have repeated it to Canadian Legation, Washington and Canadian Legation, Argentina for confidential transmission to United States and Argentine Governments:

¹⁷ La note suivante était écrite sur ce mémorandum:

¹⁷ The following note was written on the memorandum:

Discuss with Robertson. K[ING]

CONFIDENTIAL - SECURITY INFORMATION

"Please see appropriate officials of Brazilian Government at once and indicate in confidence that Canada would be glad to accept an invitation to the Conference of Foreign Ministers that is to be held in Rio de Janeiro during the first week in January. Several other Latin American states have offered to take matter up at the meeting of the Governing Board of the Pan-American Union which is to convene in Washington tomorrow morning at eleven, December 17, but we would prefer to have the suggestion come from Brazil, the first Latin American nation with whom we have exchanged diplomatic representatives and the country in which the Conference is to be held.

If the Brazilian Government agree it will be necessary for them to communicate at once with their Ambassador in Washington in order that he may raise the matter at tomorrow's meeting.

If you think it advisable you may also tell the Brazilian authorities for their confidential information that Canada would be prepared to accept an invitation to join the Pan-American Union.

Please report as soon as possible."

Please give this information immediately in confidence to United Kingdom Government. Reason for our decision is desire to cooperate with other states in the Western Hemisphere in drawing up plans for resisting aggression by enemy. Government feels that Conference at Rio provides Canada with an opportunity to advance our common cause.

764.

DEA/2226-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 17, 1941

Mr. Wrong has telephoned to report a conversation he had this morning with Mr. Sumner Welles about the question of possible Canadian participation in the Conference of Foreign Ministers of American countries to be held in Rio de Janeiro early next month.

Mr. Welles had discussed the question with the President, who was of the opinion that, in view of the terms of the Statute of Havana under which the Conference of Foreign Ministers of American Republics was to be convened, it would not be possible to arrange for an invitation to be extended to Canada for the next meeting.¹⁸ He felt that a number of Latin American countries would be certain to raise at today's meeting the technical question of international law involved in inviting a country which was not, strictly speaking an American

¹⁸ Note marginale:

¹⁸ Marginal note:

This settles it.

republic and that, in view of the terms of the Statutes, the United States would be compelled to support their position.¹⁹

I told Mr. Wrong I would convey this information to you at once, and that I thought you would not wish the question of Canadian participation raised if there was any difference of view as to the feasibility of Canadian participation²⁰. I also told him that I thought you would be surprised at the rather legalistic position the President appeared to take, having in mind the importance he had attached, in talking to you, to securing a greater measure of Canadian cooperation in Latin American relations.²¹

Wrong is reporting Welles' message by telegram, but he thought that as matters stood the only way in which the present United States position might be modified would be by a direct message to the President from yourself.²²

765.

DEA/2226-40

Le secrétaire d'État aux Affaires extérieures au ministre au Brésil
Secretary of State for External Affairs to Minister in Brazil

TELEGRAM 44

Ottawa, December 17, 1941

With reference to my telegram of December 16th No. 43.²³ Discussions in Washington this morning disclosed certain technical obstacles which would be difficult to overcome in time for us to participate in the proposed Conference in Rio de Janeiro. In the circumstances it has been decided to postpone action for the present and we accordingly instructed our Minister in Washington to request the Brazilian Ambassador not to raise the question at today's meeting of the Governing Board.

¹⁹ Note marginale:

This was purpose of referring matter first of all to State Department.

¹⁹ Marginal note:²⁰ Note marginale:

Certainly.

²⁰ Marginal note:²¹ Note marginale:

No, I am not, as I can see he has other thought in mind of not having it appear that U.K. and Canada may be wishing to take advantage of the moment to influence U.S. policy or something of the kind.

²¹ Marginal note:²² La note suivante était écrite sur ce memorandum:

I would like the President to know I fully understand he has the best of reasons for his point of view, and am only too glad he has not hesitated to express his opinion quite frankly. I would like the President to know that it was only the thought of possible cooperation in a manner which would be helpful in U.S.-South American relations (in the light of previous conversations on this point) which caused me to acquiesce in the suggestion put forward to have Canada participate if this were thought advisable.

²² The following note was written on the memorandum:

W. L. M[ACKENZIE] K[ING]

²³ Voir le document 763.²³ See Document 763.CONSULTER SUR PLACE
FOUR - CONSULTATION 1

Will you please explain situation to the Brazilian Foreign Minister, apologizing for the trouble we have caused him and assuring him of our gratitude for his willingness to cooperate.

A more complete account of developments is going forward to you by an early post.

766.

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*Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures*
*Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs*

Washington, December 18, 1941

Dear Mr. Robertson,

With reference to our Telegram No. 587 of December 17th[†] and subsequent telephone conversations on the question of Canadian representation at the Conference at Rio de Janeiro, I am enclosing two memoranda, dated December 17th and 18th, on this matter. These memoranda are records of various conversations which we have had on the question. That of December 18th is almost wholly devoted to my talk with Mr. Welles this morning.

It occurs to me that you may wish to send copies of the enclosures to Mr. Turgeon and Mr. Désy, and I am therefore forwarding them in quadruplicate. I hope that you will find this acceptable in place of a more formal report.

Yours sincerely,

H. H. WRONG

[PIÈCE JOINTE 1/ENCLOSURE 1]

Mémoire du ministre-conseiller, la légation aux États-Unis
Memorandum by Minister-Counsellor, Legation in United States

Washington, December 17, 1941

Telegram No. 587 to Ottawa contains the message transmitted to me by Mr. Welles on the telephone concerning Canadian representation at the Rio de Janeiro Conference. I passed this to Mr. Robertson by telephone as soon as it was received and suggested to him that it was desirable to send immediate telegrams to Mr. Désy and Mr. Turgeon informing them of the position adopted by the U.S. Government. He thought it would be desirable for the Legation to seek to prevent any discussion of the matter at the meeting of the Governing Board of the Pan-American Union this afternoon on the initiative of either the Brazilian Ambassador or the Dominican Minister. I told him that I felt unable as yet to give him any background to the bald answer to our enquiry which Mr. Welles had transmitted.

I later called on the Dominican Minister and explained the position to him, saying that in response to the enquiry of his Government which he had transmitted yesterday to me I had to inform him that it would be embarrassing to us if the matter were raised by him at the Governing Board meeting today. I gave him briefly the reasons leading to this conclusion and thanked him for the interest which he and his Government had shown in the matter.

Mr. McCarthy called also on the Brazilian Ambassador and found that, following Mr. Désy's approach to the Brazilian Government, he had received instructions to bring the matter up today. He had, however, already checked with Mr. Welles on the position of the State Department and had received a reply in terms similar to that given to us. He was not therefore proposing to raise the question at the Board meeting.

Mr. Robertson telephoned at about 2:30 to convey the Prime Minister's observations on the President's reply to our enquiry.²⁴ Mr. King thinks that the President's message has settled the question as far as Canada is concerned. He would not be surprised if the President had other things in mind apart from the legalistic attitude expressed in the message. He wished a message to be conveyed to the President along the following lines: He would like the President to know that he fully understands that he has the best of reasons for his point of view. Mr. King welcomes the frankness shown by the President in his reply to our enquiry. He wishes the President to know that his only desire in following up the initiative taken by certain Latin American Governments in this connection was to be helpful in furthering the good relations between the United States and Latin American countries.

H. W[RONG]

[PIÈCE JOINTE 2/ENCLOSURE 2]

Mémorandum du ministre-conseiller, la légation aux États-Unis
Memorandum by Minister-Counsellor, Legation in United States

Washington, December 18, 1941

I called on Mr. Welles late this morning and gave him verbally, for transmission to the President, the message from the Prime Minister set forth in my minute of December 17th. He said he would take the first opportunity of passing this on to the President.

Mr. Welles said that the position from the legal or constitutional point of view might not be fully understood in Canada. The meeting next January grew out of Agreements adopted at the Conferences of American States at Buenos Aires and at Lima and the subsequent consultative meetings of the Foreign Ministers of the American Republics which were held at Panama and Havana. The Agreement providing for the January meeting permitted only the attendance of the Ministers of Foreign Affairs of the twenty-one American Republics and no one else. At several previous inter-American gatherings the question of the admis-

²⁴Voir le document 764.

²⁴See Document 764.

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sion of Spain as an observer had been raised, with considerable Latin American support, but in each case it had been rejected on the initiative of the United States, Brazil, and some other Governments. He felt that our Latin American friends in the urgent circumstances of the moment might be rather inclined to push the idea of Canadian representation without weighing the difficulties which were in fact too serious to overcome.

I told him that while I was waiting to see him press correspondents had come to me with the question whether Canada would be represented by an observer at the meeting. I had answered that "observer" was an indefinite term in international practice. We had in Rio an active and able Minister in Mr. Désy, who would certainly observe the proceedings of the Conference in the literal sense and would transmit full reports to the Canadian Government. As for full Canadian representation, I had said that there were serious constitutional impediments in the way, since the controlling Inter-American Agreements limited participation to the Foreign Ministers of the American Republics. I had assured the correspondents that the Canadian Government were greatly interested in the proceedings and in their outcome. Mr. Welles said that he thought that this was the best position to adopt in dealing with enquiries and that if questions were addressed to the State Department he would see that they were answered in the same way.

He informed me that there had been no discussion at the meeting of the Governing Board of the Pan-American Union the previous day of Canadian representation at the Conference beyond a statement of the difficulties from Mr. Hull and a request to all present that no publicity should be given to the matter.

I then said to Mr. Welles that I was going to ask him a hypothetical question which he might not feel free to answer. If he could answer it, I thought that a frank reply would be helpful. My question was: If the constitutional difficulties which he had mentioned did not exist, would the Government of the United States welcome Canadian representation at the forthcoming Conference? He answered in cordial terms to the effect that he could speak for the Government on this matter and could ask me to assure the Prime Minister that the United States would be glad to have full Canadian collaboration in all aspects of inter-American affairs. The United States delegation would unofficially discuss the best means to adopt to attain this end with the representatives at Rio of the other American Republics. I then thought it wise to say to him that I could give him a fairly definite assurance that the Canadian Government was ready to accept an invitation to become a full member of the Pan-American Union. He said that he welcomed this statement and would bring it to the attention of the President.

I have given the substance of this memorandum to Mr. Robertson on the telephone and am sending a copy to him by mail. He tells me that the Brazilian and Argentine Ministers have both called at the Department this morning to express the wishes of their Governments that Canada should be represented at Rio. The Argentine Minister had made several suggestions on the means whereby the legal obstacles might be circumvented.

H. W[RONG]

767.

DEA/2226-40

Mémorandum du ministre-conseiller, la légation aux États-Unis
Memorandum by Minister-Counsellor, Legation in United States

Washington, December 29, 1941

Mr. King told me yesterday that Mr. Hull and he had discussed the representation of Canada at the Rio Conference on the evening of December 27th²⁵. Mr. Hull had apparently not emphasized the legalistic arguments which were used by Mr. Welles in rejecting the proposal. He had said, however, that he felt that a debate about Canadian representation might well upset their plans for using the Conference as a means of combatting Axis influence and propaganda in Latin America. Mr. King derived the impression that the main reason for taking this view was because of Canadian membership in the British Commonwealth. Mr. Hull seemed to feel that Canadian representation would be regarded in some quarters in Latin America as equivalent to British representation at the Conference.

Incidentally, Mr. Noel Hall told me the other day that it had been suggested that he might take a holiday in January and spend part of it as the guest of the British Ambassador to Brazil while the Conference was in session.

H. W[RONG]

768.

DEA/2226-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELEGRAM 22

Ottawa, January 10, 1942

SECRET. Please inform State Department that a number of Latin American countries have indicated that they would like to propose at Rio Conference that invitation be extended to Canada to join the Pan-American Union. Before considering any one of these offers we should like to be assured that the proposal if made would be given unqualified support by the Government of the United States.²⁶

²⁵ Le Premier ministre avait été à Washington du 25 au 28 décembre.

²⁵ The Prime Minister was in Washington from December 25 to 28.

²⁶ Les notes suivantes étaient écrites sur cette copie du télégramme:

²⁶ The following notes were written on this copy of the telegram:

Robertson:

I think that it would be unwise to let this matter come up for final decision at this time. There will be a considerable difference of view concerning interpretation of Canada's action — if acceptance were made at present — in Canada, in Britain and in the United States. I doubt if in view of recent happenings we should go further than the above.

W. L. M[ACKENZIE] K[ING]

Noted. N. A. R[OBERTSON]

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 1

769.

W.L.M.K./Vol. 327

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELEGRAM 28

Washington, January 13, 1942

MOST IMMEDIATE. Your telegram No. 22. Question was raised yesterday with the State Department and the Secretary of State has sent message this morning that after careful consideration he has nothing to say in amplification of statements made by Welles on December 17th and December 18th.²⁷ He is telegraphing Welles to this effect.

2. This means definitely that United States delegation will not support referendum that Conference should invite Canada to join Pan-American Union. Reasons are partly formal since the State Department's lawyers consider invitation can only be extended by next regular Conference of American States. Their immediate concern, however, seems to be delicate balance of Latin American relations.

3. Welles has been instructed by the President to explore at Rio de Janeiro unofficially whole question of Canadian relationship to Pan-American Union and best means of Canadian collaboration in inter-American affairs.

770.

DEA/2226-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre

Memorandum from Under-Secretary of State for External Affairs
to Prime Minister

SECRET

Ottawa, April 13, 1942

CANADA, THE PAN-AMERICAN UNION AND THE UNITED STATES

The proposal that Canada should join the Pan-American Union has been made and debated on and off for many years. It came up again as a practical proposition late in 1941 in connection with the preparations for a meeting, under the general auspices of the Union, of the Foreign Ministers of member states at Rio de Janeiro. Prior to the Conference, Santo Domingo, Brazil, Argentina and Chile all indicated that they would like to have Canada take part in the Conference and, by inference at least, that they would like to have the Dominion join the Union.

There is little doubt that by the end of 1941 the people of Canada were, with few exceptions, ready to approve any action that would lead to closer relations between this country and the Latin-American States. In view of this fact and of the probable advantages that would incur [sic] from participation in the Rio Conference, the Canadian Government decided to move towards membership in the Union. Before taking any concrete step in this direction, however, it was

²⁷ Voir les documents 764 et 766.

²⁷ See Documents 764 and 766.

deemed advisable to obtain assurances of the unqualified support of the Government of the United States. For this reason inquiries were addressed to the United States Minister in Ottawa and the matter was also discussed with the State Department in Washington. It was immediately ascertained that the Government of the United States, or at any rate that branch of the Government with which Canada was forced to deal, had completely reversed the attitude that had previously been adopted by the United States in relation to the proposal that Canada should seek membership in the Pan-American Union. This reversal was as complete as it was unexpected, and it was not accompanied by any explanation that could be seriously accepted. Mr. Sumner Welles contented himself with saying that in view of the terms of the Statute of Havana under which the Conference of Foreign Ministers was to be convened, it would not be possible to arrange for an invitation to be extended to Canada for the meeting at Rio de Janeiro. He felt that a number of Latin-American countries would be certain to raise the technical question of international law involved in inviting a country which was not an American Republic and that, in view of the terms of the Statutes, the United States would be compelled to support their position. He did, however, agree to look into the general situation in regard to Canadian participation in the Union while he was at the Rio Conference. He expressed his personal sympathy with the idea and promised to report Canada's views to the President.

Although the Conference of Foreign Ministers ended in the middle of January no report was received, even indirectly, from Mr. Sumner Welles until March 12th, when, in the course of a discussion of other matters, the United States Minister in Ottawa informed Mr. Keenleyside that he had heard that Mr. Welles had found a division of opinion among the Latin Americans at Rio de Janeiro in regard to the propriety of Canadian participation in both the Conference and the Union. Mr. Welles apparently had reported that if the matter had come to a vote Canada would probably have been excluded from the Conference.

There is no evidence from any other source to support the alleged views of Mr. Welles. On the contrary, Canada has received information which would seem to support the belief that the following Latin-American countries would definitely favour Canadian participation in the Pan-American Union: Argentina, Brazil, Chile, Colombia, Bolivia, Ecuador, Peru, Honduras, Santo Domingo, Nicaragua, Panama, Venezuela, Haiti, Paraguay, Uruguay, Guatemala and Mexico.

The latest development in connection with this matter is a report from Mr. Désy, dated March 17th,¹ in which the Secretary of State for External Affairs was informed that the Brazilian Foreign Minister had quoted Mr. Sumner Welles as saying to him (Dr. Aranha) at the Rio Conference that the United States had objected to an invitation being extended to Canada for two reasons:

- (a) Because Canada formed part of the British Commonwealth of Nations, and as such could not be considered an independent country;

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(b) Because the United States did not want Canada to claim the same concessions as those the United States was prepared to make to South American countries.

Dr. Aranha told Mr. Désy very definitely that he had gathered the vivid impression that the United States was afraid of Canadian competition in the markets of South America.

It is possible that Dr. Aranha may have been exaggerating in his description of the views of Mr. Sumner Welles, but there seems to be no doubt that in explaining his position to us the Acting Secretary of State has been using specious arguments to justify his action in blocking Canadian participation in the Rio Conference and Canadian membership in the Pan-American Union. It is quite clear at the present time that the only serious obstacle to Canadian membership in the Union is the attitude of Mr. Welles, which we must assume to be that of the United States Government. In view of this fact it is of interest to look back over the record of Canadian discussions with the United States in regard to this matter. These discussions can be summarized as follows:

1. In *December, 1925*, Dr. James Brown Scott²⁸ wrote Sir Charles Fitzpatrick²⁹ a letter on the subject of Canadian entry into the Pan-American Union which Dr. Skelton³⁰ in a memorandum to the Prime Minister said was, in view of Dr. Scott's former connection with the State Department, "undoubtedly an unofficial sounding as to whether Canada desires to enter the Pan-American Union".

2. In *January, 1928*, Mr. Kellogg, Secretary of State, in conversation with the Canadian Minister in Washington, referred to a newspaper despatch in which he was quoted as opposing a reported movement at the Pan-American Conference in Havana to invite Canada to join the Union. He denied that the report represented his view and went on to say that he would be very glad to see Canada a member of the Union. He thought, however, that there might be some difficulty in our joining because of our membership in the Empire. The Canadian Minister replied that we would be quite free to join if we wished to do so.

3. In *1936*, before the Buenos Aires Conference the United States informed the Canadian Government that they did not wish to make any suggestion on what Canadian policy should be respecting entry into the Union. They wished to let Canada know, however, that if Canada desired to become a member of the Union, the United States would have much pleasure in fully supporting the proposal. (This is referred to in memoranda from Dr. Skelton of November 19, 1936,³¹ and November 29th¹ and 30, 1938³² to the Prime Minister.)

²⁸ Président, Institut américain de droit international.

²⁹ Ancien juge en chef, Cour suprême du Canada.

³⁰ Alors sous-secrétaire d'État aux Affaires extérieures.

³¹ Voir le volume 6, document 497.

³² Voir le volume 6, document 500.

²⁸ President, American Institute of International Law.

²⁹ Former Chief Justice, Supreme Court of Canada.

³⁰ Then Under-Secretary of State for External Affairs.

³¹ See Volume 6, Document 497.

³² See Volume 6, Document 500.

4. On *November 29, 1938*, before the Lima Conference, Dr. Skelton, at the Prime Minister's request, asked the Chargé of the United States Legation to find out the procedure for providing for a Canadian observer at Lima. The next day, the Chargé replied that the inquiry had been transmitted by the State Department to the President who had stated that the attitude of the United States Government to Canadian participation was the same as it had been two years before.

5. On *December 18, 1941*, Mr. Wrong asked Mr. Welles the following question: If the constitutional difficulties which he had mentioned as standing in the way of Canadian participation in the Rio Conference did not exist, would the Government of the United States welcome Canadian representation at the Conference? Mr. Welles replied in cordial terms that he could speak for his Government on this matter and could ask Mr. Wrong to assure the Prime Minister that the United States would be glad to have full Canadian collaboration in all aspects of inter-American affairs. The United States delegation would unofficially discuss the best means to adopt to attain this end with the representatives at Rio of the other American Republics. Mr. Wrong then gave Mr. Welles a fairly definite assurance that the Canadian Government was ready to accept an invitation to become a full member of the Pan-American Union. Mr. Welles said that he welcomed this statement and would bring it to the attention of the President.

It may also be useful to put on the record a summary of the approaches that have been made by the Latin-American states to Canada on this subject.

1. *Chile* — 1923

Señor Edwards, the Chilean Minister in London, who expected to preside at the Santiago Conference, asked the British Minister at Santiago for guidance as the question of inviting Canada to become a member of the Pan-American Union will not improbably be raised.

2. *Brazil* — 1925

Senhor de Mello Franco, the Brazilian representative on the Council of the League of Nations, told Dr. Riddell that if Canada would accept an invitation to join the Union he could assure Dr. Riddell that one would be forthcoming from the Havana Conference in 1926. Dr. Riddell said that he believed Senhor de Mello Franco expressed the general attitude of the South Americans to Canada's participation in the Pan-American Union.

3. *Mexico* — 1928 and 1931

In January, 1928, the British Minister in Mexico was told by a high official in the Mexican Foreign Office that Mexico intended to move at the Havana Conference that Canada be invited to join the Union. In November, 1931, the Mexican Foreign Minister told the British Minister to Mexico that Mexico was proposing that Canada be invited to attend the Montevideo Conference.

4. *Argentina* — 1929

Dr. Molenari suggested to the British Ambassador in a private conversation, but which according to the British Ambassador he would hardly have made without the President's knowledge, that Canada and the British Colonial pos-

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sessions in the West Indies and Central America be urged to become members of the Pan-American Union.

5. *Dominican Republic* — 1941

On December 16, 1941, the Dominican Minister in Washington, on instructions from his Government, asked the Legation in Washington whether the Canadian Government would welcome an invitation to participate fully in the Rio Conference; if so, he would raise the question at the meeting of the Governing Board on December 17th.

6. *Brazil* — 1941

On December 18, 1941, the Brazilian Minister called on the Under-Secretary to say that his Government had asked him to let us know how warmly they welcomed the possibility of more direct Canadian participation in the shaping of hemispheric policies.

7. *Argentine* — 1941

On December 18, 1941, the Argentine Minister called on the Under-Secretary to say that his Government had been very glad to learn that Canada might be prepared to participate in hemispheric defence discussions, and, as he put it, become a member of "the American Commonwealth of Nations" as well as of the British Commonwealth.

8. *Chile* — 1941

On January 3, 1942, the Canadian Minister to Chile paid his first call on Señor Rossetti, the Foreign Minister of Chile. During the conversation Señor Rossetti raised only one question of importance, the question of Canada's entry into the Pan-American Union. He said that he was very enthusiastically in favour of Canada becoming a member of the organization.

9. *General*

The Argentine Minister to Canada stated on December 18th that his private opinion was that, if a telegram were sent to the members of the Pan-American Union asking if they were prepared to associate themselves with an invitation to Canada to attend the Rio Conference, every Latin-American state would immediately endorse the proposal.

The Canadian Minister to Brazil reported¹ as follows after the Rio Conference:

"One of my informants has had an opportunity to ask unofficially the delegates of the following fifteen countries if they would favour Canadian participation: Peru, Chile, Colombia, Ecuador, Bolivia, Honduras, Nicaragua, the Dominican Republic, Panama, Venezuela, Haiti, Paraguay, Uruguay, Guatemala and Mexico. All replied in the affirmative. I have already mentioned . . . the reference to Canada made by the Mexican Chancellor at the opening of the Conference, and I am now quite convinced that there would be absolute unanimity among the South American nations with regard to Canadian participation in the Union and future Pan-American conferences."

While Canada may with justice feel some resentment at the way in which the United States has blocked the desire of this country to join the Pan-American

Union, the wider significance of the actions of Mr. Welles in regard to this matter are of much greater importance.

During recent years Canada and the United States have been working together in matters of mutual interest with a frankness and mutual confidence that has few parallels in the history of international relations. We have had our differences of opinion and have bargained when bargaining was necessary. From the Canadian side, however, and we have every reason to believe that this is duplicated in Washington, there has been no effort to indulge in the old tactics of secret and dishonest diplomacy. We have agreed or disagreed openly and without equivocation.

Now, for the first time in many years, we find the man who is responsible for the direction of the foreign affairs of the United States Government justifying a policy which seriously affects Canadian interests by the use of arguments which are known to be unsound and which he himself does not use when describing the situation to third parties. When this fact is combined with the other evidences that have been accumulating lately of a growing American tendency to take action affecting Canadian interests, and even in some cases involving the use of Canadian soil without prior notification to the Canadian Government, we are justified in feeling that our relations with the United States have entered an unsatisfactory phase, and one which should be ended just as quickly as possible.

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*Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures*
*Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs*

Washington, May 23, 1942

Dear Mr. Robertson,

Mr. Berle mentioned to me today the question of Canadian participation in inter-American organizations and meetings. He said very frankly that the reason why our approach last December had not been accepted was the extreme delicacy of the international position in Latin America. They felt that the question of the admission of Canada to the Conference might well become a complicating factor which might embarrass the efforts of the United States representatives to create a united front of the American republics.³³

He told me that he was considering methods whereby the Canadian Government could be more fully associated in inter-American affairs and that he and his Government were entirely sympathetic to this idea. He thought it likely that there would develop (presumably in Washington) some sort of body representing the American countries which had declared war on the Axis, a group which

³³ Voir aussi pièce jointe, document 7.

³³ See also Enclosure, Document 7.

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he hoped would soon include Brazil and perhaps some other South American States. Canada, of course, belonged naturally in such a body. If such a body is created, it would be an easy way of beginning Canadian participation in inter-American meetings, and if we so desired would lead before long to Canadian entry into the Pan-American Union. I remarked to him that I had told Mr. Welles in December that Canada would be glad to join the Pan-American Union and that, so far as I knew, this decision still stood.

You may think it desirable to develop these ideas with Mr. Berle further when he visits Ottawa on June 8th and 9th for a discussion of the future of the Joint Economic Committees.

Yours sincerely,

H. H. WRONG

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Le ministre aux États-Unis au Premier ministre
Minister in United States to Prime Minister

MOST SECRET

Washington, February 18, 1943

Dear Prime Minister,

At the Pacific Council meeting yesterday, during the discussion with reference to the wisdom or otherwise of calling a meeting at an early date of all the United Nations, the President was suggesting that it might be something like the Pan-American Union. He turned to me and in an aside said, "You are not a member of the Pan-American Union, but Vargas told me he would like to have you in. I have discussed it with Mackenzie and you will be in as an observer or something like that". I merely replied, "Of course, you understand that since the Pan-American Union was formed our status has under the Statute of Westminster entirely changed". He nodded as if he understood.

It was just a fleeting aside which I do not think any other member, if they heard it, took notice of or grasped. It has occurred to me, however, that I should report it to you, as it seemed to me to have two important elements: first, that Vargas has told him that he would like to have Canada in the Pan-American Union, and the President evidently feels that the result of his last discussion with you was to the effect that we might come in only as an observer or something like that.³⁴

Very sincerely yours,

LEIGHTON MCCARTHY

³⁴ La note suivante était écrite sur cette lettre:

³⁴ The following note was written on the letter:
 for this present war [?] period

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Le Premier ministre au ministre aux États-Unis
Prime Minister to Minister in United States

MOST SECRET

Ottawa, March 5, 1943

Dear Mr. McCarthy,

I am glad that you reported to me your brief exchange of remarks with Mr. Roosevelt concerning the possibility of Canada participating in the Pan-American Union. It did not come as a surprise to me to learn that the President of Brazil had told Mr. Roosevelt that Brazil wants Canada in the Union. The Brazilian Government has for more than a year made this clear to Mr. Désy.

There are certain obvious difficulties in the way of Canada becoming associated with the Pan-American Union either as a full member or in any less definite capacity. While we would be willing to consider any suggestions along these lines we would not, of course, wish to have Canadian membership or association with the Union become a subject of debate either within the Union or among the member governments.

Until the attitude of all members of the Union becomes more clearly determined and until steps are taken to work out a method by which Canadian adherence can be facilitated, I think that we shall probably find it wise to concentrate our efforts to improve relations between Canada and the Latin American states on the expansion of direct diplomatic contacts. Certainly I do not believe that it would be advisable for Canada to take any initiative in relation to membership in the Union at this time.

Yours sincerely,

W. L. MACKENZIE KING

PARTIE 4/PART 4
 CONFÉRENCE ET CONSEIL
 INTERNATIONAUX DU BLÉ
 INTERNATIONAL WHEAT
 CONFERENCE AND COUNCIL

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DEA/149-33

Le chef, la section de l'agriculture, le Bureau fédéral de la statistique,
au sous-secrétaire d'État aux Affaires extérieures

Chief, Agricultural Branch, Dominion Bureau of Statistics,
to Under-Secretary of State for External Affairs

[Ottawa], March 17, 1942

Dear Mr. Robertson,

I am enclosing herewith five copies of the draft documents relating to the Washington Wheat Agreement¹ which are being circulated for final consideration by the five participating Governments.

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The present drafts represent a wide departure from the provisional draft of the International Wheat Agreement circulated last August.³⁵ In the first place, for the purpose of avoiding offense to non-represented countries, the principal document embodying the present agreement is an informally worded "Memorandum of Agreement" which recognizes that an international wheat agreement requires a conference of all the nations having a substantial interest in wheat, and which provides for the calling of such a conference as soon as the time becomes suitable.

Since the conference may not be called and conclude its deliberations until some time after a general armistice, interim measures are regarded as necessary to prevent competitive disorganization of the international wheat trade in the period between the end of the war and the conclusion of a new agreement. These measures are provided for in the "Memorandum of Agreement" and include:

(a) provisions for relief wheat distribution and for the machinery connected therewith to be set up now.

(b) an undertaking to regulate production during the war so as to prevent the accumulation of excessive stocks.

(c) at the end of the war, or at such earlier agreed date to bring into operation the production control, reserve stocks and export quota provisions as set out in the "Draft Convention".

(d) to maintain during the interim period wheat prices properly related to the price paid by the United Kingdom for the last bulk purchase from the principal country of supply prior to the end of hostilities. Provision is made for alteration in the light of substantial changes in freight and exchange rates. If any interested country is dissatisfied with these prices, resort will be had to the price arrangements in the "Draft Convention" which provide for a price range to be negotiated, subject to the concurrence of the United Kingdom.

(e) The "Memorandum of Agreement" is to be superseded by the agreement arising from the larger conference. Failing such new agreement, the "Memorandum of Agreement" is to terminate in any event within two years.

The "Draft Convention" is a considerably revised version of the provisional draft circulated last August, which was intended as a five-year wheat agreement. Its present purpose is two-fold. It is related to the "Memorandum of Agreement" through the "Minutes of the Final Session of the Washington Meeting" which places in operation the necessary portions of the "Draft Convention" in order to carry out the provisions of the "Memorandum of Agreement". Its other purpose is to place before the new wheat conference a draft agreement as a basis for negotiations within that conference.

Within the Draft Convention, the percentage export quotas remain within one per cent of final agreement with Australia asking 19, Argentina 25, Canada 40, and the United States 17 per cent of the total exports for the four countries, and the quota negotiations are still continuing. Approval is sought from the Canadian Government for the new maximum stock figure of 275 million bushels for Canada in relation to the revised stocks article.

³⁵ Voir le volume 7, document 1271.

³⁵ See Volume 7, Document 1271.

As indicated in the attached letter from Mr. Carlill,¹ the British Delegation has proposed that the three documents be initialled by the delegates for each country at the final meeting. The United States State Department would then send certified copies of the document to the diplomatic representatives of the other four countries and would invite each government to signify their willingness to adopt and give effect to the "Memorandum of Agreement" and its interpretation in the Final Minutes. When the State Department receives the assent of each government the interim arrangements regarding relief and production control during the war would be deemed to have come into effect. If this procedure is agreed to by the other Governments and by our own, Paragraph 1 of the "Minutes of the Final Session" should be revised by substituting "acceptance" or "approval" in the place of "signature" in the third line thereof.

I would appreciate your forwarding the enclosed documents together with a copy of this explanatory letter to the Departments of Trade and Commerce, Agriculture, Finance, and Mines and Resources.

Faithfully yours,

C. F. WILSON

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Mémorandum du sous-ministre du Commerce au ministre du Commerce

*Memorandum from Deputy Minister of Trade and Commerce
to Minister of Trade and Commerce*

Ottawa, April 1, 1942

INTERNATIONAL WHEAT DISCUSSIONS AT WASHINGTON

Mr. George McIvor, Chief Commissioner of the Canadian Wheat Board, has telephoned from Washington giving a preliminary report on the International Wheat Discussions which have been taking place in that city.

He advises he has been successful in maintaining Canada's share of exports from the four principal countries at 40 per cent. Nothing further has been heard of the proposal of Mr. McCarthy, the Australian delegate, that the four exporting countries should sign a declaration as to their understanding of the prices which should be approved by the Wheat Council, after it is formed.

A great deal of the time during the past three days has been occupied in discussions regarding paragraph six of the proposed "Memorandum of Agreement". You will recall that this paragraph concerns the arrangements for maintaining the price of wheat until the Draft Convention comes into operation. This paragraph has now been redrafted to read as follows:

"The five countries will, as from the cessation of hostilities or from such earlier date as they may agree, determine the prices of wheat in accordance with the arrangements described in the attached Draft Convention, except that the determination will be by unanimous agreement. Pending such determination, the five countries will, for a period not exceeding six months, maintain as the

export price of wheat the last price negotiated by the United Kingdom for the bulk purchase of wheat from the principal country of supply; equivalent f.o.b. prices will be calculated for wheats of the other exporting countries and will be adjusted from time to time to meet substantial changes in freight and exchange rates."

Mr. McIvor strongly recommends that Canada should agree to the above revised proposal. You will note that the most significant change is that the price of the last bulk sale to the United Kingdom will be maintained for a period not exceeding *six months*.

Mr. McIvor points out that this safeguards our position, in that during the six months the wheat which will be imported into the United Kingdom will be the wheat negotiated under the last bulk purchase, which is certain to cover requirements for a fairly long period. The limitation to the six months' period also removes the political objection raised by Mr. Gardiner, in that as the price will only be in force for a period of six months there would not be any great inducement for the United Kingdom to depress the price for the last bulk purchase.

Mr. McIvor reports that the United States very much wanted the period to be a year instead of six months, but they finally agreed to the six months' period as a means of meeting Canada. The United States attach the greatest importance to having this provision in about prices during the interim period and our refusal to agree to the revised formula will be certain to create difficulties with the United States.

Finally, Mr. McIvor points out that in another part of the memorandum Canada is defined as the principal country of supply for wheat imported into the United Kingdom. This is clearly of value as bringing about an official recognition of our position in relation to the supply of wheat to the United Kingdom and obviates any arguments being put forward by the United States in favour of the supply of wheat to the United Kingdom under lend-lease.

Dr. C.F. Wilson will be returning to Ottawa at the end of the week, when he will be in a position to report fully. The revised draft of paragraph six is being referred to the other Governments and it is expected that the International Wheat Discussions will have to be resumed in about ten days to two weeks, when it is hoped to reach finality and to initial the various documents. In the meantime, Mr. McIvor thought that you would like to have this preliminary report of what has transpired in Washington in case you may have the opportunity of discussing the whole question with the Hon. Mr. Gardiner and the other members of the Wheat Committee of Council. Mr. McIvor most strongly urges our acceptance of the revised draft of paragraph six, in view of the considerations referred to above.

L. D. WILGRESS

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*Le sous-ministre du Commerce au commissaire en chef,
la Commission canadienne du blé*

*Deputy Minister of Trade and Commerce to
Chief Commissioner, Canadian Wheat Board*

Ottawa, April 9, 1942

Dear Mr. McIvor,

I duly received your letter of April 4,¹ confirming our telephone conversation and advising on the subject of the proposed change in the price clause of the draft Memorandum of Agreement, as agreed upon at the recent meeting in Washington.

In accordance with your request, I brought the revised draft of the paragraph on prices to the attention of Mr. Ilsley and his Secretary has to-day telephoned to Mr. Adams³⁶ advising that Mr. Ilsley is agreeable to the paragraph as it now stands. Accordingly, I am acting upon the request in the last paragraph of your letter of April 4 and am asking Dr. C.F. Wilson to communicate with Mr. Cairns³⁷, reporting that Canada is agreeable to the revised draft of paragraph VI of the Memorandum of Agreement.³⁸

Yours faithfully,

L. D. WILGRESS

³⁶ De la section de la comptabilité des coûts, ministère des Finances.

³⁷ Du bureau des relations étrangères agricoles, département de l'Agriculture des États-Unis.

³⁸ Le mémorandum d'entente entra en vigueur le 27 juin 1942. Le texte du paragraphe 6 fut quelque peu modifié comparé au texte cité dans le document précédent mais la période de six mois pour le maintien des prix fut retenue. Voir Canada, *Recueil des traités*, 1942, N° 11.

³⁶ Of the Cost Accounting Section, Department of Finance.

³⁷ Of the Office of Foreign Agricultural Relations, Department of Agriculture of United States.

³⁸ The Memorandum of Agreement was brought into effect on June 27, 1942. The wording of paragraph 6 was altered somewhat from that quoted in the preceding document but the six-month period for price maintenance was retained. See Canada, *Treaty Series*, 1942, No. 11.

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*Mémorandum de l'adjoint spécial en temps de guerre
du sous-secrétaire d'État aux Affaires extérieures³⁹*

*Memorandum by Special Wartime Assistant to
Under-Secretary of State for External Affairs³⁹*

[Ottawa,] August 7, 1942

MEETING OF THE INTERNATIONAL WHEAT COUNCIL, WASHINGTON,
UNITED STATES DEPARTMENT OF AGRICULTURE, AUGUST 3-5, 1942⁴⁰

- a) Summary of business transacted.
- b) Notes on the proceedings. These are my own notes and are not the official minutes of the meetings. The latter will not be available for some weeks.

SUMMARY OF BUSINESS TRANSACTED

1. *Election of Officers:*

- a) Chairman — Mr. Paul Appleby, United States Under-Secretary of Agriculture was elected Chairman for a period of one year.
- b) Secretary — Mr. Andrew Cairns was appointed full-time secretary for the period of hostilities plus two years *or* until after the meeting of the full International Conference to take place after the war, whichever is the shorter. The Secretary is to be wholly responsible to the Council.

2. *Budget:*

It was agreed to provide the Council with a budget of \$12,500 for the year August 1942-July 1943. According to the provisions of the agreement this sum is to be raised by equal contributions from each of the five contracting governments.

3. *Appointment of Executive Committee:*

It was agreed to appoint an Executive Committee consisting of one representative from each delegation to be named by the respective governments. The United States member (L.H. Wheeler) of the Executive Committee was appointed chairman of the Committee.

4. *Reports by Contracting Governments to the Council:*

- a) It was agreed that each country should submit to the secretariat documentation, viz. statutes, regulations, announcements, etc. concerning wheat

³⁹ J.J. Deutsch.

⁴⁰ Ce conseil était prévu dans le Mémorandum d'entente négocié à la Conférence de Washington. L.B. Pearson était le délégué principal. Les autres membres de la délégation étaient A.M. Shaw, directeur des services de marketing, ministère de l'Agriculture, C.F. Wilson et J.J. Deutsch. Wilson fut nommé par la suite délégué du Canada sur le Comité exécutif.

⁴⁰ The Council was provided for in the Memorandum of Agreement negotiated at the Washington Conference. The Canadian delegation was headed by L.B. Pearson. The other members were A.M. Shaw, Director of Marketing Services, Department of Agriculture, C.F. Wilson and J.J. Deutsch. Wilson was subsequently appointed Canadian Delegate to the Executive Committee.

control measures undertaken by its government. The secretariat would then prepare a convenient summary for distribution to each contracting government.

b) In connection with the preparation of statistical reports by the secretariat it was agreed that any request for confidential statistics from governments should first be approved by the Executive Committee.

5. *Price Stability after cessation of hostilities beyond the initial six-months period:*

It was agreed that the Executive Committee should prepare a factual and analytical report on ways of securing price stability after the cessation of hostilities beyond the initial six-months period. This report is to be made available to the contracting governments prior to the January meeting and is not to contain any recommendations or conclusions.

6. *Consideration of Canadian relief shipments to Greece as Part of Canadian Contribution to Relief Pool:*

Council was not prepared to agree to Canadian request at this stage. It was agreed however that a question of principle was involved and the Canadian delegation gave notice that the matter would [be] raised again at the January meeting.

On the question of the appointment of Mr. Cairns the Canadian delegation felt that the appointment should be a part-time one, mainly out of apprehension of what he might do, since it was clear there was not enough work of a necessary character to keep him busy. All of the other delegations, however, wanted him full time. Mr. Wilson discussed the matter over the phone with Mr. Wilgress who thought that we ought to fall in with the wishes of the others since it was obvious that we would be outvoted. The first offer of salary to Mr. Cairns was \$7,000 per annum which he said he could not accept. It was finally agreed to meet his figure of \$8,000. In the appointment of Mr. Cairns it was made clear that he was wholly responsible to the Council, that he was given no specific powers and was not to start anything without the approval of either the Council or the Executive Committee. In fact, this was one of the reasons why it was thought wise to appoint an Executive Committee at this stage.

The item on the agenda concerning the question of assuring price stability after cessation of hostilities beyond the initial six-months period came as a surprise. In private conversation Mr. Wheeler said that the Americans were not happy about the present arrangement; they wanted longer continuity for the price arrangements and because they recognized the embarrassment to us in tying the post-war price to our sale price to the United Kingdom, they felt that the substitution of a price formula should be re-explored. Our delegation was unfavourable to a reopening of the question but in view of our interest in the possibility of getting away from the connection between our sales prices to the United Kingdom and the post-war price we agreed to the United States proposals for a study of the matter and inclusion in the agenda for the January meeting.

The disposal of the question regarding wheat for Greece in the manner indicated was partly due to lack of time for consideration by the other delegations. At the earliest opportunity we told Messrs. Hall and Wheeler that the Canadian delegation would bring up the matter but they were unable to discuss it adequately with their colleagues. The issue had to be raised suddenly when it was clear that there was an effort to conclude the meeting as rapidly as possible. The Chairman was caught unprepared and hence tried to turn the question aside. At the January meeting there will have been an opportunity for full consideration.

778.

DEA/4171-40

*Le haut commissaire adjoint de Grande-Bretagne au
sous-secrétaire d'État aux Affaires extérieures*

*Deputy High Commissioner of Great Britain to
Under-Secretary of State for External Affairs*

516B/181

Ottawa, December 28, 1942

IMMEDIATE. CONFIDENTIAL.

Dear Mr. Robertson,

I have been informed that at the first meeting of the Executive Committee of the International Wheat Council in Washington the U.S. chairman urged that the United Kingdom and Canadian Governments should undertake to inform the Council confidentially of the price of the next contract for the bulk purchase of wheat by the United Kingdom from Canada on the ground that this would facilitate the negotiation at the earliest possible moment of the basic minimum and maximum prices applicable during the interim period following the end of hostilities in place of the present arrangement applying to latest Canada/United Kingdom price in the first six months of that period.

As you are of course aware, the Canadian and United Kingdom Governments have been asked on a number of occasions in the past to disclose the prices at which wheat purchases have been arranged between the two countries, and the views of the United Kingdom Government on this subject were set out in a letter of the 24th June last from the Dominions Office to Canada House.[†] I enclose a copy of this letter for convenience of reference. The United Kingdom Government themselves considered the arguments against the disclosure of prices to be convincing but they regarded these arguments as based on the joint interests of the United Kingdom and Canada and they were content to leave it to the Canadian Government to decide whether to disclose the price or not, in answer to the requests which have been addressed to them in the past.

As regards the present request by the chairman of the Executive Committee of the International Wheat Council, the position is that the United Kingdom Government, while appreciating their obligations under paragraph 6 of the memorandum of agreement concluded on the 24th April last still consider that discussion of specific post-war prices would be premature and see serious disadvantage in any actual disclosure of the next contract price with Canada or any

undertaking to disclose that price. They realise that the United States Government could call for this information through the Combined Food Board if they attached sufficient importance to it, but it is considered that in the latter event the U.S. Government would be able to make only limited use of the information, whereas any disclosure to the Executive Committee of the Wheat Council would, in the opinion of the United Kingdom Government, be tantamount to publication.

The United Kingdom Government feel that they themselves are confronted with a serious risk that publication of the price would result in their being forced to pay higher prices for imported wheat and flour. There would undoubtedly be pressure for higher prices from the Argentine and Australia. They fear moreover that there might be pressure on the Canadian Government also from Western Canadian farmers for a raising of the price at the next contract negotiations.

Further it may indeed be found that, although the present request was made by the U.S. chairman of the Executive Committee of the Wheat Council, the United States Government have not realised the dangers of forcing the issue of the post-war wheat price at a time when the farm bloc in the U.S. are renewing their agitation to drive up parity prices.

The United Kingdom Government feel that the subject should be examined jointly with the Canadian Government with a view to reaching an agreed policy before discussion is resumed in Washington. I understand that the next meeting of the Wheat Council will take place in January, and in the circumstances I should be very grateful if the Canadian Government could consider this matter at their earliest convenience and afford an opportunity of discussing it with this Office.

Yours sincerely,

PATRICK DUFF

779.

DEA/4171-40

*Le sous-secrétaire d'Etat aux Affaires extérieures
au sous-ministre des Finances⁴¹*

*Under-Secretary of State for External Affairs
to Deputy Minister of Finance⁴¹*

Ottawa, December 29, 1942

I am enclosing a copy of a confidential letter from the Office of the High Commissioner for the United Kingdom, dated December the 28th, concerning the position which the United Kingdom proposes to take in relation to a request from the United States Chairman of the International Wheat Council that the United Kingdom and Canadian Governments should undertake to inform the

⁴¹ Une lettre semblable fut envoyée au sous-ministre du Commerce.

⁴¹ A similar letter was sent to the Deputy Minister of Trade and Commerce.

Council confidentially of the price of the next contract for the bulk purchase of wheat by the United Kingdom from Canada. It appears from this letter that the United Kingdom Government would be even more reluctant to disclose the contract price now than it was at the time of the earlier letter of June the 24th, a copy of which is enclosed for reference. It also appears that the United Kingdom would like to act in this matter jointly with the Canadian Government, although the letter of December the 28th does not, like the letter of June the 24th, go so far as to leave the ultimate decision in the hands of the Canadian Government.

The letter ends with a request that an opportunity should be given for discussing this matter and before arranging a meeting between the United Kingdom representatives and a member of the Department of External Affairs, I hope that I may have an expression of your views on the advisability of acting jointly with the United Kingdom in resisting the pressure from the United States Chairman of the International Wheat Council for disclosure of a contract price for the bulk purchase of wheat.

HUGH KEENLEYSIDE
for the Under-Secretary of State
for External Affairs

780.

DEA/4171-40

*Le sous-ministre des Finances au sous-secrétaire d'État
aux Affaires extérieures*

*Deputy Minister of Finance to Under-Secretary of State
for External Affairs*

Ottawa, January 5, 1943

Dear Mr. Robertson,

I have your letter of December 29th, regarding a request from the United States Chairman of the International Wheat Council that the Canadian and United Kingdom Governments should undertake to inform the Council confidentially of the price of the next contract for the bulk purchase of wheat by the United Kingdom from Canada.

I gather that this request is made on the ground that knowledge of the price would facilitate the negotiation of the basic minimum and maximum prices applicable during the interim period following the end of hostilities in place of the present arrangement applying to latest Canada/United Kingdom prices in the first six months of that period. This does not seem to me to be a valid reason for revealing the price, as I understood that the reference to the latest Canada/United Kingdom contract in the Memorandum of Agreement was intended as a temporary device to prevent a collapse of price in the immediate post-war period if it had not been possible to reach finality under Article V of the Draft Agreement before close of hostilities.

Far from facilitating negotiations, I am inclined to think that knowledge of current Canada/United Kingdom prices, which reflect wartime considerations and the existing commercial and financial relations between the two countries, might actually prove to be a distorting influence in the negotiation of post-war basic maximum and minimum prices under Article V of the Draft Agreement.

I have always felt that the reference in the Agreement to the Canada/United Kingdom contract was most unfortunate and indeed positively dangerous, and this latest development confirms my fears. If the price can be kept secret until the end of the war, it may be possible to maintain our negotiations with the British Government on a strictly commercial basis, but if the price under the next contract is revealed even in confidence to the members of the International Wheat Council, I am by no means confident that we will be able to resist the pressures that are certain to arise.

I would, therefore, strongly advise that Canada join with the United Kingdom in resisting the United States Chairman's request.

Yours very truly,

W. C. CLARK

781.

DEA/4171-40

*Le haut commissaire de Grande-Bretagne au sous-secrétaire d'Etat
aux Affaires extérieures*

*High Commissioner of Great Britain to Under-Secretary of State
for External Affairs*

516B/181

Ottawa, January 19, 1943

IMMEDIATE SECRET.

Dear Mr. Robertson,

The Executive Committee of the International Wheat Council has prepared for discussion by the Council at a meeting in Washington on the 28th January a report on the question of assuring price stability after the cessation of hostilities for the balance of a two-year interim period after the initial six months. The report points out that under the terms of the present Agreement the Council may -

- (a) rely for the first six months of the interim period on the "last price negotiated by the United Kingdom for a bulk purchase of wheat from the principal country of supply", and negotiate under Article V of the Draft Convention during that six months prices for the remaining part of the interim period; or
- (b) negotiate under Article V some time prior to the cessation of hostilities prices which would rule during the entire interim period. But the report points out further that if neither alternative were acceptable a third course would be open viz, the Council may;

(c) recommend that paragraph 6(7) of the Memorandum of Agreement be amended to provide in the absence of unanimously agreed prices under Article V, for *ad hoc* arrangements assuring price stability for the two years following the cessation of hostilities.

2. The report suggests that if the Council decided to adopt alternative (a), the Executive Committee should be instructed to consider the possibility of preparatory work being undertaken with a view to mitigating the objections to this alternative, viz., that the six-months' time limit is a much shorter period than experience in normal times has shown to be necessary to get unanimous agreement upon matters not more difficult, and that in the absence of completed price arrangements it will be difficult to get the required unanimous agreement within six months after the cessation of hostilities for the date upon which the control of production, stocks and exports provided for in Articles II, III, and IV of Draft Convention is to come into force. The report also suggests that if the Council decided to adopt alternative (b), it might instruct the Committee to prepare comprehensive data, including alternative draft schemes for submission to the Council at its August meeting.

3. The United Kingdom Government have under urgent consideration the instructions to be sent to their representatives on the Council as to the line which they should take on this question. Certain informal discussions have already taken place in Ottawa between United Kingdom and Canadian officials, and the United Kingdom Government would greatly value a further expression of the views of the Canadian authorities in the light of the Executive Committee's report which they are no doubt studying and of the résumé given in the following paragraphs of this letter of the reasons which lead the United Kingdom Government to maintain their view that discussion of specific post-war prices is premature at the present time.

4. In the view of the United Kingdom Government, the present Ministry of Food contract price (on a basis of 90 Canadian cents per bushel for No. 1 Manitoba in store Fort William plus storage costs) is, and for the interim period would be reasonable. It must no doubt be subject to review in the event of radical changes in the general level of prices and costs, but the United Kingdom Government hope that such will not occur, and they expect that in accordance with what they understand to be their present policy the Canadian controls will prevent it.

5. In last year's wheat discussions at Washington proposals put forward on behalf of the exporting countries took the form of formulae providing for the price of wheat to move in accordance with variations in the general level of prices in such a way as to involve a price being fixed materially in excess of the present Ministry of Food contract price. The United Kingdom Government see no reason to suppose that the situation would be different if the question of prices were reopened at the forthcoming Wheat Council and they adhere to the line they took last year that in these circumstances they should avoid discussions about specific prices at the Council since these would almost certainly become difficult and embarrassing.

6. They also think that any attempt to fix prices by means of a formula is

undesirable. Anyhow it would seem premature to attempt to devise a formula to apply to post-war conditions which are unforeseeable.

7. One factor prominently in their minds when the United Kingdom Government opposed the inclusion of a definite price formula in the Wheat Agreement was the effect such a provision would have upon the Governments and peoples of enemy-occupied territories. Any understanding as to price reached between the wheat exporting countries and the United Kingdom (as the sole importing country that is a party to the Agreement) would have to bear the critical scrutiny of the Allies whom the United Kingdom would in effect be committing to pay that price after the war. Already the Agreement has been used by Axis propagandists to suggest that the United Kingdom has committed Europe in this way. The higher the price agreed the greater would be the criticism that would be levelled against the United Kingdom. It might therefore be necessary for the United Kingdom Government to take unofficial soundings of the Allies before committing themselves to any concrete price proposal.

8. The United Kingdom Government therefore find it difficult to see any alternative to standing on the interim price provisions of paragraph 6 of the Memorandum of Agreement. They have considered instructing their representatives to agree to an extension of the period from six months to two years, which, in view of paragraph 4 above they would think satisfactory if there were general agreement. They recognise however that this might involve disclosure of the present Ministry of Food price. Moreover they could not make such an offer in good faith unless bulk purchase contracts with Canada continued to be freely negotiated and pending a decision regarding the future financial relationship between the United Kingdom and Canada it is clearly not possible to say on what basis future contracts for the supply of Canadian wheat would be made. Their uncertainty on this subject disposes the United Kingdom Government to prefer that, if possible, the whole question of the post-war price of wheat should be postponed until the next meeting of the International Wheat Council.

9. Relying therefore upon —

- (I) The views expressed in paragraph 4 above about the present Ministry of Food price;
- (II) Their conviction that any proposals based upon formulae would not yield reasonable results;
- (III) Their anxiety to avoid contentious discussions about specific prices;
- (IV) Their assessment of the propaganda aspects of the matter;
- (V) Their uncertainty regarding the arrangements which will govern in future the supply to the United Kingdom of wheat from Canada, the United Kingdom Government are inclined to think that their representatives on the Council should resist any proposal to reopen the provisions of the Draft Convention or Memorandum of Agreement about prices whether at the Council or by way of instructions to the Executive Committee to undertake further studies, and that they should seek the agreement of the Council to postpone consideration of the question of price until the following meeting. The United Kingdom Government fear however that unless they have the support of the Canadian

Government such a proposal might be represented as procrastination. For this among other reasons I have been instructed to place before the Canadian Government the foregoing statement of the views of the United Kingdom Government and to say that the United Kingdom Government would be most grateful if they could be favoured with an expression of the views of the Canadian Government on the whole question before instructions are sent to the United Kingdom representatives in Washington.

10. Since the International Wheat Council is to meet on the 28th January, you will appreciate that the matter is one of considerable urgency and I shall be very grateful for an early reply to this letter. If you feel that a talk would be useful with yourself or with others concerned I am at your service at any time.

Yours sincerely,

MALCOLM MACDONALD

782.

DEA/4171-40

*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire de Grande-Bretagne*

*Under-Secretary of State for External Affairs
to High Commissioner of Great Britain*

CONFIDENTIAL

Ottawa, January 26, 1943

Dear Mr. MacDonald,

I am referring to your letter of January 19th, concerning the question of reopening the price provisions of the Draft Convention or Memorandum of Agreement (Wheat) at the meeting of the International Wheat Council to be held in Washington, January 28th.

When the report of the Executive Committee on this matter is discussed by the Council, the representatives of the United Kingdom will no doubt express the views of your Government as outlined in your letter. Under the instructions given by the Canadian Government the Canadian representatives would not press the United Kingdom to alter its position.

I wish to refer also to the question concerning the disclosure to the Council of the price of the next contract for the bulk purchase of wheat by the United Kingdom from Canada. If the discussion regarding the post-war price of wheat is postponed the Canadian Government feel that the disclosure of the next contract price would, aside from other considerations, serve no desirable purpose. Whenever the discussion of post-war price is resumed this question would have to be considered by the two Government in the light of the situation then existing.

Yours sincerely,

H. L. KEENLEYSIDE
for the Under-Secretary of State
for External Affairs

783.

DEA/4171-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-3217

Washington, July 2, 1943

Following for Robertson from Pearson, Begins: Appleby of the Department of Agriculture has asked me to have lunch with him next week. He may ask me the Canadian attitude toward the desirability of price discussions at the next meeting of the International Wheat Council. At the meeting on January 29th, the Council requested the Chairman to maintain contact with its members with a view to keeping price-fixing questions under constant review. Will you discuss the matter with Wilson and let me know what line I should take with Appleby if he brings this matter up? Ends.

784.

DEA/4171-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-2567

Ottawa, July 5, 1943

Following for Pearson from Robertson, Begins: Reference your WA-3217 re discussion pending with Appleby. Wilson has consulted McIvor and Biddulph and they advise as follows for your guidance:

1. Immediate uncertainties about trend of wheat prices in North American markets resulting from rapid correction of surplus position make present time a very difficult one for effective progress to be made toward price determination contemplated under price clause of draft convention.
2. At same time Canadian delegation have grave doubts about practicability of present basis, as provided in Memorandum of Agreement, for price determination during first six months after war.
3. Present basis, very reluctantly agreed to by Canadian delegation and only because it facilitated conclusion of agreement, was intended in theory to fix price for first six months at level ruling immediately prior to cessation of hostilities.
4. Method of basing price on last bulk sale very imperfect for accomplishing purpose of paragraph 3. For example, market prices might change substantially between date of last bulk sale and date of armistice.
5. This of utmost importance to Canada because if armistice came within next year or so Canada would be only substantial exporter and the only one of the big four substantially concerned with price. From this standpoint we would welcome removal of present reference to price in Memorandum of Agreement.
6. Canadian delegation are anxious to know attitude of new Argentine government toward Wheat Agreement in general and whether they are willing to respect the terms of an agreement entered into by former government.

7. Canadian delegation are also anxious to know policy of United States Government respecting winter wheat acreage to be sown in 1943.

8. All of the foregoing for your guidance, and whatever you pass on to Appleby should be done on an informal basis, since there has been no opportunity to clear these points with Wheat Committee of Cabinet.

785.

DEA/4171-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-3282

Washington, July 6, 1943

Following for Robertson from Pearson, Begins: Your EX-2567, July 5th. Appleby, as I expected, brought up at our talk today the question of price discussions at the next meeting of the Wheat Council. He has not yet approached any of the other members on this matter as he wishes to get the Canadian reaction first. He is anxious to know whether we would approve of such discussions at this time; not merely discussions for the establishment of a price mechanism in the existing draft convention which might replace that already in the convention, which, as your telegram indicates, we do not find very satisfactory, but also discussions with a view to agreeing on price figures. Appleby thinks that figures could be agreed on which would be, in the long run, advantageous to Canada, though they might represent immediate disadvantages. I told Appleby that the Cabinet had not yet, of course, had an opportunity to consider this matter, but I gave him informally the information in your telegram as an indication of the views of officials concerned. He is most anxious to hear from us officially as soon as possible. Possibly it might be desirable to have Wilson come to Washington to have a talk with him. Appleby made it clear to me that if we found ourselves unable to discuss price questions at the next meeting, he would not proceed further with the matter. Ends.

786.

DEA/4171-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-3423

Washington, July 10, 1943

Following for Robertson from Pearson, Begins: Following is letter just received from Appleby referred to in my WA-3411 of today's date¹, on wheat matters. The press release mentioned in the last sentence of his letter was forwarded to you by teletype¹ earlier today, Begins: "Many thanks for your letter of July 6th¹ with its discussion of the tentative views of certain Canadian officials about wheat prices.

¹ "My own view is that our thinking of a year or two ago still is valid. That is to

say, that when we were thinking a few years ago that the Wheat Agreement should so operate as to get regularly a somewhat higher price for wheat in the world market than otherwise would be obtained, but on the whole a price fair to both producers and consumers, and one which did not take advantage of special shortages of supply or special gluts of supply, I believe we were thinking along the right lines. Consequently, I believe it should be our effort in coming discussions with regard to the Wheat Agreement to provide for substantially the same kind of price we would have had in mind a year or two ago for the period following the end of hostilities and carrying over beyond the period of shipping shortage as a base from which to adjust prices thereafter. This would mean for exporter countries accepting a lower price during that period than otherwise they would get, in return for getting a higher price in less favorable years.

"I realize that for each country there are political considerations which will prevent its Government from doing simply what appears to be the best thing to do in terms of long-time policy, but I should like to express to you the hope that the Canadian Government will find it possible to go along on lines earlier indicated.

"If Canada should find it possible to do this, I should think it entirely in order and on the constructive side to raise the whole question of price for the whole period I have described above. But if it is the position of the Canadian Government that present market situations are so favorable as to make it impossible now to agree to the kind of price we should have found a year or so ago, then I suppose we shall have to forego discussion of price at the coming meeting of the Wheat Council. I shall appreciate having advice from you as soon as you are in position to give it.

"With respect to the two questions you raised in your letter: I have no reason to think other than that the Argentine Government will go along with its previous commitment in the Wheat Agreement. It may be that within the next few days I may have an opportunity to explore this matter in a way which would not be offensive. As to the policy of the United States Government respecting the winter wheat acreage to be sown in 1943, I enclose for your confidential information a copy of a press release¹ which will be issued here within a few days.

"Sincerely yours, Signed Paul H. Appleby" Ends.

787.

DEA/4171-40

*Mémorandum**Memorandum*

[n.d.]

MEETING BETWEEN MR. PAUL APPLEBY, CHAIRMAN OF THE
INTERNATIONAL WHEAT COUNCIL, AND MR. GEORGE MCIVOR AND
DR. C. F. WILSON, ON JULY 20, 1943, AT 3:00 P.M.

RE PRICE PROVISIONS IN THE INTERNATIONAL WHEAT AGREEMENT

Prior to the above meeting, Mr. L. B. Pearson ascertained through Mr. Twentyman of the United Kingdom delegation that Mr. Noel Hall, the head of the

British delegation, had advised Mr. Dean Acheson, U.S. Assistant Secretary of State, that the United Kingdom Government hoped there would be no reference to price on the agenda for the August meeting of the International Wheat Council.

At the meeting with Mr. Appleby, the latter confirmed that the above request had been made. Mr. Appleby expressed some surprise that Mr. Hall had referred the request to the U.S. State Department since the Wheat Council had agreed in January that he as chairman should keep in touch with each of the delegations with a view to determining an appropriate time when negotiations might take place for a price agreement covering the full two-year period after the cessation of hostilities.

MR. APPLEBY explained that prior to receipt of this information he had deduced that the Canadian delegation might be interested in having the existing price provisions altered. Accordingly he had discussed the matter with Mr. Pearson which had led to arrangements for the present meeting.

MR. MCLIVOR prefaced his remarks by stating they must be informal since there had been no opportunity as yet for presenting the problem to the Wheat Committee of the Cabinet. In confidence he indicated to Mr. Appleby that there were a number of factors developing within the Canadian situation which raised the question whether it would be practicable to continue with an open market. If the market for other reasons should be closed, then the existing price provisions in the agreement would be practicable from a Canadian point of view. On the other hand, if the market remains open, the Canadian Wheat Board may at some time find itself in a position where it would no longer be possible to make bulk sales of futures to the United Kingdom. In the meantime the market might depart materially from the price of the last bulk sale. If the departure were on the up-side, it would be politically impossible for the Canadian Government to make a sharp downward adjustment in prices at the armistice to the level of the last bulk sale which might easily have been made one or two years previously.

MR. APPLEBY admitted the necessity for some change in the price provisions on the assumption that the market remains open. He hoped that by August 26, the date set for the August meeting of the International Wheat Council, there might be some clarification of the latter issue. He went on to deplore the United Kingdom attitude of forestalling any reconsideration of prices now as representing their basic unwillingness to pay a shilling more than must be paid to obtain their wheat supplies. He considered that the United Kingdom had something to gain through the agreement by way of protection against high prices, just as the producing countries hoped to gain protection against low prices. He thought that if an item were placed upon the August agenda which would permit modification — or elimination — of the existing price arrangements in the agreement, the United Kingdom would pay some heed to the possibility of loss of protection against high prices, and therefore might consider it in their best interest to take a more constructive attitude toward negotiation of a range of prices which would last for the full two years. He added that he was now of the opinion that tying prices to a formula would be impracticable and that an actual price range would need to be determined.

MR. WILSON pointed out that it might be impracticable to fix prices for the whole of the two-year period. In plans that had been discussed elsewhere for commodity agreements in the post-war period, the principle of an annual review of prices had been freely admitted.

MR. APPLEBY agreed that whatever range of prices might be negotiated for the two-year period, should be made subject to review at the end of the first year.

MR. McIVOR said that providing the United Kingdom an opportunity to discuss the elimination of any reference to price from the agreement would be satisfactory from Canada's viewpoint as a producing country. If the United Kingdom attached any value to having price protection as a consuming country, such an item would serve to bring out their views. On the other hand, if the United Kingdom were interested, as they appeared to be, in avoiding any agreement on prices, the producing countries in reality had nothing to lose by permitting the United Kingdom to escape from a price provision to which they had no desire to give any effect.

788.

DEA/4171-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-3298

Ottawa, August 23, 1943

IMMEDIATE. Following for Pearson from Deutsch, Begins: Re meeting of Wheat Council. The following communication was received today from the Office of the High Commissioner for the United Kingdom. Begins:

1. The United Kingdom authorities have had under consideration the attitude which the United Kingdom representatives on the International Wheat Council should be instructed to adopt in regard to the discussions about the future price of wheat, which are to be reopened at the meeting of the Council on the 26th August next.

2. I have been asked to communicate to you confidentially the substance of the instructions which have now been sent to them as follows: —

“We have hitherto deprecated the reopening of the price question because of the difficulties we have apprehended in reaching agreement on price to apply for an indefinite period ahead in view of the many uncertain factors which are relevant and because we have been anxious to avoid a failure to agree. However, if others wish to make an attempt, while we must defend the interests of the United Kingdom and of other consumers, we are willing to try to reach agreement on prices to producers as well as consumers.

We cannot however hope to formulate definite proposals in time to submit them to the Council meeting this month, particularly in view of the desirability of prior consultation with Canada and Australia. You should therefore at the forthcoming meeting of the Council make a statement on the lines of paragraph (1) above and should propose (or support proposal) that the price question should be referred to the Executive Committee, for consideration and for report

to a Council meeting to be convened in January or earlier at the Chairman's discretion.

If opportunity occurs you should make it clear that we do not consider that agreement on a price formula would be realisable and that what we contemplate is an attempt to apply Article V of the draft convention or a more similar arrangement under which a basic minimum and maximum price would be fixed as soon as possible by unanimous agreement to hold good until August 1944. The Council would then, and in each subsequent August, fix prices for the year following the meeting and the Executive Committee should, if possible, be given precise terms of reference in this sense.

We feel that the United Kingdom must cover itself against any criticism that it has agreed to prices without consulting those allies whose post-war needs for wheat will be abnormal and that you should at the meeting on 26th August therefore urge that the Soviet and other allied governments be consulted before prices are fixed. We suggest that the Wheat Council itself here should make this approach at such time and through such channels as it thinks appropriate.

We hope that you can arrange that the Executive Committee should not meet before the first week in October so as to give us adequate time for consideration of our position."

3. It is hoped that the Canadian Government will share the view of the United Kingdom Government that having regard to the importance of this question, the whole matter should be referred to the Executive Committee for consideration, and that a reasonable time should be allowed to elapse before the meeting of the Executive Committee so as to give adequate time for consultation and consideration. Ends.

Messrs. Wilson and Biddulph saw the Honourable Mr. Crerar⁴² this morning. Mr. Crerar instructed the Canadian delegates that they should press for the deletion of the following sentence from the Memorandum of Agreement:

"If no determination of prices has been made on the cessation of hostilities, the five countries will, pending such determination but for a period not exceeding six months, maintain as the export price of wheat the last price negotiated by the United Kingdom for a bulk purchase of wheat from the principal country of supply; equivalent f.o.b. prices will be calculated for wheats of the other exporting countries and will be adjusted from time to time to meet substantial changes in freight and exchange rates."

Mr. Crerar also said that if the Canadian delegates are urged to discuss a substitute they should do so but only in a preliminary way. Any substitute proposal would have to be referred back to the Canadian Government. These instructions were given prior to the receipt of the above communication from the British. The Canadian authorities are now considering the implications of the British position.

Reference your WA-4200¹. Messrs. Biddulph and Wilson agree that the meeting of the Council on Thursday should be gone ahead with and should not be postponed.

⁴² Ministre par intérim du Commerce.

⁴² Acting Minister of Trade and Commerce.

789.

DEA/4171-40

*Le chargé d'affaires aux États-Unis au
secrétaire d'État aux Affaires extérieures*

*Chargé d'Affaires in United States to
Secretary of State for External Affairs*

TELETYPE WA-4303

Washington, August 28, 1943

Following for Robertson from Pearson; Begins: Wheat Council concluded its sessions this morning. There was a long and at times somewhat difficult discussion over our proposal to delete the last sentence of paragraph 6 of the memorandum of agreement. We succeeded, however, in having the following resolution accepted by the Council which, I think, should be quite satisfactory:

"The Council took notice of the strong representations of the Canadian Government that the concluding sentence of paragraph 6 of the memorandum of agreement be deleted.

"The Council was of the opinion that that sentence, as interpreted by Minute 5 of the final session of the Washington Wheat Meeting,⁴³ may no longer be effective for the purpose for which it was designed.

"The Council recommends that Governments give earnest consideration to the representations of the Canadian Government with a view to securing either the deletion of the sentence or such substitution or interpretation as may be satisfactory to the Canadian Government at the additional meeting of the Council to be held in October next."

In price discussions the United Kingdom and United States positions were completely reversed from previous discussions on this subject. The United Kingdom indicated that some price arrangement will probably have to be worked out, while the United States stated that they were not pressing for this now. The reason for this reversal of position is, of course, quite obvious, but underlines the difficulties in including price arrangements in commodity agreements. The Council also passed the following innocuous resolution regarding relief:

"The attention of the Council was called to the obligation of Member Governments to make available wheat or its equivalent for relief in war-stricken and necessitous areas, and to intention expressed in paragraph 4 of the memorandum of agreement that there shall be no delay in the provision of wheat for such purposes. The Council was impressed by difficulties that may arise under certain circumstances, both in delivering expeditiously relief wheat or flour to appropriate ports, and lifting it from these ports. The Council calls the attention of Member Governments to these difficulties and urges that consideration be given to them by Governments concerned."

Wilson will be returning to Ottawa Monday and will make a full report of the meetings, but I thought you might like to have the above information at once.
Ends.

⁴³ Voir Canada, *Recueil des traités*, 1942, N° 11.

⁴³ See Canada, *Treaty Series*, 1942, No. 11.

790.

DEA/4171-40

Aide-mémoire du haut commissariat de Grande-Bretagne
Aide-Mémoire by High Commission of Great Britain

[n.d.]

WHEAT

1. Prior to the August meeting of the International Wheat Council, Canada informed the U.K. that at that meeting they intended to propose that the last sentence of paragraph 6 of the Memorandum of Agreement should be deleted. They stated that the underlying reason for this proposal was that they felt that in the present changed conditions a price based on "bulk purchase of wheat" (meaning purchase, off the market, as between the Canadian Wheat Board and the Ministry of Food) will in all probability shortly lose its present meaning. Canada accordingly feels that some new machinery for purchase by the U.K. may be necessary and that thought must be given to this. They said that they had no preconceived views themselves as yet on this subject.

2. At the August meeting it was decided to hold a further meeting in October at which the Canadian proposal will be dealt with and the question of prices will be discussed.

3. In view of the probability that the proceedings at the October meeting will develop into a discussion of the whole price question, the U.K. would like, if possible, to agree with the Canadian Government, before the meeting takes place, on some common policy in regard to price fixing.

4. The U.K. are accordingly wondering whether the Canadians have as yet had opportunity to give further consideration to this problem.

5. The U.K. feels that there would be every advantage in initiating discussion on the subject as soon as possible and, if agreeable, the U.K. Government would wish to be able to arrive at some broad informal understanding with the Canadian Government, covering both the question of the procedure which might be adopted at the October meeting and to know whether the Canadians would agree with the U.K. suggestion, namely that they consider the most fruitful method of procedure under Article V of the convention would be to determine minimum and maximum prices by unanimous agreement to become effective as soon as adopted. The U.K. Government are similarly taking steps to pave the way for a similar exchange of views on this subject with the Australian Government.

791.

DEA/4171-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire de Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner of Great Britain*

No. 47

Ottawa, September 24, 1943

Sir,

I have the honour to refer to the Aide-Mémoire left by Mr. Munro on September 17th⁴⁴ containing certain proposals regarding a discussion of wheat prices between the United Kingdom and Canadian Governments.

The Canadian Government have considered the proposal that direct discussion take place between the Canadian and United Kingdom authorities on a maximum and minimum range of prices to take effect now under Article V of the Draft Convention. The Canadian Government feel that the United Kingdom proposal to make Article V of the Draft Convention operative during the war was not what was generally contemplated under the Agreement which envisaged a price agreement to be operative in the post-war period. Further, the Canadian Government have concluded that it would be impossible to set minimum and maximum prices which would look reasonable to anyone under the existing circumstances. Accordingly, the Canadian Government do not consider that direct discussions, with a view to reaching agreement on maximum and minimum prices to take effect now under Article V of Draft Convention, can profitably be undertaken at the present time.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

792.

DEA/4171-40

*Le haut commissaire adjoint de Grande-Bretagne au
sous-secrétaire d'État aux Affaires extérieures*

*Deputy High Commissioner of Great Britain to
Under-Secretary of State for External Affairs*

516B/181

Ottawa, December 29, 1943

My dear Mr. Robertson,

May I refer to my letter to you of the 3rd November[†] and to subsequent conversations which we have had on the subject of the International Wheat Agreement and the meeting of the Wheat Council in January?

⁴⁴ Voir le document précédent.

⁴⁴ See preceding document.

About two weeks ago I saw Mr. McIvor at his invitation when he was in Ottawa and he confirmed what you had previously told me, that he could not make a visit to the United Kingdom in any case before the middle of January. I reported this to the United Kingdom authorities and have now had a telegram from them in which they again welcome the prospect of an early visit from Mr. McIvor. They recognize, however, the preoccupations which make it difficult for him to leave Canada; and they feel indeed that, in view of the high importance attached to rapid progress on the part of the Cereal Committee of the Combined Food Board, of which it is understood Mr. McIvor may be nominated Chairman,⁴⁵ the need for him to carry out the essential preliminary work of that Committee may make it necessary to defer till early February any visit to the United Kingdom.

At the same time they attach none the less importance to having early discussions regarding questions arising out of the Wheat Agreement and they are hoping that Mr. McIvor or anyone accompanying him may have the necessary authority to discuss these questions whenever he comes.

The United Kingdom authorities do not want to press the Canadian Government for decisions before they can be ready, but the questions on which they would be particularly glad to learn the Canadian Government's views include the operation of Part V of the Wheat Agreement and the suggested modification, interpretation, or deletion of the concluding sentence of paragraph 6 of the Memorandum of Agreement. It is felt that you may find it useful to have the provisional views of the United Kingdom authorities on these points and I may therefore say that, in view of the general situation, they would regard it as unfortunate if no progress were made on price questions under the Agreement before the meeting of the Council in August. The further course of prices, particularly in the United States, may make satisfactory agreement more difficult the longer it is delayed. These considerations would suggest the desirability of an early attempt to operate Part V of the Agreement or alternatively to fix minimum and maximum prices to come into operation only on the cessation of hostilities, but subject to review each August subsequent to fixing. As regards the concluding sentence of paragraph 6 of the Memorandum of Agreement, the provisional view of the United Kingdom authorities is that they agree to its deletion, but that they cannot suggest any alternative procedure other than that which I have mentioned above.

The question of what can be done at the meeting of the Wheat Council in January still remains. The postponement of Mr. McIvor's visit to the United Kingdom would preclude the discussions with him which the United Kingdom authorities were hoping so much to have had before the Council meets, although it is realized that in any case the Canadian authorities may not be ready by the time that the Council meets to discuss these questions. I should be very grateful if you could let me have any views on this point.

Yours sincerely,

PATRICK DUFF

⁴⁵ Voir le document 227.

⁴⁵ See Document 227.

PARTIE 5/PART 5
CONFÉRENCE INTERNATIONALE SUR LA PÊCHE
INTERNATIONAL FISHERIES CONFERENCE

793.

DEA/5134-A-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

No. 57

London, June 25, 1943

Sir,

His Majesty's Government in the United Kingdom have had under review the existing international arrangements for the policing of fisheries and the protection of immature fish.

2. At an international conference held in London in 1937, a Convention was signed on behalf of the Governments of ten European countries for the regulation of meshes of fishing nets and the size limits of fish. (See Mr. MacDonald's Circular despatch No. A 10 of 20th July 1937)[†]. This Convention, which applies to fisheries in the North Atlantic and dependent seas, excluding the Mediterranean and Baltic Seas, though prevented from coming formally into operation was in fact enforced by a number of the signatory Governments up to the outbreak of the war.

3. The policing of fisheries in certain areas of the waters to which the above-mentioned Convention was intended to apply is at present regulated by a number of international treaties including, in chronological order —

(1) A convention (usually known as the English Channel Convention) concluded between the United Kingdom and France in 1839, with the Regulations of 1843, amended by the Agreement of the 20th December 1928 relating to the fishery in the neighbourhood of the Channel Islands.

(2) The North Sea Fisheries Convention of 1882 between the United Kingdom, Germany, Belgium, Denmark, France and the Netherlands, dealing with the policing of fisheries in the North Sea area, and

(3) The Faroe Islands and Iceland Convention of 1901 between the United Kingdom and Denmark for the policing of fisheries in the neighbourhood of those islands.

4. The two last named Conventions contain certain provisions in common, notably, those (a) limiting exclusive fishery rights in coastal waters to 3 nautical miles from the coast, calculated in the case of bays by a straight line drawn across the entrance at the first point nearest to the entrance where the width does not exceed 10 miles, (b) regulating the marking of fishing boats and gear, their movements when on the fishing grounds and the use of lights and signals (c) empowering naval vessels of the contracting Powers to police the fisheries and to establish contraventions of the conventions.

5. Some of these provisions, on the other hand, are now out of date, and

movements had already been instituted before the war, not only to bring the conventions up to date, but also to extend their scope both as regards the areas covered by the conventions and the number of countries participating in them.

6. That such an extension is desirable is the view of the United Kingdom Government as the result of their experience at the end of the war of 1914-1918. During that period many of the most prolific fishing grounds had been closed to fishing, and, after a period during which the fishing grounds were grossly over-fished, the tendency of the fishing fleets to seek new and profitable grounds further and further afield, outside the limits of the existing measures of police led to a series of disputes which did much to impair the good relations between the Powers concerned. The United Kingdom Government consider that it is of the utmost importance that a repetition of the experience of the last post-war period in the fishing industry should be prevented, and that a foundation should be laid in advance for co-operation between the interested Governments in the settlement of more difficult problems of international fishery, by renovating and extending to the utmost the co-operation in this sphere which has already produced encouraging results.

7. With these ends in view, it is proposed that a Conference of representatives of Governments interested in the international instruments referred to in paragraph 3 above should be opened in London at the earliest convenient date, to consider measures for the policing of fisheries in the North Atlantic (outside the limits of exclusive national fisheries) and for the protection of immature fish by the regulation of sizes of meshes of fishing-nets and the size limits of fish, and the Canadian Government are now invited to be represented at the proposed Conference.

8. In order to facilitate the consideration of the subject, the United Kingdom Government have caused to be prepared, in purely tentative form, a draft Convention¹ embodying the principles of the conventions mentioned above, and in transmitting the enclosed copies of the draft Convention, I have the honour to request that the attention of the Canadian Government may be drawn to the following aspects of some of its salient provisions: —

(1) The draft Convention does not in any way prejudice the views of any of the Contracting Parties concerning the limits of territorial waters;

(2) The waters to which the Convention is intended to apply are those of the Atlantic and Arctic Oceans north of the Tropic of Cancer lying between 60 west and 80 east longitude but excluding the Mediterranean and Baltic Seas;

(3) Without prejudice to rights acquired under bilateral agreements between Parties to the Convention relating to fishing within national waters, the standard limit of exclusive national fishery proposed by the draft Convention is one of 3 nautical miles subject to the 10-mile rule, mentioned in paragraph 4 above, in the case of bays.

It is hoped that the Contracting Parties will be prepared to accept these limits in so far as they are unable to obtain recognition of more favourable limits under bilateral agreements with individual Contracting Parties.

(4) In so far as the draft Convention is intended to apply to territories (as

distinct from waters) of the Contracting Parties, it is thought that it should apply to the metropolitan territories of all the Contracting Parties and to such other territories as may be notified in accordance with Article 59. The vessels to which the draft Convention applies will as stated in Article 55, be vessels registered in those territories of the Contracting Parties to which the Convention applies.

(5) Infractions of the Convention may be established by fishery patrol vessels of any of the Contracting Parties but are to be dealt with under the laws of each Contracting Party by the authorities of the latter.

(6) The settlement of claims arising as the result of damage to gear by trawlers is tentatively regulated under Article 18 of the draft Convention, by normal diplomatic procedure or by bilateral arrangements concluded between the interested Parties. The United Kingdom Government realise however that the effect of this provision, in the initial stages of the operation of the Convention would, in the absence of bilateral arrangements, be to limit the legal remedies of fishermen to action in the courts or through the diplomatic channel, and they will welcome any alternative proposals for dealing with claims which may recommend themselves to the Conference.

9. I shall be glad to be informed whether, after having studied the proposals contained in the draft Convention, the Canadian Government are willing to send a Delegation to the proposed Conference.

10. Invitations have also been sent to the Governments of Eire, Newfoundland, Belgium, Iceland, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, the Soviet Union and the United States, and it is hoped that acceptances will reach the United Kingdom Government in time to enable the Conference to be held in London in the coming summer.

I have etc.

C. R. ATTLEE

794.

DEA/5134-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1302

Ottawa, July 24, 1943

Copy of Dominions Office despatch of June 25, 1943, No. 57, on subject of Fisheries Conference has been received with your despatch of the same date, No. 683¹. We have also received Dominions Office despatch of July 1st, No. 58¹, direct.

Our initial inclination is to accept the invitation to attend the proposed conference. We would, however, like to have additional information on the following points before making a final decision.

(1) Is there reasonable assurance that the U.S.S.R., the U.S.A. and Newfoundland will participate?

(2) Will time be given for adequate preparation, that is until after say the 10th of September?

(3) What kind of national representation is contemplated? Will Ministers participate?

Any information you can obtain on these points will be welcome.

795.

DEA/5134-A-40

*Le haut commissaire en Grande-Bretagne
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1919

London, August 13, 1943

Your telegram No. 1302 of July 24th and my telegram No. 1794 of July 30th¹. United States will participate in Fisheries Conference. No information available at present regarding U.S.S.R.

It is unlikely that Conference will be able to commence before September 15th, and the general idea is that it might meet for 3 or 4 days when the Conference opens and perhaps adjourn subsequently for some weeks whilst the countries participating are considering the draft of the Convention in the light of what will have transpired at the preliminary meeting.

As regards representation it is not yet possible to say what the status of foreign representatives will be, but so far as United Kingdom representation is concerned it is likely that somebody of Ministerial rank will preside at the Conference or at least over the opening stages.

I will telegraph again when further information is available.

796.

DEA/5134-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1444

Ottawa, August 14, 1943

Your telegram of August 13, 1943, No. 1919. Fisheries Conference.

Washington informs us that the British Embassy and the State Department have both been informed that the Conference will not meet until October.

We find some difficulty in understanding the reason for the arrangements for the meetings of the Conference which are outlined in your telegram. The inter-

ested countries have now had the draft Convention before them for some weeks. It could hardly seem reasonable to send officials from Ottawa and Washington to meet in London for a brief discussion of the Convention to be followed by an adjournment of "some weeks". Surely it would be possible, if the Conference does not meet until October, to continue discussions until some reasonably definite conclusions are reached. We shall have to reconsider the whole question of our representation if the programme described in your telegram is adopted. We have reason to believe that the United States government shares our concern.

797.

DEA/5134-A-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2117

London, September 3, 1943

Your telegrams Nos. 1444, August 14th, and 1554, September 2nd¹.

Dominions Office have now replied to your enquiries which they referred to Ministry of Agriculture and Fisheries. The following is the substance of the latter's reply, Begins:

"We cannot help feeling that there has been some misunderstanding about the object and effect of these proposals. We, in the United Kingdom, have no means of judging at the present time whether Canada will, in the end, be a party to the Convention, for, while it is true that the area to which the Convention is proposed to apply extends a considerable way across the Atlantic, it is by no means certain that this area will not be altered and confined more to European waters as the discussions proceed. In any event the proposals, which are based on existing Conventions, will be essentially European, and for that reason the Ministry cannot foresee that countries which are at present either ruled by quisling Governments or are directly under the heel of Germany can be expected to sign a new Convention until after the war is over.

In these circumstances it does not seem possible that the matters to be discussed at the Conference can be settled at it, as there must of necessity be some considerable adjournment to enable the Convention, in draft, to be thoroughly discussed by the European countries who are likely to be most affected, and until we are able to form some conclusion as to what amendments to the draft are likely to be necessary.

There is another point. As you know the Norwegians are not parties to the existing fishing Conventions for the reason that they have never been willing to recognise the 3-mile limit for fishing purposes. The Norwegian authorities here have made it pretty clear that they will want to work out their own particular form of agreement on the lines of the talks between the United Kingdom and Norwegian Governments just before the war, and it is probable that these pre-

HON. SECY. OF STATE
 DEPARTMENT OF AGRICULTURE
 WASHINGTON, D. C.

liminary talks will be held in advance of the main Convention discussions.

Again, we have heard nothing yet from Russia, in response to our inquiries whether they wish to take part, but they also are a country which claims exceptional limits for fishery purposes.

In all these circumstances you will appreciate that it is difficult for us to give at this precise moment adequate guidance on the point whether the Canadian Government should send officials from Ottawa and the Americans from Washington, for the Convention, and it would seem to have been more natural that some Canadian (or American) representative at present in London, e.g., of the High Commissioner's Office, might attend the preliminary Conference to hold a watching brief on behalf of his Government, and that the question of sending any definite delegation might well be postponed until we are ready after the war to sign the Convention. By this time it will be much clearer to everybody whether Canada and America are sufficiently interested to wish to be in the Convention or not." Ends.

It is not yet possible to give exact date for opening of the preliminary discussions but it is likely to be some time in October. As soon as the actual date is known to me I will telegraph again.

798.

DEA/5134-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1636

Ottawa, September 16, 1943

With reference to your telegrams of September 3 and September 13, 1943, Nos. 2117 and 2200¹. Fisheries Conference.

1. We have been giving a good deal of thought to the proposed Conference and set out below a summary of our views with regard to the general problems involved. These you may communicate to the interested authorities in London.

2. First, with regard to the suggestion of the Ministry of Agriculture and Fisheries that there appears to be a misunderstanding in Ottawa about the purpose and scope of the Conference. If we have misinterpreted the British invitation we are not alone in so doing as Washington shared our understanding of what was involved. The original proposal as described in the Dominions Office despatch of June 25, 1943, No. 57 and as summarized in your telegram of June 25, 1943, No. 1421¹, was for a conference "to bring up to date and also to extend the scope" of certain named fisheries conventions. The extension referred to brought into the scope of the conventions all the major fisheries on the North Atlantic coast and included even a considerable part of the Gulf of St. Lawrence. The draft convention which accompanied the Dominions Office invitation made it clear that the proposed regulations would apply to the most important of our Atlantic fisheries and would place wide powers in the hands of

a body upon which neither the United States nor Canada is represented. It is not, I think, surprising that the Americans and ourselves felt it advisable to accept the British invitation to be represented at a Conference of this nature and scope.

3. After considering the communication from the Ministry of Agriculture and Fisheries which was quoted in your telegram No. 2117 we were in some doubt as to the course to pursue. There are some parts of the British draft convention which would require amendment to make them acceptable to the Americans and ourselves (and I assume to Newfoundland also) and with this end in view we have been doing some tentative redrafting which would provide for the establishment of a special regime for the Northwest Atlantic fisheries within the framework of the general scheme as envisaged in London. We have now talked informally with the Americans about this and are about to send them a copy of our suggestions. We are also hoping to have an early discussion with Newfoundland and will then send our proposals to London as far in advance of the Conference as possible.

4. We are not altogether happy about the proposal that the Conference should meet for about one week and then adjourn for several weeks while the governments concerned examine the results of the initial exchange of views. As all the countries involved have now had the text of the Convention before them for some time and as each will presumably be represented at London by competent officials and experts it would seem to be feasible to envisage a programme which would keep the Conference in session until at least informal agreement has been reached between the participating countries. This would be particularly useful from the standpoint of Canada, Newfoundland and the United States as the distances and time involved in sending representatives to two conferences would be a matter of some importance.

5. Our present tentative plan is to send Keenleyside and Finn with probably two technical experts from Ottawa, and to ask you to supply a Secretary for the delegation from Canada House. The United States is thinking in terms of about four delegates and six or seven technical advisers.

6. We hope to be able to send you a detailed statement of our proposed amendments and additions to the draft Convention some time in the next fortnight. In the meanwhile we shall be glad to receive any further information that you may be able to obtain in regard to the Conference.

799.

DEA/5134-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1657

Ottawa, September 20, 1943

CONFIDENTIAL. Reference to my telegram of September 16th, 1943, No. 1636.
Fisheries Conference.

1. We are informed that the United States State Department has received from the United States Embassy in London a report of a conversation with the principal assistant secretary to the Ministry of Agriculture and Fisheries in which it had been indicated that it would not make very much difference whether Canada and the United States were or were not represented at the Conference. It was suggested that the Western boundary of the area to be covered by the proposed Convention might be shifted eastward thus making the deliberations of the Conference of less importance to North American countries. The opinion was also expressed that certain of the European countries may not be in any position to sign a Convention until after the war.

2. I should be grateful if you could find out from the United Kingdom authorities just what their views are as to the scope and agenda of the Conference so that the Canadian Government can decide whether it should be represented at it.

800.

DEA/5134-A-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2300

London, September 26, 1943

IMMEDIATE. CONFIDENTIAL. Your telegram No. 1657 of September 20th. The following memorandum has been furnished by the Ministry of Agriculture and Fisheries, Begins: It is clear that there has been some misunderstanding with regard to the purport of the proposed Fisheries Convention and this is probably due to the fact that the original letter of invitation as issued to the United States, Canadian and Newfoundland Governments did not contain sufficient information, having regard to the fact that they were not parties to any of the existing Conventions which the present Convention is intended to replace and were not, therefore, familiar with their purpose or their provisions. There are three points upon which further information appears to be desirable.

First. As regards *the necessity for a preliminary Conference and an adjournment before any Convention can be signed*, it is still felt that it would be impossible to ask any foreign Government which is not exercising jurisdiction in its own territory to sign any Convention, even though it would be subject to subsequent ratification by its Parliament, until the end of the war, or at least until there is clear indication that Germany is likely shortly to be eliminated. Furthermore, the United Kingdom Government is certainly not in a position to sign any Convention until, at all events, it has had an opportunity of consulting, in greater detail than has been up to the present possible, its own industry on the subject, and it was not proposing to carry this consultation any further until it was in a position to know the general reaction to the present draft as the result of the meetings of the opening Conference. Detailed consultation with the indus-

try might have led to the premature disclosure of information which would have proved embarrassing to the foreign Governments now in this country. In these circumstances, therefore, there is no necessity for any country to send representatives with plenipotentiary powers as there will be nothing for them to sign at the conclusion of the meetings of the coming exploratory Conference. Secondly. As regards *the area to which the Convention is to apply* the existing three Conventions dealing with policing are essentially European in character and they apply substantially to European waters. It would have been sufficient, so far as this aspect of the Convention is concerned, to adopt a more or less similar limitation of area. It was proposed, however, to include in the new Convention the provisions of the 1937 International Agreement affecting the size of fish and the size of the mesh of nets. This Agreement never came into force because its operation was contingent upon its ratification by all the signatory countries, and upon the outbreak of war three countries had not ratified. The western limit to which this latter Agreement applied was *80 degrees west* longitude and the southern limit was the equator. These wide limits were originally fixed in order to be quite sure of embracing all the waters which might be visited by British fishing vessels or those of the other High Contracting Parties. It was, however, considered that these limits, if adopted in the present Convention, would lead to difficulties, as it might then be necessary to invite the participation of countries like Brazil, who have no possible interest in the matter. It was, therefore, decided to adopt tentatively the limits shown in the draft Convention as circulated, viz., *60 degrees west* longitude on the west and the Tropic of Cancer on the south, as there is little likelihood of European fishing vessels extending their range beyond these limits. It was the adoption of those limits, which embrace waters off Canada and Newfoundland, which made it necessary to bring the proposals to the notice of those countries, in order that they might be aware of what was proposed and might have an opportunity to participate, if they so desired. It should, however, have been made more clear to them that the primary object of the Convention was to cover the operations of European fishing vessels and that, while it was thought that Canada and Newfoundland, who fished in some of the waters, would be interested in the proposals and might wish to participate in the Agreement, it was not an essential part of the proposals to try to bring them in. This is the position even with the limits of the area shown in the present draft Convention. It is quite possible, however, that in the course of the meetings of the Conference it might be suggested that the western limit should be moved eastwards, say, to *40 degrees west* longitude, in which case neither Canada nor Newfoundland (nor the United States of America) would have any direct interest in the Convention. In these circumstances, therefore, there would not seem to be any necessity for Canada or Newfoundland to send a number of delegates to the Conference, but rather only an observer, unless Canada is anxious to see the western limit left at *60 degrees West* longitude because they wish to participate in the Convention.

Thirdly. Perhaps the most difficult feature emerging from the coming Conference arises from the fact that certain countries are known to claim *exclusive fishery limits in excess of the usual three marine miles*. In order to bring them into the Convention it will be necessary for them to have separate Agreements with

those countries who fish in their waters, the basis of which will be a recognition of their particular claims. This arose before the war, more particularly in the case of Norway, and, while the Conference is going on and thereafter, conversations will have to proceed, possibly lasting a considerable time, with those foreign countries who claim special limits. That is likely to create a difficult problem and for this reason alone it will be quite impossible for the Convention to be signed at the conclusion of the proposed inaugural Conference. Norway is certainly unlikely at any time to sign the main Convention unless upon the same day they are able to sign a separate Agreement with all the countries concerned (mainly Great Britain) accepting their special claims. The conversations to be carried out with these particular countries will be quite independent of the main Conference. In the case of Norway they will represent a resumption of conversations started in 1938 and broken off at the outbreak of war. Ends.

I am verbally informed [it is] proposed commence Conference about October 12th.

801.

DEA/5134-A-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] September 28, 1943

THE LONDON FISHERIES CONFERENCE

1. You will recall that Canada has been invited by the United Kingdom Government to attend a Fisheries Conference in London which is to meet about October 12. The United Kingdom has also submitted a draft Convention which will be considered by the Conference. Other countries invited and which have intimated their intention to attend are Belgium, Denmark, Iceland, the Netherlands, Newfoundland, Norway, Poland, Portugal, Sweden and the United States.

2. The purposes of the Conference are:

(a) to bring up to date various fisheries agreements relating to policing of fishing grounds, rules of navigation for fishing vessels, and the prevention of disputes between fishermen of different countries; and

(b) with a view to conservation of fisheries, to endeavour to reach agreement on the minimum size of mesh in nets used in trawler fishing and minimum size of fish which may be legally caught and marketed.

3. Canada's interests are involved for the following reasons:

(a) the proposed western boundary for the convention is 60° west longitude, which cuts across the western Atlantic fishing grounds on a north-south line running roughly through Sable Island and the eastern tip of Cape Breton and the Gulf of St. Lawrence; and

(b) it is proposed that the legal minimum size of mesh and of fish caught may be changed by resolution of the International Council for the Exploration of the Sea, a European body on which Canada and other American fishing countries are not represented.

4. Preliminary discussions have been held with United States and Newfoundland officials concerned with the administration of fisheries, and they generally agree that although the proposed convention is by no means completely satisfactory, a general fisheries convention applying to the whole northern Atlantic region is desirable especially in view of the probable increased fishing in waters near North America by European fishing interests after the war.

5. As a result of discussions between the interested Departments here the Minister of Fisheries is proposing to recommend to Council that Canada should be represented at the Conference and that Keenleyside, Dr. Finn, Deputy Minister of Fisheries, and Dr. A.W.H. Needler, Director Biological Station, St. Andrews, New Brunswick, should constitute the Canadian delegation.

6. If this proposal is approved it is suggested that the policy to be followed at the Conference should be along the following lines:

(a) to endeavour to have the western boundary extended westward to include all North Atlantic high seas fisheries in order to prevent European interests from depleting fisheries near the Canadian coasts by unsound practices;

(b) to endeavour to have adopted in the Convention a higher legal minimum size of mesh for trawling on the fishing grounds off the North American coast than that proposed in the United Kingdom draft.

(c) to endeavour to have recognized by the Convention that the fishing grounds of the western Atlantic constitute a special fisheries area in which North American fishing countries have a paramount interest and in which special arrangements may be made for administering the Convention and strengthening the measures of conservation;

(d) in the event of the European members of the Convention refusing to recognize the special interests of North American countries in the conservation of the fisheries off their coasts, it may be desirable to insist that these areas be excluded from the convention and to intimate that North American countries favour special arrangements between countries immediately concerned for the conservation of fisheries in these areas.

7. As the Conference is to commence on or about October 12, it will be necessary to make immediate arrangements if Canada is to be represented. We should also give an early indication of our intentions to the United States and Newfoundland, with whom we have been discussing the whole problem.

802.

DEA/5134-A-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-3783

Ottawa, September 29, 1943

Please pass following to Sturgeon from Keenleyside, Begins: Referring to the London Fisheries Conference. Our latest advice from London is similar to that contained in your telegram shown to us in Montreal⁴⁶, although somewhat less discouraging.⁴⁷

We feel that it is desirable to obtain a convention in which European states will recognize restrictions on the methods of fishing in the western Atlantic and that the possibility of securing this through the proposed convention, even if remote, should not be passed over. After careful consideration we have recommended to the Government that Canada be represented at London. We have also recommended the following as the appropriate line of policy to be followed by our representatives:

(a) To endeavour to have the western boundary extended westward to include all North Atlantic high seas fisheries in order to prevent European interests from depleting fisheries near the North American coasts by unsound practices;

(b) to endeavour to have adopted in the Convention a higher legal minimum size of mesh for trawling on the fishing grounds off the North American coast than that proposed in the United Kingdom draft;

(c) to endeavour to have recognized by the Convention that the fishing grounds of the western Atlantic constitute a special fisheries area in which North American fishing countries have a paramount interest and in which special arrangements may be made for administering the Convention and strengthening measures of conservation;

(d) in the event of the European members of the Convention refusing to recognize the special interests of North American countries in the conservation of the fisheries off their coasts it may be desirable to insist that these areas be excluded from the Convention and to intimate that North American countries favour special arrangements between countries immediately concerned for the conservation of fisheries in these areas.

It is probable that Finn, Needler and I will be the Canadian representatives.

We think it would be extremely useful for securing favourable action in London if your government were to be represented and to follow in general a similar course of policy. Ends.

⁴⁶ Une réunion du Comité consultatif sur la pêche du Canada, des États-Unis et de Terre-Neuve avait eu lieu à Montréal les 24 et 25 septembre.

⁴⁷ Voir les documents 799 et 800.

⁴⁶ A meeting of the Fisheries Advisory Committee of Canada, the United States and Newfoundland had been held in Montreal on September 24 and 25.

⁴⁷ See Documents 799 and 800.

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DEA/5134-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1717

Ottawa, September 30, 1943

Reference to your telegram of September 26, 1943, No. 2300. Fisheries Conference.

Please inform the United Kingdom authorities that Canada will be represented at the Conference by H.L. Keenleyside, Assistant Under-Secretary of State for External Affairs, Dr. D.B. Finn, Deputy Minister of Fisheries, and Dr. A.W.H. Needler, Director of the Biological Station at St. Andrews, New Brunswick.

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*Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs*

TELETYPE WA-4886

Washington, October 4, 1943

Following for Keenleyside from Sturgeon, Begins: Reference to your message of September 29th. It is regretted that in the absence of indication that the British Fishery authorities have materially modified their intentions with regard to the purpose and scope of the London Conference, we would not feel justified in taking an extensive part. As we informed you at Montreal, the British have indicated to us that the Conference is to be limited to matters of primarily European interest, that it appeared undesirable to introduce new matters into the proposed Draft Convention, and that probably ratification would not take place before the end of the war.

In view of the British position, we do not feel warranted in pressing for inclusion of the problems of the Western Atlantic within the scope of the Conference. Even if the British objection to extension of the scope of the Conference should be withdrawn there is a serious question, in the light of information we now have, that the Conference affords the best occasion to deal with the regulatory problems of the Western Atlantic Fisheries. We feel that insistence upon inclusion of American waters in a European Convention might prove an undesirable precedent, and that it might have the effect of tying our hands with respect to possible necessary interim action.

We believe it would be preferable to exclude the Western Atlantic Fisheries from the Convention, as the British appear to desire, and that their regulation and conservation might best be effected by the countries immediately concerned. We are hopeful that a common position can be maintained with regard

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to these matters and that your proposals⁴⁸, which we considered at the Montreal meeting, might ultimately be adapted to this purpose. However, we have not had sufficient time here to give these proposals the thorough consideration they should receive, especially in relation to possible future policy. We should therefore like opportunity for further study of the proposals and shall expect to send you the Department's views as soon thereafter as possible.

We plan to be represented at the Conference by one or more observers from the Embassy, although we appreciate that on the part of Canada the situation may warrant a somewhat different representation. We are informing the British of our decision, and are also suggesting that for the purposes of their Draft Convention forty degrees west longitude appears to us an appropriate western limit.

I am sorry I shall not be in London with you. Ends.

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*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures⁴⁹
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs⁴⁹
to Under-Secretary of State for External Affairs*

[Ottawa,] October 6, 1943

LONDON FISHERIES CONFERENCE

1. This afternoon I had another long discussion on the telephone with Hickerson and Sturgeon in Washington. As a result of our conversation yesterday the State Department is now designating two "observers" to attend the Conference. They are Commander Richmond of the United States Coast Guard, a fisheries specialist, and Mr. John Allison, Second Secretary and Consul, United States Embassy London, who has also considerable experience in this field. (Mr. Allison is an old friend of mine). These two representatives are being instructed to participate in the Conference discussions and to keep "in intimate contact" with the Canadian delegation. They will apparently be full members of the Conference except that they will not sign any agreement and will be called "observers".

2. The United States has not, however, changed its new attitude of preferring a separate agreement for the Northwest Atlantic. I pointed out that this might leave Washington in an awkward spot if the Conference should decide to agree to our proposal that the Convention cover western waters but allow the establishment of a special and additional regime therein. This was recognized but Hickerson and Sturgeon felt that there was little likelihood of the European countries accepting such a proposal. With this I agree. Our real difference is that Canada thinks the effort at wider agreement should be made; the U.S.A. is now

⁴⁸ Voir le document 806.

⁴⁸ See Document 806.

⁴⁹ H.L. Keenleyside.

not willing to make an official effort to this end. The Department of Fisheries is in agreement with External Affairs in feeling

(a) that the wider the boundaries of agreement can be set the better, and
 (b) that we will be in a much stronger position to act on our own if first we have offered *general* cooperation.

3. The Americans expressed themselves as being upset over our divergence in tactics and policy. They expressed the hope that this divergence would not interfere with close and friendly cooperation in fisheries matters in the future. I assured them that so far as we were concerned, and in spite of our regret at their changed views in regard to the North Atlantic, we would expect to cooperate with them in solving problems of mutual interest.

4. Sturgeon informed me that the United States would shortly be making proposals to us relating to the machinery of cooperation in the field of fisheries. I imagine that this will have to do with the organization and composition of the Fisheries Advisory Committee.

806.

DEA/5134-A-40

Rapport des représentants à la Conférence internationale sur la pêche
Report of Representatives at International Fisheries Conference

[Ottawa,] November 15, 1943

1. The undersigned, having been appointed Canadian Representatives to the International Fisheries Conference left Canada on October 10th, 1943, arrived in London on October 11th, left the United Kingdom between November 2nd and November 5th, and reached destinations in this country on November 3rd and November 6th, 1943.

2. The Conference opened in Burlington House, London at 11.00 a.m. on October 12th with the following persons in attendance:

BELGIUM

Monsieur Marcel Rueff
 Monsieur Pierre Van Loo
 Monsieur Franz Daems

NORWAY

Mr. J. Bull
 Mr. C. Robertson
 Mr. J.G. Saeder
 Mr. K. Sunnanaa (Expert)
 Mr. E.A. Colban (Secretary)

CANADA

Mr. H.L. Keenleyside
 Mr. D.B. Finn
 Dr. A.W.H. Needler

POLAND

Monsieur Tadeusz Dzieszko
 Monsieur Henryk Zebrowski
 Monsieur Roman Battaglia

DENMARK

Mr. C. Rottbell
 Captain P. Lembeke

PORTUGAL

Commander João Vaz Monteiro,
 de Azevedo e Silva

EIRE

Mr. J.D. Rush
 Mr. C.P. Farran

SPAIN

Lieut.-Commander Don Mariano Urzais
 Duque de Luna

FRENCH COMMITTEE OF
 NATIONAL LIBERATION

Monsieur Louis Roché
 Monsieur André Cros
 Monsieur Jean Le Roy
 Monsieur C.B. Smeyers

SWEDEN

Monsieur C.C. Carbonnier (Observer)

ICELAND

Mr. Stefan Joh. Stefansson
 Mr. Arni Fridriksson
 Mr. Loftur Bjarnason
 Mr. E. Benediks (Secretary)

UNITED KINGDOM

Mr. A.T.A. Dobson
 Mr. J. Thomson
 Mr. J.M. de Watteville
 Mr. A.J. Aglen
 Captain E.W. Buchanan, D.S.C., R.N.
 Mr. W.M. Beckett
 Mr. R. Dunbar, M.C.
 Mr. R.C. Cox
 Mr. W. Crone
 Mr. G. Steven (Expert)
 Dr. E.S. Russell (Expert)

NETHERLANDS

Mr. C. Heitfeld
 Dr. W. de Jager
 Lieut.-Cdr. J.J. Hogendoorn
 Baron S.G.M. Van Voorst tot Voorst
 Mr. C. Zulver

NEWFOUNDLAND

The Hon. P.D.H. Dunn, O.B.E.

Mr. R. Gushue

Mr. D.J. Davies, C.B.E.

UNITED STATES OF AMERICA

Mr. J.M. Allison (Observer)

Lieutenant J.S. Wright (Observer)

3. The objectives assigned to the Canadian representatives were:

A—to obtain agreement on a western boundary for the Convention waters which would include all the major fisheries on the high seas off the eastern coasts of Canada and Newfoundland;

B—to obtain agreement to the principle that countries with special interests in special fishing areas have particular responsibilities in those areas and may, by mutual agreement, add to the regulations provided by the London Convention additional regulations applicable to such areas;

C—to obtain agreement in principle to the setting up of a special regime for the control of fisheries in that area of the North Atlantic Ocean which is bounded by 40 North Latitude, 40 West Longitude and 75 West Longitude;

D—to obtain agreement on the enlargement of the mesh of nets used for taking cod and haddock in the North-Western Atlantic Ocean from 70mm. to 105 mm.;

E—to obtain such amendments in detail as would serve to make the draft Convention more acceptable from the Canadian point of view.

A list of the amendments to the Draft Convention which were proposed by the Canadian representatives is attached to this Report (Annex "A")[†]. Attached also (Annex B)[†] is a copy of the Final Act of the Conference which includes the text of the Convention as amended.⁵⁰

4. In introducing the major Canadian proposals Mr. Keenleyside made the following statement:

"When it was first proposed that we should attend the Conference, we were in some doubt whether we could contribute anything useful to it or not, particularly when it was indicated that it might be agreed at the Conference that the boundary would be moved from 60 degrees west longitude back to about 40 degrees. However, having had a good deal of experience of co-operation in the field of fisheries on the high seas, particularly in relations with the United States and with Newfoundland, we felt rather strongly that it was desirable to go as far as possible in extending the principle of co-operation over as much of the area of the high seas as possible. We felt, therefore, that if, by coming to the Conference, we could succeed in bringing it about that there would be co-operation over a larger area than there would be if we did not come to the Conference, it would be advisable for us to attend.

⁵⁰ Voir Grande-Bretagne, *Acte final de la Conférence internationale sur la pêche, Londres, octobre 22 1943*. Commandement 6496, 1943.

⁵⁰ See Great Britain, *Final Act of the International Fisheries Conference, London, 22nd October, 1943*. Cmd. 6496, 1943.

NOT REPRODUCIBLE

We are proposing, in substance in the changes that I have outlined . . . that the draft Convention be extended in so far as its western boundary is concerned to 75 degrees west longitude. We make that suggestion, however, with the understanding that in the area bounded by 40 degrees west longitude and 75 degrees west longitude and north of 40 degrees north latitude, it may be possible to set up a special regime in addition to what is provided in the Convention. In other words, we agree with you that the principles of this Convention are desirable. We want to see them extended as far as possible, but in addition we would like to have it understood that those countries that have special interests in the North-Western Atlantic fisheries should not be bound to comply *only* with the principles of the Convention; that we might put in additional restrictions on fisheries in that area if we can get agreement among all the countries that participate actively in those fisheries; and in this outline . . . we have set out what we consider to be reasonable proposals for a special regime in that special area. We also indicate that if other special areas exist where particular countries have special interests, they, in those areas, should be allowed to set up special regimes also”

In continuing the argument on the following day the Canadian representative said further:

“I think the substance of what we have in mind becomes very clear from the reading of the text itself. Basically our idea is this: we want to see the principle of co-operation extended as widely as possible over the fisheries on the high seas. For that reason we are anxious to have the Convention that we are now considering extended into the waters of the North-Western Atlantic. We are, however, disturbed by the prospect of excessive fishing in those waters at the conclusion of the war, and we are not satisfied that the terms of the present Convention would be adequate to prevent over-fishing in those areas. In consequence we hope that it will be found possible to agree that whereas the Convention does extend over those waters, it will be possible for the countries which have special interests there, if they agree, to draw up additional rules, not weakening the present rules but strengthening them, to govern the fisheries in that area. What we have tried to do . . . is to provide that, within the general framework of the Convention, groups of countries can get together and add additional rules for the governance of fisheries in areas in which they have special interests. I do not know what other areas are likely to be formed but it is possible that countries in the North-Eastern Atlantic might, for example, wish to form a special area at some point in that general region. If that should be done, as far as Canada is concerned we would not expect to take part in the settling of rules for that area; we would not be fishing there and we would have no direct interest in it. On the other hand, we have a very special interest in the area that is mentioned in Article 54A . . . I think that is the basis of our submission, Mr. Chairman, and I do not know that it is necessary to go any further in the discussion of the general principle now. Perhaps if you would be good enough to take it up point by point, if there is no fundamental objection to the proposal itself, we could then discuss the details as they are set out in this proposal.”

5. From an examination of the documents noted in paragraph 3 above it will be observed

A — that the western boundary of the Convention waters was extended to 75 west longitude (see 3-A above);

B — that the Conference recommended to the "immediate and sympathetic consideration of all governments interested" the Canadian proposals referred to in 3-B and 3-C above;

C — that the Conference accepted the Canadian proposal regarding the size of mesh to be used in taking cod and haddock in the North-Western Atlantic (see 3-D above);

D — that on various points of detail Canadian amendments were accepted and that no Canadian proposal was wholly refused.

6. The one unsatisfactory feature of the Conference from the Canadian standpoint was the attitude of the United States. Although it was understood from preliminary conferences with United States representatives that the United States and Canada were united in desiring the westward extension of the boundary of Convention waters so long as this did not preclude the setting up of additional controls in the area of special interest to those countries and to Newfoundland, the United States observers made the following representations to the Conference on October 2 1st;

"The United States Government has from the outset been interested in the purpose of the conference to develop international measures for the safeguarding of basic food resources represented by the fisheries of the North Atlantic Ocean. The problem of fishery regulation in this general area has therefore been carefully considered on the basis of the British draft convention and explanatory statements supplied by the British authorities in regard to objectives of the convention.

Two specific questions were immediately considered by the United States authorities:

(1) Whether the western boundary of a convention designed primarily to deal with fisheries in the eastern Atlantic should extend as far as 60 degrees west longitude into the western Atlantic, and

(2) Whether in case of such extension westward adequate provision had been made in the convention as to the regulatory requirements of the western Atlantic fisheries.

A further and more fundamental question also arose namely whether it might constitute a sounder and more practical approach to the general problem of regulating North Atlantic fisheries if the fishing areas of the Eastern and Western Atlantic were treated as separate fields.

A proposal has now come before the conference to extend the western boundary of the convention to 75 degrees west longitude thus joining for the purposes of regulation the "eastern and western areas of the North Atlantic". This is of course a development beyond the original purpose and scope of the conference and the United States Government therefore desires to express the following views:

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The United States Government has strong preference for the idea of separate regulatory treatment of the fisheries of the eastern and western Atlantic and believes 40 degrees west longitude would constitute a logical dividing line between the fisheries of the two areas. The following basic reasons for this position are suggested to the conference:

'The problems of the fisheries vary from sea to sea and from latitude to latitude. The fish population of one sea and of one latitude is different from that of another and even a given species of fish may be found to require protection in one area which it does not require in another. It follows then that fishery problems are so localized as to be of interest only to those nations whose fishermen have access to the localities and fisheries concerned and if and when the necessity for regulation of any of the local fisheries arises it will be a matter for treatment by agreement between the nations interested and between them alone.'

In taking the position outlined above the United States Government does not intend that the established rights of any nation would be disturbed but is simply suggesting that the eastern and western Atlantic should be made the subjects of separate arrangements among the nations whose proximity to or well established or historical interest in the fisheries entitles them to a voice in their regulation''

7. This placed the Canadian delegation in a difficult position and after consultation it was agreed that Mr. Keenleyside would make a statement to the Conference in the following terms:

"There are a number of points made in the United States representations which under other circumstances, I should be glad to examine in detail.

For example, the reference to 'affected United States fishing interests' indicates what seems to me to be a misapprehension as to the character of the Convention. No United States fishing interests are affected except that the participating countries agree to place limitations, *which do not now exist*, on their vessels operating in Convention waters and the western Atlantic.

However, it is not, I think, necessary to discuss the United States paper in detail.

While I greatly regret that the American Authorities have felt it desirable to place on record their objection to the western boundary of the Convention, I trust that the members of the Conference will persist in their adherence to the line 75 West Longitude.

It is, I believe, important that the area of co-operation in fishing, as in every other aspect of international relations, should be extended as widely as may be practicable.

I hope, therefore, that the Conference will leave the western line where it now is and rely on Canada, Newfoundland and the other countries particularly interested in the North-Western Atlantic to see if they cannot convince the authorities of the United States that this boundary is in the American as well as the general interest''.

This statement was strongly supported by Newfoundland and met with the general concurrence of the members of the Conference.

8. The full proceedings of the Conference are on file in the Department of External Affairs and the Department of Fisheries. From these it will be observed that the Canadian representatives took a reasonable degree of participation in the work of the Conference. Dr. Finn represented Canada on the drafting Committee which produced the final text of the Convention. Dr. Finn and Dr. Needler, moreover, took advantage of the fact that the Conference was held in London to discuss technical, administrative and biological questions with the appropriate officials of the Government of the United Kingdom.

9. The members of the Canadian delegation recommend that immediate steps be taken to obtain the concurrence of the United States in the programme outlined in the Canadian proposals referred to in this report, and that arrangements then be made, in consultation with the United States and Newfoundland, for the convening of a special conference in Canada for the purpose of obtaining agreement on the establishment of a North-Western Atlantic Fisheries Organization.

Respectfully submitted,

H. L. KEENLEYSIDE

D. B. FINN

A. W. H. NEEDLER

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DEA/5134-A-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

DESPATCH 1323

Ottawa, November 19, 1943

Sir,

I have the honour to enclose two copies of the report of the Canadian delegation to the International Fisheries Conference which was held in London, England, from October 12, 1943 to October 22, 1943.

2. You will observe that whereas the Canadian delegation succeeded in obtaining from the Conference general agreement on the policies which Canada desires to have made effective, an unfortunate division has arisen between Canadian and United States policy. Prior to the London Conference a number of meetings were held by the members of the Canada-United States Fisheries Advisory Committee and it was the unanimous opinion of the Canadian participants in the last meeting which was held in Montreal on September 24th and 25th that the United States officials were in favour of the policy which was subsequently advocated by the Canadian representatives at London. A copy of the minutes of the Montreal meeting¹ is enclosed for your files.

3. As you will see from the last paragraph of the report of the Canadian delegation, it has now been recommended that steps be taken to bring about a reconciliation of Canadian and United States views and that this be followed by the calling of a conference to organize a special fishery regime for the North-western Atlantic in the very near future. As an initial step towards bridging the difference between Canadian and United States policy, Mr. Keenleyside had a

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conversation with Mr. Hickerson on November 9 at which the latter promised to have the situation reviewed by the State Department as soon as this could be arranged.

4. I shall be very much obliged if you will institute informal enquiries at the State Department with a view to ascertaining what progress is being made as a consequence of Mr. Hickerson's undertaking.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

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*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au ministre-conseiller, la légation aux États-Unis*

*Assistant Under-Secretary of State for External Affairs
to Minister-Counsellor, Legation in United States*

PERSONAL

Ottawa, November 19, 1943

Dear Mike [Pearson],

By concurrent mail we are sending you a despatch on the fisheries situation that has arisen as a result of a sudden and unexpected reversal of policy by the United States in relation to the programme which we thought we had agreed upon for the North Atlantic. At the last meeting of the Fisheries Advisory Committee in Montreal, John Read, Finn (Deputy Minister of Fisheries), MacKay, Feaver and I all thought the Americans were still agreeable to the basic understanding which we had been working on from the time when the London Fisheries Conference was first announced, namely that it would be desirable to have the terms of the London Convention extended as widely as possible, so long as it was agreed that nothing in the Convention would interfere with the right of Canada, the United States, Newfoundland and the other interested countries to establish a special régime superimposed upon the Convention for the additional governance of fisheries in the Northwestern Atlantic.

The United States was represented at the Montreal meeting by Sturgeon and Bevans of the State Department and Dr. Deeson, a technical expert. Either Sturgeon and Bevans were inexact in expression and muddled in their own thinking or else Read, Finn and the rest of us were suddenly bereft of our understanding of the English language. The policy which the United States subsequently pursued was embarrassing to us and was stupid from their own point of view. We got for them in London everything that they could possibly desire, and far more than they or we had originally expected.

However, it is no use concentrating on the past. We must now try to get the Americans worked into the new programme. We want to call a conference in Ottawa to include representatives of all the countries participating in the fisheries of the Northwestern Atlantic to be held early in the new year. The object of the Conference would be to set up a regional organization with the powers

described in the draft which we presented to the London Conference. We would like to get this organization *working* in 1944. We can then fit this scheme into the general Convention when that Convention comes up for final signature at or about the end of the war.

The arguments in favour of having the terms of the general Convention cover waters of the Northwestern Atlantic are briefly as follows:

(a) Any extension of the area of international cooperation in the field of fisheries is desirable.

(b) Without such extension European or other fishermen could enter this area and fish without restrictions of any kind (they could come within three miles of Boston, for example, take fish without paying any attention to even such meagre regulations as are provided by the London Convention).

(c) We can probably get the "signing" Conference in London to agree that fishermen of any signing country who enter the Northwestern Atlantic will agree to abide by the terms of the special regime set up in that area. It would probably be impossible to get any such agreement except through the general convention.

If the United States will *not* cooperate in this policy, it will mean that they will be playing a lone hand in the Northwestern Atlantic. Newfoundland and Canada will certainly adhere to their present advocacy of the extension of the London Convention waters and the other members of the London Conference will almost certainly agree to the retention of the western boundary as now fixed in the draft Convention. In other words, the result of United States policy will be to destroy the possibility of obtaining exactly the kind of agreement for the governance of the Northwestern Atlantic that they, themselves, have always said they wanted. This should be too big a price for the gratification of pique.

We will be very much obliged if you will take an early opportunity to discuss the situation with Hickerson and urge him as strongly as possible to get the United States to play ball. We have had too long and too much experience in joint cooperation in the field of fisheries to see it destroyed or limited by a stupid development of this kind.

The situation in brief is simply this. We have come to a position which we in Canada like, which some people in Washington apparently dislike. The position, however, is not going to be changed by either sentiment. What we now have to do is to start from that position and work out the best solution we can in our own and in the general interest. That means in this case that the Americans have got to back down or, more properly, that they have to retreat from the position which they suddenly and incomprehensibly adopted post-Montreal.

Yours sincerely,

H. L. KEENLEYSIDE

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*Mémorandum de l'ambassadeur des États-Unis**Memorandum by Ambassador of United States*

Ottawa, December 11, 1943

MEMORANDUM OF CONVERSATION BETWEEN
MR. NORMAN ROBERTSON AND MR. ATHERTON

I told Mr. Robertson that my Government has from the outset of discussions regarding North Atlantic fisheries wished to proceed in full agreement with the Canadian Government and to this end it had proposed the establishment of and has constantly supported the Fisheries Advisory Committee. I added that certain misunderstandings had arisen prior to the London Conference this autumn and Washington had taken special pains to remove, if possible, the basis of the misunderstanding. I said that additionally it had been made clear to the Canadian Government some days before the departure of the Canadian delegation to London that there had developed a divergence of a fundamental character between the positions of our two governments. I said that it would appear that the Canadian delegation, notwithstanding this knowledge, had taken a course of action in London such that the divergence of opinion between the Canadian Government and the United States Government became public knowledge at the Conference. I told Mr. Robertson that this divergence was, moreover, according to information available, underscored by the action of the Canadian delegation in advising the Conference not to pay too much attention to my Government's position as made by our observer at the Conference.

I then informed Mr. Robertson that, putting aside the previous, if the Canadian Government now has any disposition to achieve an agreement, the American Government for its part remains convinced that such agreement is in the interests of both countries and is therefore at any time prepared to participate in efforts to that end.

I told Mr. Robertson that I had been directed to say that in so far as the North Atlantic fisheries are concerned my Government had given abundant indication that it considered the eastern and western fisheries to be separate with generally unrelated problems of exploitation and regulation. I added that, quite apart, however, from my Government's view in this regard, there was a fundamental reason why it was not prepared to sign an Atlantic fisheries convention at this time. I continued that, as the Canadian authorities were in some measures aware, serious consideration was being given to the establishment of fisheries conservation zones beyond the three-mile limit. If such zones were established it followed that the administration thereof, and most especially the enforcement of regulatory measures, would develop along different lines than would be the case under a general convention. I added that it was, however, of course recognized that in view of the Canadian and Newfoundland interests in the northwest Atlantic fisheries, most careful consideration would necessarily have to be given to all aspects of this possible new development.

I suggested that it would be obvious to the Canadian authorities that if the United States should sign a western Atlantic fisheries convention such action would be incompatible with its interests in the proposed fisheries zones⁵¹. It was therefore, I said, wholly out of the question for my Government to consider participation in such a convention or to consider integrating a Western Atlantic regime with a general Atlantic Convention until studies of the proposed zones had been completed.

I told Mr. Robertson that in taking this position the American authorities did not believe that final settlement of the question need be delayed thereby or that progress in that direction would be impeded. I added that it did not, for instance, appear that technical studies in conjunction with local authorities and fisheries interests had been completed by any of the parties at interest. Nor did it appear that such studies would make it more, rather than less, difficult to reconcile the divergent view of Canada and the United States, assuming that such remains an objective which both Governments hold in common.

I then told Mr. Robertson that it was therefore in this spirit that the American Government had set forth in the memorandum⁵² which I handed him the proposal that a conference of experts be held in the immediate future. We felt that such a conference could do useful preliminary work and throw much light upon implications of the proposed fisheries zones. I added that until an agreed position had been reached between Canada, Newfoundland and the United States as to the conditions under which they proposed to fish in the Western Atlantic it did not appear to my Government that there was any urgent need to call into consultation the five European nations having a minor interest in these fisheries.⁵³ It followed, furthermore, that it was only after an agreed position had been developed with Canadian-Newfoundland-American cooperation as the cornerstone that any broader regime could have meaning or effect. We felt that then and then only would it be necessary to consider integration as between the Western Atlantic regime and the proposed European Convention.

In conclusion, I remarked to Mr. Robertson that the United States fishing interests in the Northwest Atlantic exceeded those of any other country. In our opinion, I added, a satisfactory regulation of Northwestern Atlantic fisheries was desirable but could be achieved only on terms satisfactory to the United States, Canada and Newfoundland as a point of departure before bringing in the interested European countries. I said that my Government was prepared to work toward that objective on a basis of mutual cooperation with the Canadian Government but that my Government was equally prepared to take whatever steps might be necessary to safeguard its interests and those of its nationals in the Northwestern Atlantic if Canada preferred to press a unilateral program for that area.

⁵¹ Note marginale:

⁵¹ Marginal Note:

Nonsense

⁵² Voir le document suivant.

⁵² See following document.

⁵³ Note marginale:

⁵³ Marginal note:

France Denmark Spain Portugal Norway Poland

1901 - CONFERENCE

810.

DEA/5134-A-40

*Mémemorandum de la légation des États-Unis**Memorandum by Legation of United States*

Ottawa, December 11, 1943

MEMORANDUM: THE NORTH ATLANTIC FISHERY SITUATION

The United States Government believes that a statement of its position with regard to the proposals made by the Canadian delegation at the International Fishery Conference held in London in October, and with regard to the ensuing situation, may best begin with a repetition of the pertinent part of the statement its observer was instructed to make before the conference in the following language.

“... The United States Government has strong preference for the idea of separate regulatory treatment of the fisheries of the Eastern and Western Atlantic and believes 40 degrees west longitude would constitute a logical dividing line between the fisheries of the two areas. The following basic reasons for this position are suggested to the conference:

“(1) The establishment of 40 degrees west longitude as a dividing line between the two areas would result in all important fishing areas being within either the eastern (European) or western (North American) areas, with the exception of the fisheries of Greenland.

“(2) The fishermen of the countries of the Western Atlantic have not generally fished in waters east of 40 degrees west longitude. Conversely, the fishermen of the countries of the Eastern Atlantic have, with the exception of a few areas, confined their fishing activity to waters east of 40 degrees west longitude.

“(3) The United States authorities regard fishery regulation in the Eastern and Western Atlantic as distinct and in the main unrelated problems.

“(4) Separate regulatory systems would present fewer difficulties both as to formulation and administration than an overall system.

“(5) Should the trend of fishing activity or the development of fishing techniques create an interrelationship between the Eastern and Western Atlantic, this problem might be met by integration of separate regulatory systems.

“With reference to the proposal before the conference to extend convention waters into areas immediately adjacent to the United States coast, the United States Government is obliged to bear in mind the possibility of an adverse attitude on the part of affected United States fishing interests and the authorities of the American state governments of the Atlantic coast states. In view of the confidential nature and the originally limited scope of the conference, there has been no opportunity to consult with these affected interests.

“Finally, the general position taken by the United States Government relative to the conclusion of an overall North Atlantic convention is influenced by the view that regulatory arrangements for a particular fishing area or region can best be made among the nations whose proximity to the affected resource gives them the intimate knowledge and interest necessary to wise and effective con-

trol. The principle here involved has been endorsed by competent fishing authorities, notably the International Council for the Exploration of the Sea, which stated in part in a report to the Economic Committee of the League of Nations that:

“The problems of the fisheries vary from sea to sea and from latitude to latitude. The fish population of one latitude is different from that of another and even a given species of fish may be found to require protection in one area which it does not require in another. It follows then that fishery problems are so localized as to be of interest only to those nations whose fishermen have access to the localities and fisheries concerned and, if and when the necessity for regulation of any of the local fisheries arises it will be a matter for treatment by agreement between the nations interested and between them alone.”

“In taking the position outlined above, the United States Government does not intend that the established rights of any nation would be disturbed but is simply suggesting that the Eastern and Western Atlantic should be made the subjects of separate arrangements among the nations whose proximity to or well established or historical interest in the fisheries entitles them to a voice in their regulation.”

Points 1 and 2 in the statement are factual and supported by data prepared by the concerned agencies of the United States Government, and the further points had the approval of those agencies.

The paragraph following the points enumerated and relating to the “possibility of an adverse attitude on the part of affected United States fishing interests and the authorities of the American state governments of the Atlantic coast states” represents the views of experts on this phase of the situation. Moreover, this point represents a most important factor with regard to any proposal to bring international convention waters into areas immediately off United States shores and hitherto fished almost exclusively by American nationals.

It is also noteworthy in this connection that for several years the trend of thinking in interested fishing circles, and also among an increasing number of students of the international legal situation relative to fisheries, has been toward limiting foreign fishing activities in areas immediately off the coast rather than toward making further commitments which might lead to an extension of foreign activities. The United States Government believes that the Canadian Government will have observed this trend and will probably have noticed that it is in the direction of regional treatment of the problem of regulation and protection of coastal fisheries.

Considering that the New England fisheries are affected to an important degree by Canada's proposal that a general convention should include all North Atlantic high seas fisheries, the United States Government wishes to point out that the fishery operations in this area are of such predominant interest to United States fishermen that the Government is obviously obliged, not only in deference to states rights but also in recognition of established United States commercial interests, to weigh carefully the advantages of such regional treatment against any advantage that might accrue from general international treatment. This should be apparent to the Canadian authorities from the fact that at

the present moment action on proposals before them in regard to an agreement on the Great Lakes fisheries is held in abeyance for similar reasons. It is not intended here to suggest an exact parallel but rather to indicate a very real difficulty with respect to the North Atlantic fishery situation which cannot reasonably be ignored.

The United States Government believes that proper regulatory measures should be possible with respect to the Western Atlantic fisheries, and its competent authorities are in general agreement that the United States Government's statement to the fishery conference in London may represent a sounder and more practical approach to the problem than the Canadian proposal to join for the purpose of regulation both the eastern and western areas of the North Atlantic. The United States Government authorities concerned are of the opinion that definitive action is inadvisable prior to the making and correlating of necessary technical studies for the purpose of determining both the regulatory measures that may be needed and the type of organization through which they might best be undertaken.

As matters stand it is apparent that the Canadian authorities have taken one position with regard to method of treatment of the North Atlantic fisheries while the United States Government has taken another which is fundamentally different. The United States authorities are nevertheless desirous that cooperative efforts between the United States and Canada shall continue to be made with respect to the formulation of any necessary regulatory arrangements for the Western Atlantic. It is therefore hoped that the positions of the United States and Canada can remain sufficiently flexible to permit any constructive action which may ultimately appear advantageous. In fact, the United States Government believes that until United States, Canadian and Newfoundland views are generally in accord, as the parties chiefly interested in the Western Atlantic fisheries, it would not be wise for these countries to proceed to any formal conference restricted even to these fisheries.

In this latter connection and with a view to providing opportunity for an adjustment of the United States and Canadian positions, the United States Government desires to suggest that, prior to the calling of any formal conference, and without undue emphasis on developments related to the London conference, plans be made for an early meeting in Washington, say late in January, of United States, Canadian and Newfoundland fishery experts for the particular purpose of correlating data which might be assembled in the meantime and of exchanging views relative to alternative approaches to the problem of regulation of the Western Atlantic fisheries.

The United States Government believes that if this were done, it should be possible to lay the technical groundwork which is a necessary preliminary to any course of action which may have far-reaching effects upon the fisheries in question. The meeting could of course consider both the limited regional aspects of the problem and the overall international aspects, and on the part of the United States authorities it would be agreeable that the particular Canadian proposals relative to a regulatory organization for the Western Atlantic fisheries be carefully and sympathetically studied. The meeting suggested might, de-

pending upon the wishes of the Canadian authorities, be held under the informal Fisheries Advisory Committee or separately as a special technical conference. It may be preferable to use the latter procedure, owing to the very considerable importance of the situation.

811.

O.D.S.-N.A.R./Vol. 811

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures⁵⁴
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs⁵⁴
to Under-Secretary of State for External Affairs*

SECRET AND PERSONAL

[Ottawa,] December 14, 1943

NORTH ATLANTIC FISHERIES

Dr. D.B. Finn, Deputy Minister of Fisheries, Mr. John Read and I met for an hour this morning to consider the "Memorandum of conversation between Mr. Norman Robertson and Mr. Atherton" which the United States Ambassador handed to you on Saturday last.

It is our united opinion that this Memorandum is an inaccurate and insulting (discourteous?) document. It would be easy to compile a list of corrections and to answer in kind. None of us, however, think that any useful result would come from such a procedure.

We are agreed in suggesting:

A — that you should ask Atherton to come to see you again, personally and informally;

B — that you should say to him that it is clear that there has been a fundamental misunderstanding; that from your study of the papers and discussion with the senior Canadian officials who have been handling this matter you are satisfied that the misunderstanding is not attributable to them; that you assume that the United States authorities are equally satisfied that the mistake was not on their side; that in any event it is your view that no useful purpose would be served by continuing to add fuel to the argument;

C — that you should proceed by pointing out that we cannot accept certain of the statements in his Memorandum as accurate and that if we were to reply, we would have to take exception to many points; that we naturally do not wish to have a document of this kind permanently on our files and that we would regret to think that it would be on the files of the Embassy or the State Department; that under the circumstances it would be helpful all around if Atherton would take back this memo and allow us to go ahead with the search for a solution of the problem (which we both want to solve) on the basis of the formal Memorandum on the North Atlantic Fisheries situation, which accompanied the paper which is the subject of this note;

⁵⁴H.L. Keenleyside.

D — that we would feel happier about the formal memorandum if he would authorize us to delete the final sentence.

812.

DEA/5134-A-40

Mémoire du sous-secrétaire d'État aux Affaires extérieures

Memorandum by Under-Secretary of State for External Affairs

[Ottawa,] December 16, 1943

I had a word with the United States Ambassador this morning about the "Memorandum of Conversation" which he left with me on Saturday. I had not been sufficiently familiar with the fisheries files to comment usefully on the various points he had been instructed to make. I had now been over the papers myself, and could not agree that the narrative of past fisheries discussions with which he had been furnished was really fair or objective. At the same time, I did not want to traverse the ground he had covered, because our Government, like his Government, was much more concerned about getting ahead with effective cooperation in fisheries questions than with sterile efforts to straighten out the record. There had obviously been a pretty serious misunderstanding of each other's position, which was all the more surprising as we had had a number of senior officers taking part in the preparatory discussions with the United States experts. However, the most important thing now was to see that recriminations about past misunderstandings did not prejudice our future efforts to reach agreement on fisheries questions. We had not time enough to put the question by and take it up at leisure. Now was probably the best time to get on with the job, and our problem was to find the best method of making a fresh start. In some respects our Governments had managed to work more closely together on fisheries questions than in other fields of joint economic interest, and it would be very unfortunate if this cooperation were in any way prejudiced. We had to think of fisheries questions not only in terms of conservation of resources but also of general trade and tariff policy. We might have occasion in the near future to talk trade questions with the United States, and in any trade negotiations fisheries questions always assumed an importance greatly in excess of the financial value of the trade affected. It was important that, when the time came, we could face these questions in the light of our joint interests and not with a jaundiced eye.

Atherton said he had not been very happy about the message he had delivered. He had been asked to convey the observations it contained, but thought it might perhaps have been better if he had tried to make them orally, so that I could have selected from them, for purposes of record, those points which might have a bearing on future discussions. He did not send a copy of this "Memorandum of Conversation" to the State Department or to any other Department of the United States Government, and would be glad to destroy his copy. If I felt like doing the same, he saw no objection. The main question was that of finding the best basis for future discussions. He thought they might perhaps be begun

through the diplomatic channel and then broaden out to the expert level. Alternatively, there might be merit in letting the technical fisheries people get together themselves and see whether they could agree on some findings of fact which might be a basis for policy discussions between Governments. I said we were examining the memorandum on the North Atlantic fisheries situation which he had left with me, and would be glad to have a talk about it with him in a few days, when we also perhaps would have some suggestions to make about procedure.

N. A. R[OBERTSON]

813.

DEA/5134-A-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures
Memorandum by Under-Secretary of State for External Affairs

[Ottawa,] December 24, 1943

I saw the United States Ambassador yesterday about North Atlantic fisheries questions, and told him we were very glad to take up the suggestion put forward in his memorandum⁵⁵ that representatives of the United States, Newfoundland and Canada should meet together in the near future to try and work out a mutually satisfactory solution of this question. I thought a round-table discussion in Ottawa, in which he and I could take part, might be helpful. I suggested January 19th as a suitable date, but agreed to January 24th to meet his convenience. The topics for discussion would be those mentioned in his memorandum.

Our Governments were in agreement on objectives, but had different views as to the method of achieving them.

As he knew, we felt we had very good reasons for believing the course we had taken was a wise one and in the best interests of our countries. His Government's advisers took a different view. We did not think the narrative of past discussions contained in his memorandum was the last word on the subject, nor were we ready to accept the cogency of all the reasons adduced in that memorandum in support of the United States position. At the same time I did not think that the prospects of our reaching agreement at the forthcoming meeting would be improved by my giving him a Canadian counterpart of the memorandum he had left with me. We knew the American point of view and we thought that they knew ours. I could give him a letter restating and explaining the position if he thought this would further our common interest in finding an agreed solution. We concluded that it would not.

As matters stand, therefore, I have explained our position to him orally and informally, and agreed to the suggestion of round-table discussions in Ottawa next month.

⁵⁵ Voir le document 810.

⁵⁵ See Document 810.

814

DEA/5134-A-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures
Memorandum by Under-Secretary of State for External Affairs

Ottawa, December 31, 1943

NORTH ATLANTIC FISHERIES QUESTIONS

The United States Ambassador confirmed his Government's agreement to fisheries talks in Ottawa on January 24th. The United States participants, beside himself, would be Messrs. Sturgeon, Dooman, Gabrielson and a representative of the Tariff Commission and of the Legal Division of the State Department still to be named. It was understood that we were inviting Newfoundland to be represented.

Mr. Atherton said his Government was very anxious that the talks in Ottawa should be followed, as quickly as possible, by rather more strictly "technical" talks in Washington, at which various American fisheries experts (he mentioned 15), would have an opportunity of saying their pieces. I said I was sure that our people would be very glad to work to this programme, and plan to continue the conversations in Washington on the plane he suggested.

N. A. R[OBERTSON]

CHAPITRE VI/CHAPTER VI

RELATIONS AU SEIN DU COMMONWEALTH
COMMONWEALTH RELATIONS

PARTIE I/PART I
CONSULTATION

815.

DEA/66s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 22

London, January 27, 1942

IMMEDIATE. SECRET. Addressed to Ottawa No. 22, Wellington No. 68, Capetown No. 23.

We have been thinking over machinery for consultation between ourselves and other members of the British Commonwealth on matters of urgency connected with the war in the light of the new position resulting from United States entry into the war and recent developments in the Pacific. We have also received requests from the Australian Government for some change in the existing system, more particularly expressing desire that "accredited representative of Commonwealth Government will have the right to be heard in the War Cabinet in formulation and direction of policy".

2. We are now informing the Commonwealth Government that we are prepared to agree to this request, and Sir Earle Page, who is at present in London as special representative of the Australian Cabinet, will attend meetings of the War Cabinet for purposes indicated.

3. We feel that Canada should know this in case they felt disposed to avail themselves of the new arrangements on a similar footing to Australia. We recognize that each Dominion may have its own views about this, though I need not say they would be warmly welcomed.

816.

DEA/66s

Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs

TELEGRAM 269

London, January 28, 1942

PERSONAL AND PRIVATE. Following for the Prime Minister, Begins: Informal conversation took place this afternoon at Dominions Office regarding Chur-

NON-CIRCULATING

chill's reference to subject of proposed representation from the Dominions at meetings of the War Cabinet here. Question was raised by High Commissioner for South Africa as to whether a Dominion High Commissioner himself could appropriately perform duties related to such representation. Cranborne's personal opinion was that a High Commissioner would be acceptable from the United Kingdom point of view, but he offered to make enquiries. I do not know, of course, whether you propose to take any action on Churchill's proposal. As I see the problem, the presence at meetings of the War Cabinet of a Dominion representative would not substantially alter the existing situation. Such a representative would, of course, be in direct touch with the War Cabinet discussions but could do little more than a High Commissioner is able to do with his present facilities. Naturally, neither could speak for his Government except under specific instructions. On the other hand, a special representative from a Dominion, sitting with the War Cabinet would duplicate some important functions at present performed by High Commissioners and the division between their duties would be most difficult to define.

It is widely felt here that it would have been better if matters had been left as they were and some controversy has an air of unreality, but I felt sure that since question of High Commissionership in relation to the War Cabinet has been raised, you would wish to be kept informed of any important discussions on this subject. I know you will not misunderstand my motives in dealing with this question which I do of course impersonally and objectively.

MASSEY

817.

W.L.M.K./Vol. 329

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 174

Ottawa, January 29, 1942

Reference your telegram No.253 of January 27th. Prime Minister will be grateful if you will communicate to Mr. Churchill text of his statement on Dominion representation in the United Kingdom War Cabinet, which he made in House of Commons yesterday after reading into the record Mr. Churchill's statement cabled in your telegram under reference. Text of Prime Minister's statement is contained in my immediately following telegram en clair.

818.

DEA/66s

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*
*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 175

Ottawa, January 29, 1942

My immediately preceding telegram.

Following is text of statement made by the Prime Minister in House of Commons January 28, Begins: From the foregoing, it will be seen that Mr. Churchill has made a clear distinction between an imperial War Cabinet, which, in addition to the Prime Minister of Great Britain, would contain the Prime Ministers of the four Dominions, and an arrangement under which an accredited representative of any of the four Dominions will have the right to be heard in the War Cabinet of Great Britain in the formulation and direction of policy.

Mr. Churchill's statement makes clear that an Imperial War Cabinet containing the Prime Ministers of the four Dominions would involve having them all together in London at one and the same time, either periodically or continuously. This, as Mr. Churchill points out, has not thus far, at any time, been possible. It requires no comment to make clear how impossible it would be to form, at the present time, with its seat in London, an Imperial War Cabinet containing the Prime Ministers of the four Dominions.

The statement also makes clear that since the outbreak of war, whenever any of the Prime Ministers of the Dominions have been in London, they have, as a matter of course, taken their seats at the Cabinet table in the War Cabinet. On other occasions Mr. Churchill has made it equally plain that this privilege will continue to be accorded to the Prime Ministers of the Dominions.

Mr. Churchill's statement next discloses that in the last three months Sir Earle Page, representing the Commonwealth Government of Australia, has been accorded the privilege of being present at the Cabinet table in London when war matters and Australian matters were under discussion and also, in similar circumstances, in the defence committee. It is clear from the statement that this privilege, while broadly interpreted, has, however, been extended only as a matter of courtesy. What recently has been asked specifically by the Australian Government, and agreed to by the Government of Great Britain, is that an accredited representative of the Commonwealth Government of Australia shall have the right to be heard in the War Cabinet in the formulation and direction of policies. Similar facilities, Mr. Churchill states, will, of course, be available to New Zealand, Canada and South Africa.

Mr. Churchill's statement leaves no room for doubt that the power to make decisions and the responsibility for decisions made in the War Cabinet of Great Britain will continue to rest with the War Cabinet of Great Britain. The right being accorded to accredited representatives of the Dominions is that of "being heard" in the formulation and direction of policies.

NOT CIRCULATING

It is clear from the word sent by the British Government to the Governments of the several Dominions to which I made reference yesterday, that this right to be heard relates to the machinery for consultation between the Government of the United Kingdom and the Governments of the other members of the British Commonwealth on matters of urgency connected with the war; further, that it has resulted from the United States entry into the war, and recent developments in the Pacific, and also from the request of the Australian Government.

Speaking for the Canadian Government, I may say that the existing machinery for consultation between not only the Governments of Great Britain and Canada but also between Canada and the Governments of the other Dominions has, in our opinion, worked exceedingly well. If at any time in the future we should find the means of consultation inadequate to meet the new developments which have arisen or which may arise, our Government will not only be prepared but glad to avail itself of the supplementary arrangement to have our views presented to the War Cabinet of Great Britain by an accredited representative, in accordance with the procedure which was announced yesterday by the Prime Minister of Great Britain.

819.

DEA/5615-40

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures¹*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs¹*

[Ottawa,] October 28, 1943

I attach an interesting memorandum prepared by Mr. Holmes commenting on the Australian suggestion for an Empire Council and dealing with our current problems of intra-Commonwealth relations. I think that this memorandum has a good deal of material that will be of use in preparing for the London talks. I doubt, however, that it should go to the Prime Minister in its present form. I have sent a copy to Mr. Heeny and I have two more copies which I am holding.²

H. W[rong]

¹ Voir aussi le document 646.

¹ See also Document 646.

² La note suivante était écrite sur ce mémorandum:

² The following note was written on the memorandum:

Mr. Wrong — this is a very interesting and well done paper — I'd like one of the carbons to cut up and qualify for submission to the P[ri]me M[in]ister.³ R[obertson]

³ Aucune soumission de ce genre n'a été trouvée.

³ No such submission was located.

[PIÈCE JOINTE/ENCLOSURE]

*Mémoire de l'assistant, le ministère des Affaires extérieures**Memorandum by Assistant, Department of External Affairs*

SECRET

[n.d.]

MEMORANDUM ON MR. CURTIN'S PROPOSALS FOR AN EMPIRE COUNCIL

NATURE OF THE PROPOSALS

In a speech at Adelaide on August 14th Prime Minister Curtin suggested the establishment of a British Commonwealth Council. Because of what he called the "gratifying and encouraging interest" shown the proposals, especially in Britain, Mr. Curtin enlarged upon his suggestion on September 6th at the request of *The Times*' correspondent.⁴ The principal features of the proposal are as follows:

1. Although Mr. Curtin first referred to the proposed body as "some Imperial authority", he stressed that it should (or at any rate could) be a "standing consultative body" rather than an executive body.
2. The body should provide facilities for "quick and frequent consultation on any urgent matter".
3. It should resemble the Pacific Council, providing machinery whereby "representatives of the Dominions could consult regularly with British Government representatives".
4. The Dominion representatives could be the High Commissioners in London but could be replaced "at appropriate intervals" by special representatives, who could be Ministers.
5. The Council should be a permanent body with regular meetings.
6. Regular meetings would presumably take place in London, but occasional meetings would be held in Ottawa, Canberra, Pretoria, and Wellington. The personnel for the meetings outside England is not defined.
7. The Council should have a permanent secretariat of "experts".

AUSTRALIAN MOTIVES

There is little in these proposals that has not been advocated before, frequently with considerable support in Australia. The Labour Party has not usually identified itself with schemes for imperial solidarity, but its attitude has been modified by the war. When Australia was directly threatened in 1942, she looked to the United States for help because United Kingdom forces were tied up in the European theatre. The dependence of the British territories in the Pacific on American support had, of course, been implicit since the Washington naval agreement. Now that the honeymoon between Australia and the United States is over, Australians are realizing their dependence on the imperial connection as well. Although they remain vitally interested in the continuation of commitments from the United States for their future security, they are worried about two possibilities: The United States might revert to an isolationist policy,

⁴ Voir l'édition du 7 septembre.

⁴ See edition of September 7.

NON-CIRCULATING

or might, on the other hand, seek to dominate the southwest Pacific in a way which would offend Australian susceptibilities or overlook their interests. Mr. Curtin was probably thinking of the demands in the United States for air bases and economic concessions in return for lend-lease when he spoke of the need for concerted Empire policy in view of the fierce economic war in the post-war years. Australia is also, like Canada, giving some thought to the role of a small power in a world dominated by the four great powers, and Mr. Curtin is anxious to strengthen Australian influence with the one great power which is the most apt to be influenced. The Labour Government has accepted the Statute of Westminster and is now seeking to establish a principle which goes farther. The proposal of an Empire Council is not a gesture of old-fashioned 'imperialism' but a protestation of equality and an assertion that simple statutory equality is not good enough. In the last war the situation was quite different. The basis of equality had not yet been recognized. Japan was an ally, and the real nature of Australia's defence problems in the Pacific area had not been realized. The Australian Government has been much impressed by its success in securing the establishment of the Pacific Council, and it is this Council which Mr. Curtin has seen as a model for Commonwealth relations. Although the Pacific Council in its present state hardly warrants enthusiasm, Mr. Curtin seems to be satisfied with the consultative machinery which it provides.

A COMMON FOREIGN POLICY

Canada's position is not dissimilar from that of Australia. She has less need to fear American isolationism, because even the most diehard isolationist admits the necessity of keeping enemies out of Canada. She has even greater need to fear American domination, but she has had much more experience in frustrating it. Canada has recognized the importance of the United Kingdom in her own defensive strategy. This recognition, her economic interests, and the sentiment of her people together indicate that Canada will probably be involved in any war in which the United Kingdom is involved. She has, therefore, a strong interest in influencing United Kingdom policy. Canada has also the same reasons as Australia for seeking a channel through which to make her influence felt in the councils of the great powers.

The question arises, therefore, as to whether Canada, as well as Australia and the other British nations, should strive for a common Empire foreign policy or "a concerted Empire policy", as Mr. Curtin has described it. There is much which could be said for a single policy, formulated by representatives of all British countries, which would make the British Empire a powerful unit in a world council. Such a system would, however, necessitate the creation of an imperial executive body and possibly the merging of diplomatic services, if it were to be effective. A development in this direction would run counter to the principle on which the Commonwealth has flourished and the deepest instincts of the self-governing nations. It must be ruled out as politically impossible, even if it were otherwise considered desirable.

With or without a common foreign policy, the position of any part of the British Commonwealth is strengthened by the expectation on the part of other countries that if one part of the Commonwealth is attacked it will be supported

by the other parts. The fact that Canada, South Africa and Australia (in 1941) have decided against the principle of automatic commitment in declarations of war by the United Kingdom has created less impression abroad than the fact that these countries did go to war. The franker acknowledgement on their part that they went to war not because of sentiment but because of their own national interests will serve to emphasize the reality of a relationship which is an implicit alliance. It has seemed to many persons that this implicit alliance was an unwarranted limitation of national sovereignty. But alliances between foreign countries, such as that between Great Britain and the Soviet Union, limit the freedom of the contracting parties to participate in wars. All countries must accommodate their policies to the interest of their allies or potential allies. In doing so, however, they have not found it necessary or possible to merge their foreign policies.

A strong argument for a common Empire foreign policy has been made by Mr. Lionel Curtis on the ground that Great Britain cannot enter a major war without being assured of the use of Canadian flying fields and Canadian space for training a mechanized army, not to mention the resources in men and material of the whole Empire. But Great Britain could not fight a major war without the resources of the United States and the armies of the Soviet Union. Although Great Britain's policy has been to avoid commitments, her strength has depended on her ability to secure allies, and her foreign policy must continue to be influenced by the interests of those on whom she must count for help in war. Her most dependable allies have proved to be the other self-governing British nations, and the past few years have revealed that they are much more powerful allies than had previously been realized. Great Britain is making it clear, therefore, that she is prepared to pay more attention than in the past to the advice of the other British countries. The time is therefore ripe for the other British countries to see that their views are expressed through adequate channels. But Britain must also think of her other allies, and a foreign policy based on a compromise between demands of all parts of the Empire would be too slow and indecisive for the company Great Britain keeps.

Because of this interdependence of nations, the only common policy which it might be possible to achieve is a policy on which all the United Nations agree, expressed in an association of nations. The fundamental interests of the British nations are similar, but they are not exclusive to the British nations. These interests cannot be defended by the British nations alone, and anything in the nature of an exclusive foreign policy based upon the illusion that the Empire can defend itself with its own resources must be avoided. Yet the lesson of 1940 is that the cohesion of the British nations is not contrary to the best interests of other nations. It proved to be the most dependable alliance of all, and it saved the cause of the United Nations. This fact has been obscured in clouds of rhetoric, but it remains a fact of fundamental importance for Canada, because, if Canada had not formed part of that alliance, it is doubtful if the United Kingdom could have held out, and the war might now be taking place on Canadian soil. If the importance of the British association has been proved, there are good arguments for keeping it harmonious through constant consultation and strengthening it by making certain that it has a world viewpoint. But insistence

on a common foreign policy would almost certainly create tensions which would wreck the association; and the suggestion of a British front against the world would alienate allies on whom the Commonwealth depends.

INTRA-COMMONWEALTH CONSULTATION

The arguments in favour of intra-Commonwealth consultation might be briefly summarized as follows:

1. Even though Canada does not accept unreservedly the doctrine of four-power domination, it is her supreme interest to do nothing to frustrate the closest collaboration of the great powers. Through her close association with the United Kingdom, Canada is able to introduce her views into councils which are closed to most smaller powers. Recent events suggest that Canada's voice is not without influence (e.g. United Kingdom support of Canada's claim to an important role in U.N.R.R.A. and acceptance of Canadian suggestions concerning the Four-Power declaration). The strengthening of the machinery of consultation would enable Canada to present her views not only to the United Kingdom Government but also to the other British nations, whose opinions must be weighed by that government.

2. It is of interest to Canada to strengthen the British voice in world councils, because the existence of the United Kingdom is important to her defence and her economy, and because the United Kingdom can serve as her mouth-piece. Even without a common foreign policy, the voice of the United Kingdom will be strengthened by consultation with associated countries, each of which will probably be playing an important role in its own region. While Great Britain is preparing for an important role in European affairs, Canada is thinking of taking part in Inter-American activities, Australia and New Zealand speak of organizing the South-West Pacific, and South Africa is proclaiming her leadership in Pan Africa. (If India should remain within the Commonwealth, her important role in Asia should be considered.) It would not only strengthen the United Kingdom's voice in Big-Four councils to have the advice of countries with such diverse experience, but it would also be of considerable value to Canada and the other countries, all of which are recent entries in the field of diplomacy.

There are, on the other hand, certain factors to be kept in mind which might limit the value of consultation:

1. Steps toward Commonwealth solidarity might compromise Canada's claim to international recognition of her autonomy. Even if the Narkomindel and the State Department are thoroughly aware of the constitutional niceties of the Canadian position, they may seek arguments to dispose of the troublesome claims of Canada or Australia — claims which upset the four-power principle and inspire pretensions on the part of even more troublesome countries like Poland and France.

2. Canada's intimate contacts with the Foreign Office might inspire charges that she was a British tool in the Pan American Union. In the same way the representatives of foreign countries might hesitate to entrust confidences to Canadian diplomatic officers out of fear that these would be reported to the other British countries.

Suspicions of this kind could, of course, be counteracted by the nature of Canadian policy, if this policy were seen to be that of a loyal but independent ally of other British countries. The original arguments against the membership of the Dominions in the League did not recur after it became obvious that they were not puppets controlled from the United Kingdom. It is possible that some at least of the Pan American nations would welcome Canada's dual association as a link between two associations with mutual interests. Some opinion in the United States has also welcomed the strengthening of the association between Commonwealth countries on two grounds. First, they believe it strengthens the voice of their primary ally; and secondly, they believe that the advice tendered the United Kingdom by Canada or Australia is apt to be along lines which they would approve.

If it should be decided that improved facilities for consultation are desirable, the question arises as to whether Mr. Curtin's proposals describe the best machinery for the purpose. Mr. Curtin (who has had no experience at Imperial Conferences) does not make it clear whether he wants a common foreign policy or not. At any rate he insists that his council could be consultative rather than executive. The difference between a consultative and an executive body would be that the former would not be obliged to reach unanimous decisions on policy. Efforts would undoubtedly be made to influence the views of other participants, but there would be no obligation on the part of any country to accept majority opinions. All countries, including of course the United Kingdom, would remain free to reject or accept the advice of any or all of the other countries. If the example of the Pacific Council were followed, as suggested, the Council would serve rather as a clearing-house of information rather than as a body for discussing policies to be pursued.

PRESENT METHODS OF CONSULTATION

There are at present four principal channels of intra-Commonwealth communication:

(a) The Imperial Conference has not met since 1936. The concern of recent Imperial Conferences has been almost exclusively with the constitution and machinery of the Commonwealth. Since 1926, there has been little of great importance for the Conference to do, and it might be expected that the constitutional nature of the Commonwealth will, before long, become if not frozen at least stabilized. Mr. Curtin is interested in a body which meets much more frequently and which devotes its attention to the function rather than the nature of the Commonwealth. The Imperial Conference, meeting every four years, might consider the long-range aspects of Commonwealth policies and interests, but it could not be a very effective body in [a] world of constant emergencies. Before 1914 there was an effort to make the Imperial Conference something like a permanent and executive body with a secretariat, but this effort never had Canadian support, and the Conference is now strictly consultative.

(b) The High Commissioners do already hold daily meetings in London with the Secretary of State for Dominion Affairs, at which they are given the latest military and political intelligence, which they then discuss. The appointment, since the War began, of High Commissioners in other British capitals

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besides London has greatly improved the machinery of Commonwealth relations, particularly as between the overseas countries themselves.

(c) The Dominions Office has developed a useful and effective system of circulating information to the various Departments of External Affairs. The policy of asking the opinion of the Dominions on major matters of foreign policy has enabled them to exercise a real influence on United Kingdom policy. The circulation of despatches from United Kingdom agents in countries where other Commonwealth countries are not represented is of particular value.

(d) Personal contacts between leading Commonwealth statesmen and officials are important, even if they do not take place according to any system. The custom of admitting visiting Commonwealth statesmen into British War Cabinet and the Canadian War Committee provides opportunities for consultation unlike those between foreign countries.

The methods of consultation described in (b), (c) and (d) above are improving, and it may be that the best course is simply to perfect this machinery and develop the practice of consultation by experience without inaugurating new bodies. Consultation initiated by the Dominions Office is not a method which emphasizes equality of status, although it does no violence to the principle. Equality of function will be imperfect so long as one nation only has a decisive word in allied councils and a world-wide diplomatic service with long experience. Consultation by telegram is an unostentatious system, the importance of which is perhaps recognized only by those who practise it. Lack of publicity does have the advantage of not unduly irritating those who are suspicious of Commonwealth ties. On the other hand, it leads those who favour such ties to assume that no real ties exist and to advocate imperial parliaments or executive bodies. If these impractical and embarrassing proposals are to be discouraged, it might be advisable to seek opportunities to acquaint the Canadian public with the extent and the value of intra-Commonwealth consultation. Such a revelation should appeal not only to those who approve of close Commonwealth associations for their own sake, but also to those who are particularly anxious to know that Canadian views are being expressed somewhere where they will be heard.

A FORMAL COUNCIL

There might be certain advantages in a system which provided for regular personal consultation within a Commonwealth Council. Canadian views could be expressed more forcefully and interpreted more accurately by a representative at a meeting than by a telegram or despatch. Such meetings would allow the Commonwealth nations to exchange opinions and discuss matters of common interest. By this method differing views would be understood, if not always reconciled.

The loosest form of such a council could be simply a meeting of the High Commissioners in London, called informally at the suggestion of any one of the governments, to talk over an emerging issue. Each High Commissioner would be briefed by his government and would, of course, be unable to make any commitments or go beyond his instructions. Mr. Curtin envisages something more than this. He suggests regular meetings and the establishment of a permanent council. Regular meetings would facilitate the preparation of agenda and

the briefing of High Commissioners. Meetings must always have chairmen, but it is perhaps not advisable to have these meetings always summoned and chaired by the Secretary of State for the Dominions or by another United Kingdom representative. A chairman and secretary could be informally appointed at each meeting. The setting-up of a council as such would simplify the organization of meetings and the rotation of officers, but it would, of course, represent a step toward a formal establishment.

Undoubtedly the centre of action would have to be London, not only because it is the capital with the strongest voice in world affairs but also because it is the only capital on which all the other countries would agree. That there should also be meetings in the other capitals would be highly desirable. Such meetings could, of course, prove to be mere window-dressing, as continuity of membership is important for an effective council. On the other hand, if the consultative features of the meetings is to be emphasized, there is much to be said for meetings in Ottawa and other capitals attended by the local High Commissioners assisted possibly by secondary officers who regularly attend the London meetings. The further possibility of having regular meetings of the High Commissioners in all Dominion capitals might seem almost a *reductio ad absurdum*, but such a system would effectively prevent the assumption of any executive powers on the part of the London body and would emphasize the informal nature of the consultation.

Mr. Curtin suggests that a High Commissioner "could be replaced at appropriate intervals by a special representative who would be a Minister". Pacific Council meetings are customarily attended by diplomatic officers, but visiting Prime Ministers and other officials frequently attend when they are in Washington. There would probably be no objection to having visiting Cabinet Ministers sit in on such meetings, particularly if matters of concern to them were up for discussion. Meetings of Ministers, however, or a revival of the suggestion for the appointment of Resident Ministers in London would probably lead to the assumption of quasi-executive functions on the part of the Council and spoil its purely consultative nature. A High Commissioner would represent in such a body the policy of his government. When the 1911 Imperial Conference discussed Sir Joseph Ward's proposals for a Standing Committee,⁵ objection was taken to the appointment of High Commissioners to the Committee on the ground that it would mean extending their functions in order to give them a consultative authority. This situation, it was thought, might be unsatisfactory from the point of view of a Government which had to receive advice from an officer who was under its direction. For similar reasons it was considered undesirable to appoint Ministers and High Commissioners to the same Committee. But there should be no objection to the offering of advice by a High Commissioner to his Government based on his experience in Council, provided that he accepts the decision of the Government. Nor should it be impossible for him to take part in consultations so long as it is understood that although his views generally correspond to the policy of his Government, his Government is not committed by his remarks in Council.

⁵ Voir le volume 1, document 384.

⁵ See Volume 1, Document 384.

PERMANENT SECRETARIAT

Mr. Curtin also recommends a permanent Secretariat of "experts". Meetings require a staff of some kind to prepare agenda and minutes. If no other arrangements were made, this work would probably be done by the Dominions Office or by the office of the representative serving as chairman or secretary. The Dominions Office has provided something in the nature of a Commonwealth secretariat, but objection has been taken to the fact that this secretariat was purely a United Kingdom body. The Dominions might wish to set up a secretariat with a staff drawn from all parts of the Commonwealth. Such a secretariat would occupy itself not only in preparing agenda and carrying out instructions of the Commonwealth Council but also in circulating information to the British government. This change would imply an obligation on the part of the Dominions to pool information received from their officers abroad on a scale similar to that now provided by the Dominions Office.

When proposals for a permanent Imperial Conference secretariat were made by a previous Australian Prime Minister in 1907, Sir Wilfrid Laurier objected on three grounds: (1) that there was no one to whom the Secretariat could be directly responsible between Imperial Conferences; (2) that it might grow in numbers and involve increased expenditure; (3) that it might grow in power and interfere with the powers of the Governments and the basic principle of responsibility of Ministers to Parliament. All these fears have to some extent been answered by the experience of the League of Nations, where an efficient and not too expensive international secretariat found it possible to be responsible to a Council without sovereign or executive powers. The chief advantage of such a secretariat would be that it could facilitate the machinery of intra-Commonwealth consultation and remove the anomalies of the Dominions Office. On the other hand, even though there seems little chance of its assuming executive functions, it might prove to be a centralizing force. One practical difficulty is that the smaller countries, in particular, are hard pressed to find personnel for their diplomatic services and might be reluctant to spare valuable men for this Commonwealth secretariat.

INTERNAL COMMONWEALTH AFFAIRS

One question which should be given serious consideration in connection with proposals for a Commonwealth Council is whether the Council would consider internal as well as external affairs. Should such a question as the relation of Ireland to the Commonwealth be considered by all the Dominions? Ireland, of course, is in a special position because her status is (or was) based on a treaty with the United Kingdom. But the present Irish Government has not recognized this treaty as a valid basis of relationship. The relation of Ireland to the Commonwealth may be again an issue after the war, with a possible demand for her expulsion. It is questionable whether the status of a Dominion is a matter which can properly be decided by the United Kingdom alone. (The question of the Six Counties is on the other hand a boundary matter between Ireland and the United Kingdom in which other Dominions could do no more than offer to mediate.) In the same way, it may be asked whether the United Kingdom has the right to admit India, or Ceylon, Southern Rhodesia, or Jamaica as Domin-

ions without consulting the other Dominions. The status of Newfoundland is a matter in which Canada would be particularly interested. There will, no doubt, be no great anxiety on the part of Canada or other Dominions to become involved directly in relations with India or colonies before they become Dominions. Yet there is a good deal to be said for a strictly consultative body like the proposed Council discussing colonial issues and offering advice. (The Dominions cannot close their eyes pharisaically to the most crucial problem of our time, the assistance of dependent areas to self-government, for they will be involved in the catastrophe which will inevitably ensue from the failure to solve this problem.) One other subject which might be dealt with by such a Council is the monarchy. If another crisis like that of 1936 should arise, there may be differences of opinion as between the countries owing allegiance to the King which could best be threshed out in a meeting.

The right of the Dominions to a voice on the position of Ireland or India or of the monarchy is not of course necessarily connected with the establishment of a Commonwealth council, but it would add important items to a council's agenda. As for colonial questions, for which Canada is anxious to avoid any specific responsibility, it is perhaps only in the informal atmosphere of a consultative council that it would be safe to offer advice.

CANADIAN POLICY

It is important for the Canadian Government to clarify its views with regard to Mr. Curtin's proposals, for there is evidence of increasing interest in cooperation between the British Nations. Mr. Fraser has expressed himself as being in favour of any scheme which means closer consultation and cooperation. Although South Africa has, like Canada, never been enthusiastic about such schemes, General Smuts has, by his suggestion for the sharing out of colonial responsibilities among the self-governing British countries, indicated that he too may be thinking of new developments in Commonwealth relationships (if he isn't just thinking of how to secure Union control of some of the African colonies). In Canada the chief spokesman for this trend has been Premier Drew, whose speeches have been quoted by such advocates of solidarity in the United Kingdom as Lionel Curtis and Sir Edward Grigg.

The recent telegrams concerning the Four-Power Declaration raised the issue of Commonwealth foreign policy very clearly. The Australian Government proposed that the United Kingdom representative should sign the Declaration on behalf of the "British Commonwealth". The Australian Government indicated through Sir William Glasgow that they were hoping for Canadian support in their proposal. Before the Canadian comments on the Australian proposal had been sent to London, the Dominions Office had rejected this proposal on the grounds that it was contrary to the decision made by the Dominions themselves in 1926.⁶

In spite of this view, however, there is evidence of confusion, uncertainty, or difference of opinion in London on the subject. The notes for guidance of the

⁶ Voir les documents 243, 245 et 246.

⁶ See Documents 243, 245 and 246.

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Foreign Secretary in Moscow refer to the "British Commonwealth and Empire" as one of the three great powers, and Mr. Churchill frequently speaks in the name of the British Commonwealth and/or Empire. The United Kingdom is particularly anxious to strengthen its position alongside the immense and populous land powers of the United States and the Soviet Union. For this reason it may welcome proposals for closer collaboration coming from the Dominions, even though experience has taught the Dominions Office to be careful.

It is to be expected that proposals like that of Mr. Curtin would be on the agenda of the projected meeting of Prime Ministers. Such a discussion might find the Prime Ministers sharply divided. Canadian opinion will be at least reticent about any extreme interpretation of the Curtin plan. If the Australians are insistent, and are backed by New Zealand, Canada might propose as a compromise solution certain changes in the present daily meetings of High Commissioners in London intended to make them more in the nature of informal discussions of policy. Such a proposal would not rouse antagonism as would the setting up of a new Empire Council. It could be interpreted simply as a modification of machinery now in existence. It would be a pragmatic and experimental solution in the best British tradition. It would commit the Commonwealth to no new scheme, the failure of which could have dangerous effects on the Commonwealth association. On the other hand, the meeting might prove itself an instrument of such value to all participants that there would be a unanimous wish to strengthen it.

820.

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*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire en Nouvelle-Zélande*

*Under-Secretary of State for External Affairs
to High Commissioner in New Zealand*

CONFIDENTIAL

Ottawa, November 19, 1943

Dear Mr. Riddell,

I have read with great interest your despatch No. 269 of October 20th[†] outlining opinion in New Zealand concerning Mr. Curtin's proposals for an Empire Council. The editorials which you quote are not unlike those which have appeared in the Canadian press. Those Canadian papers which continue to comment on the proposal for the most part express scepticism about the value of anything like an executive body. Most of them, however, are favourable to consultation among the countries of the Commonwealth. There is some difference of opinion as to whether new machinery is necessary.

You may be interested to know that a Gallup Poll was recently held in Canada in which the question asked was: "It has been suggested that a British Empire Council be formed, with a representative from each of the Dominions to decide affairs of the Commonwealth. Would you like to see such a Council formed, or should we continue as at present?" The results of the poll were as follows:

Want Council 54%

No Council 26%

Undecided 20%

The figures were also broken down as follows:

	<i>Que.</i>	<i>Ont.</i>	<i>National except Que.</i>
For Council	41%	54%	57%
Against Council	32%	29%	25%
Undecided	27%	17%	18%

It should be noted that the wording of this question was not very specific and the poll was not preceded by any general discussion of the proposal in the press.

Your own comments in paragraph 4 of your despatch are interesting. It is undoubtedly in the light of the recent trend towards concentration of power in the hands of the four large countries that thought in Australia and in other parts of the Commonwealth has turned towards such ideas Mr. Curtin's.

Canada, like the other Dominions, is on occasions able to place her views before the Great powers through the United Kingdom. This advantage, which is not possessed by other small powers, may prove to be of considerable importance in a world largely controlled by big countries. If, however, the Commonwealth should try to speak with one voice as a single great power, the Dominions might forfeit the right to take their places also as independent entities in world councils.

An important question in connection with Mr. Curtin's proposals is whether a purely consultative council would serve any useful purpose. Your experiences at Geneva with Commonwealth consultation is *[sic]* very much relevant to this discussion. The fact that, as you point out, agreement at Commonwealth meetings was frequently neither possible nor desirable, indicates that anything in the nature of an executive council for the Commonwealth would provoke discord rather than harmony. On the other hand, informative and consultative meetings at which representatives of Commonwealth countries explain their policies to each other might serve a useful purpose.

I should be interested in having your assessment, in retrospect, of the value of the Commonwealth consultation which took place at Geneva. Did it prove useful? Did it arouse suspicion on the part of other countries? Did it develop any techniques which might usefully be applied or developed in the future?

Yours sincerely,

N. A. ROBERTSON

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*Le haut commissaire en Nouvelle-Zélande au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in New Zealand to
Secretary of State for External Affairs*

No. 428

Wellington, December 24, 1943

CONFIDENTIAL

Sir,

With reference to my despatch No. 269 of October 20th[†] and to the Under-Secretary's letter of November 19th, the joint Four-Power Declaration at Moscow⁷ announcing the proposed setting up of a general international organisation for peace and security should help to clarify the situation to a considerable extent regarding Commonwealth consultation. The importance and value of an "Empire Council" as proposed by Mr. Curtin naturally depends to a considerable extent upon the world situation. From now until the general international organization is set up British Commonwealth consultation either as at present carried on or as contemplated by Mr. Curtin would seem to be of greater importance than when the peace settlement has been concluded. For once the general international organization is established and takes over the powers regarding peace and security now being exercised by the Big Four, Commonwealth consultation of the close and intimate character required under present conditions would not seem to be as important and would require to be of a somewhat different character. The *ad hoc* consultation which was carried on at Geneva by the members of the British Commonwealth delegations in connection with the activities of the League of Nations, while it might have been improved upon, would appear to have been better calculated to meet the requirements of carrying on foreign policy at international levels. In fact the seat of the peace and security organization is bound to become the most important meeting place of the representatives of the British Commonwealth, much more than any of the capitals of its respective members, even London. It will be evident that once a world organization is set up for maintaining peace and security, if it is taken seriously foreign policy should be determined by it and settled through it. Unless this is done the new organization will go the way of the old.

2. Probably the most satisfactory way to answer your questions ("Did Commonwealth consultation prove satisfactory? Did it arouse suspicion? Did it develop any techniques which might usefully be applied or developed in the future?") would be to describe the situation at Geneva as regards group consultation in general and Commonwealth consultation in particular.

3. In considering British Commonwealth consultation at Geneva it is necessary to understand that the British Commonwealth was only one of several groups of states which cooperated among themselves, held meetings of the members of their respective groups, and to a considerable extent may be said to have reached a common policy. Two of the more important of these were purely European, the Scandinavian group and the Little Entente. Other groups were the Latin Americans, the Arab and Moslem states, and, of course, the British Commonwealth. These groupings played a very important part in the election of the non-permanent members of the Council of the League and in advancing their special ideas and interests; and it is a well known fact that most if not all of these groups met from time to time and discussed the policies which they would pursue both in the Assembly and the Council of the League and in the interna-

⁷ Voir les documents 247 et 248.

⁷ See Documents 247 and 248.

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tional conferences which were held from time to time. I have intimate knowledge only of the British Commonwealth group meetings which were held in connection with these international gatherings. As Canadian Advisory Officer for over thirteen years I had a much longer contact with these meetings than any other person. The British Commonwealth group, although from a constitutional standpoint the most closely related, was no more successful in correlating its policy than some of the other groups which I have mentioned.

4. The British Commonwealth representatives who came to Geneva differed very materially in experience and outlook. More than half of them came from the United Kingdom, the most internationally minded of the major Powers. Their delegations almost always included one or more members of the Cabinet and at the Assembly invariably included the Foreign Secretary. These delegates were supported by a large and efficient staff of technical advisers and secretaries, who fully appreciated the importance of matters to be discussed and had come well prepared for such discussions. The Dominion delegations, as was to be expected, were much smaller and usually numbered not more than eight or ten each, including technical advisers and secretaries. The United Kingdom delegation frequently numbered from thirty to forty. Occasionally a Dominion delegation to the Assembly was headed by a Prime Minister, probably one coming on an average every second year. Frequently, however, their representatives were of Cabinet rank or had formerly enjoyed Cabinet rank. Their delegations, however, for the most part were manned by the official representatives of the Dominions in Europe. In view of the expense in time and in money it was very rarely that they were supported by technical advisers from their own countries. The delegates from the United Kingdom were usually men with a world outlook, whereas frequently the delegates from the Dominions were men with little experience outside their own countries, who were largely strangers to international politics. They came with their political horizons limited very largely by their own boundaries and they came with different problems and sympathies. Certain of them, such as those from Canada and South Africa, were alive to minority problems because they had two races within their own countries. Others such as those from New Zealand and Australia were jealous of maintaining unimpaired the security which they had with the United Kingdom, while the Irish Free State sought primarily to maintain and demonstrate its independence, sometimes by holding aloof from the British Commonwealth and sometimes by being cooperative. Most of them came to the League of Nations realizing that their new status as nations was contemporaneous with the establishment of the League, and that the assertion and development of this status had been closely associated with it. All of them were impressed with their position in the League; certain of them looked upon the League as the touchstone of their freedom from subordination and of their equality with the United Kingdom in their relations with other States. The League gave them an opportunity for international contacts and international action. It became for them a testing ground for the application of the fundamental principles of the British Commonwealth.

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5. It soon became known to the other Members of the League that the Dominions exercised the same freedom in voting as other Members and cast their votes with the same independence. Frequently it happened that the Commonwealth delegations voted against one another and sometimes they did so on questions of political importance. At the First Assembly Canada voted for the admission of Armenia to the League although the United Kingdom was opposed to it. At the Third Assembly Canada and the other Dominions supported the Norwegian motion for the intervention of the League in the Greco-Turkish war, although the United Kingdom voted against it. At another Assembly the Canadian and New Zealand delegates introduced an amendment to a report of a sub-committee on the slavery convention, headed by a British delegate, and with the votes of the other Dominions defeated the report and had their amendment inserted in the Convention. At one session of the International Labour Conference, following our instructions the two Australian Government delegates and myself and a colleague representing the Government of Canada voted against a convention on emigration which had the strong support of the United Kingdom and thereby failed to receive the requisite two-thirds majority.

6. While there never was to my knowledge any official arrangement for Commonwealth consultation at Geneva I do not think I am overstating in saying that there was a deliberate and systematic effort on the part of some delegations at least to bring about the correlation of policy. When I became the permanent representative of the Canadian Government at Geneva in 1925 the practice of holding consultations among the Commonwealth delegations was already established. These consultations took the form of informal contacts between the members of the Commonwealth delegations, of meetings of the heads of delegations and more commonly of fairly regular meetings of the whole delegations or at least of their more important members as well as of meetings of delegates or their advisers who were interested in particular questions. With the exception of the International Labour Conference group consultations were held in connection with most of the gatherings held under the auspices of the League Assemblies, Conferences and the more important Commissions. An attempt was made to include the International Labour Organization, but after a meeting in London and one in Geneva it was seen that the questions dealt with and the questionnaire method used by the International Labour Organization did not lend themselves to profitable Commonwealth consultation. Group meetings were usually called by the United Kingdom delegation, though not invariably so, as occasionally other delegations called meetings. The presiding officer was almost invariably from among the members of the delegation convening the meeting. I recall having called a meeting at the request of the South African and Irish Free State delegations to the Red Cross and Prisoners of War Conferences. The United Kingdom delegate who at that time was the Ambassador to Berlin was quite unaccustomed to Commonwealth procedure and he had on one or two occasions in the Conference spoken on behalf of the British Commonwealth of Nations, without even consulting us. This was considered such a breach of Commonwealth procedure that we could not permit it to pass unchallenged. The meeting in my office, at which I pre-

sided, was called for the purpose of informing the United Kingdom delegate and did so inform him that he was unfamiliar with the established procedure under which he could speak only in the name of his own delegation. Minutes of the proceedings of these meetings were taken only rarely as it was felt that delegates should be free to express their own views without any record being kept.

7. These meetings were of different kinds and for different purposes. Sometimes they were solely for the giving of information as to the difficulties which certain questions before the Assembly or Conference presented to a particular delegation, or as to the progress being made in delegates' negotiations with foreign Governments. Frequently they were for consultation as to what was the best attitude to take under these circumstances, or even for the drafting of proposals which would give the largest measure of satisfaction to all the delegates and which might be put forward in the name of one of the delegations. Then again they might deal largely with important questions of the procedure which it would be most advisable for Commonwealth members in the Bureau of the Assembly or Conference to advocate or support. The permanent representatives accredited to the League played an important role in helping to maintain cooperation in their respective groups. More than two-thirds of the Members of the League had such representatives in Geneva. They were accredited to the League of Nations and many of them to the International Labour Organization as well. The Scandinavian countries had very able representatives, as also had the Little Entente. The Latin American countries were also very well represented. These representatives not only worked within their group but also kept in touch both informally and formally with the other permanent representatives. As you know until my transfer to Washington in 1937 I had the honour of being the Dean of the Diplomatic Corps and presided regularly over their official deliberations.

8. It may be of interest therefore for me to describe in more detail the part that the permanent representatives of the Dominions played in the correlation of Commonwealth policy. Three Dominions, viz. the Irish Free State, the Union of South Africa, and Canada, had duly accredited representatives to the League of Nations and the International Labour Office. The Irish Free State appointed its permanent representative in 1923, Canada in December 1924 and South Africa in 1929. The functions of these permanent representatives on the whole differed little from those of diplomatic representatives accredited to the heads of states, except that more of their time was taken up with representation at Assemblies, international conferences, commissions and so forth. Because of their permanency in Geneva these officials played a very considerable part in bringing about cooperation between the Commonwealth delegations. The fact that we had attended scores of group meetings was of great assistance in explaining to delegates coming to Geneva for the first time the possibilities and the desirability of cooperation. Through the British Foreign Office officials who came regularly to Geneva, as well as the more or less permanent officials of the other two Dominions who resided in London, we were able to keep in close touch with one another's foreign policy, to explain these respective policies and to keep our

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Governments informed of the position taken by the other Dominions and the United Kingdom in matters coming before the League. In addition, the commentary which I, as Canadian Advisory Officer, prepared on the items of the agenda of the Assembly each year was intended to give to the Canadian Government not only assistance in drafting its instructions but also a discussion of the questions in such a way that if pre-Assembly consultation with the other Members of the Commonwealth seemed necessary it might have afforded a basis for such discussion.

9. From the above it will be evident that in my opinion Commonwealth consultation did prove useful. It brought more or less like-minded delegates together, and by furnishing them with necessary information frequently provided a factual background of the general setting of the Assembly or conference which was invaluable for effective participation in the work of the session. When a new situation developed it afforded delegates an opportunity to take decisions with more of the relevant facts before them, thus making reasonable and necessary compromises possible. I have already pointed out that on occasion the members of the Commonwealth have opposed one another with regard to certain proposals and have voted against one another, but on the whole they were able to reach a large measure of unanimity. This was no doubt the result to a considerable extent of the desire for cooperation which characterised the work of the Commonwealth delegations at Geneva.

10. It aroused little suspicion, no more than consultation among the members of the other groups, and certainly not enough to have any adverse effect on the work of the League. Commonwealth cooperation at Geneva might have been improved. Negative and blocking tactics often received more enthusiastic support than constructive and creative activities. Permanent representation and *ad hoc* representation could have been more effective. As regards the permanent representation, while there was no organized operation among the three permanent representatives of Commonwealth countries they were in such close personal touch that organization was unnecessary. Cooperation would have been furthered if all the Dominions had had permanent representatives. Both Australia and India had considered the question of appointing representatives and the reports were favourable, but financial and political difficulties stood in the way of accomplishment. Another weakness was that the methods of procedure at the group meetings were apt to change from year to year depending somewhat upon the political complexion of the Governments in office and the attitude of the head delegates of the various delegations. The ideal would have been full participation by all the delegations on all important matters. For various reasons this was not always obtainable. It was sometimes suggested, and with some reason, that the various meetings were too much devoted to the giving of information and the seeking of approval of proposals put forward by the senior member rather than to proposals arrived at jointly after consultation which might then have been put forward by any Member of the Commonwealth with at least the tacit approval of the other Members. Commonwealth cooperation nevertheless was on the whole successful and useful.

11. It did develop certain techniques. Meetings could be called at the instance of any delegation desiring them. The first delegate of the "calling" delegation usually presided. Minutes of the discussions, except for the first meeting or two I attended, were never taken. It is quite possible that certain delegates may have kept a record of the proceedings of some of these meetings dictated from memory. These meetings were convened for various purposes, the commonest being for the exchange of information with regard to instructions and to learn of contemplated proposals, particularly at the opening of a session; to assist one another to obtain a clearer idea of the attitude of foreign Governments; and to exchange information on how we were likely to vote on proposals coming before the Assembly, Conference or Commission. In fact Commonwealth consultation at Geneva was able on the one hand to convince the delegates who came to Geneva that the seven Commonwealth votes were not controlled by any one member and on the other hand it was able to achieve a surprising amount of unanimity on most matters of vital importance.

12. The memberships of the general international organization according to the Moscow Declaration is to be based upon the sovereign equality of all peace-loving states. The recognition of "sovereign equality" would seem to render unnecessary the Commonwealth trying to "speak with one voice as a single great power". It will not lessen, however, the need for group consultation. If an international peace and security organization is to operate on the basis of sovereign equality, unanimity or near unanimity will be necessary for action. Experience at Geneva I believe has shown, contrary to some ill-informed critics, that the achievement of this result was appreciably advanced by Commonwealth and group consultation.

I have etc.

W. A. RIDDELL

PARTIE 2/PART 2

AVENIR DES COLONIES ET DE L'INDE
FUTURE OF THE COLONIES AND INDIA

822.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 120

London, March 4, 1942

IMMEDIATE. MOST SECRET. Following for the Prime Minister, Begins: My immediately following telegram contains text of a statement on India which will be made on behalf of the Government here in the course of the next few days.

The proposals are put forward not as bargaining points but as a final and definite scheme for ending present deadlock and for implementing policy already declared.

FOR - COOPERATION

I trust you will find no difficulty in statement from your point of view.

You will appreciate the need for complete secrecy before announcement is made. Ends.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 121

London, March 4, 1942

IMMEDIATE. MOST SECRET. My immediately preceding telegram. Following is text of statement, Begins: His Majesty's Government having considered anxieties expressed in this country and in India as to fulfilment of promises made in regard to the future of India, have decided to lay down in precise and clear terms the steps which they propose shall be taken for earliest possible realization of self-government in India. The object is the creation of new Indian Union which shall constitute a Dominion associated with the United Kingdom and other Dominions by a common allegiance to the Crown, but equal to them in every respect, in no way subordinate in any aspect of its domestic or external affairs and free to remain in or to separate itself from equal partnership of British Commonwealth of Nations.

His Majesty's Government therefore make the following declaration:

(a) Immediately upon cessation of hostilities, steps shall be taken to set up in India, in manner described hereafter, an elected body charged with the task of framing a new Constitution for India.

(b) Provision shall be made as set out below for participation of Indian States in Constitution-making body.

(c) His Majesty's Government undertake to accept and implement forthwith Constitution so framed, subject only to:

(1) The right of any province of British India that is not prepared to accept new Constitution to retain for the time being its present Constitutional position, provision being made for its subsequent accession if it so decides.

With such non-acceding provinces, should they so desire, His Majesty's Government will be prepared to agree upon a new Constitution on lines analogous to those here laid down.

(2) The signing of a treaty which shall be negotiated between His Majesty's Government and Constitution-making body covering all necessary matters relating to complete transfer of responsibility from British to Indian hands.

Whether or not an Indian State elects to adhere to Constitution it will be necessary to negotiate a revision of its treaty arrangements so far as this may be required in the new situation.

(d) The Constitution-making body shall be composed as follows, unless the leaders of Indian opinion in principal communities agree upon some other form before the end of hostilities:

Immediately upon the result being known of Provincial elections, which will be necessary at the end of hostilities, the entire membership of the Lower Houses of the Provincial Legislatures shall as a single Electoral College proceed to election of Constitution-making body by system of proportional representation. This new body shall be in number about one-tenth of the number of Electoral College.

Indian States shall be invited to appoint representatives in the same proportion to their total population as in the case of the representatives of British India as a whole and with the same powers as British Indian members.

(e) While during critical period which now faces India and until the new Constitution can be framed, His Majesty's Government must inevitably bear the full responsibility for India's defence, they desire and invite immediate and effective participation of leaders of the principal sections of the Indian people in the counsels of their country to give their active and constructive help in discharge of a task so vital and essential for the future freedom of India.

Text ends.

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Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 73.

Ottawa, March 6, 1942

MOST IMMEDIATE. SECRET. Your circular telegrams No. 120 and 121. Following from Prime Minister for your Prime Minister, Begins: The Canadian Government heartily welcomes the statement of policy laying down the steps it is proposed to take for the earliest possible realization of complete self-government in India⁸. We attach the highest importance to its early issue and believe it is in the interest of all the United Nations that the utmost expedition should be exercised in promulgating the new programme. We believe that a fully self-governing India has a great part to play in free and equal association with the other nations of the British Commonwealth and that a free India, fighting alongside the other free peoples of the world, will strengthen immeasurably the common cause. We have had under consideration, from time to time, advisability of exchanging representatives with the Government of India and would be glad to make an early appointment of a High Commissioner for Canada in India if it was thought that such action on our part would help to signalize India's emergence as an equal member of the Commonwealth. Ends.

⁸ Voir le document 49.

⁸ See Document 49.

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Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 74

Ottawa, March 6, 1942

CONFIDENTIAL. PERSONAL. Following for your Prime Minister from Mr. Mackenzie King, Begins: Personal and Confidential. Your telegram No. 120 re self-government India, and my reply today.

His Excellency Dr. T. V. Soong, Chinese Foreign Minister, at present residing at Washington, visited Canada within the last few days. One of his sisters, as you doubtless know, is the wife of Generalissimo Chiang Kai-shek. Soong told me that in a communication which he had received direct from Chiang Kai-shek since his interviews in India, Chiang Kai-shek had stated that he doubted if Britain could count on the necessary support in India to save situation there unless immediate action were taken to insure to India full Dominion status. He said Chiang Kai-shek himself felt that the alleged difficulties which might arise between Mohammedans and Hindus had been greatly exaggerated. Chiang had done all he could to convince leaders that their interests like those of himself and the people of China lay in giving British all possible support but was convinced that unless self-government problems could be met immediately, this would not be forthcoming to the extent necessary to save existing situation which he regards as extremely precarious. You no doubt have this information which Soong has communicated to United States Government and possibly also to British Ambassador. I have felt, however, that you might like to know that I felt much impressed by what Soong said to me and that all my colleagues in the government are very strongly of view that no time should be lost in accepting and making known the proposals set forth in your telegram. Ends.

826.

DEA/140-39

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 58

London, March 8, 1942

MOST SECRET AND PERSONAL. Following from Prime Minister for Mr. Mackenzie King. Most Secret and Personal. Your telegram No. 74. Matter is far more complicated than it appears. See especially summaries of telegrams from Commander-in-Chief and Viceroy in my immediately following telegram. There is no difference between us on policy of declaration but question of timing is greatly affected by our defeats in the East and imminent fall of Rangoon.

2. For your information Chiang was blissfully ignorant about Indian affairs and seemed to think that Gandhi and Nehru were the only people who mattered in India.

3. In my opinion proposals will certainly be rejected by Congress and become the starting point for new demands.

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 134

London, March 10, 1942

IMMEDIATE. MOST SECRET AND PERSONAL. Following for your Prime Minister, Begins: Since issue of my telegram of March 4th, Circular D. 120, regarding proposed Declaration of Policy as to India we have considered matter further. Having regard to the military situation, the complications of Indian problem, and possible repercussions of an announcement of a constitutional plan for India at the present time, we have decided it would be unwise to publish Declaration of Policy without having taken soundings as to the kind of responses which it will evoke. We have therefore decided to send Sir Stafford Cripps to India as a Special Emissary of the War Cabinet to seek agreement of Indian leaders on basis of Declaration which remains agreed policy of His Majesty's Government in the United Kingdom.

In the circumstances, the Prime Minister will on Thursday announce our decision to send out Sir Stafford Cripps for the purpose indicated.

It is in the circumstances of special importance that strict secrecy should be preserved as regards terms of Declaration of Policy which we had proposed to make, and I am sure I can rely upon you to help in this. I might add in any case we had revised text of Declaration in certain details. The revised text, which will form basis of Sir Stafford Cripps's instructions will be telegraphed you very shortly. Ends.

828.

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Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 79

Ottawa, March 15, 1942

PRIVATE AND PERSONAL. Strictly private and personal. Following for Mr. Churchill from Mr. Mackenzie King, Begins: I have been giving much thought to the situation in India. It occurs to me that it might be of assistance to the Government of the United Kingdom and to the success of Cripps' mission were Cripps to be fortified by an expression from each of the self-governing Dominions of their readiness to co-operate at the time of peace negotiations in insuring immediate recognition of India's status as one of equality with the other self-governing parts of the British Commonwealth of Nations. This I should think could be arranged by communication with the Dominion Premiers in a manner which would avoid necessity of any public discussion or debate. As evidence of readiness of Dominions to accord recognition of Dominion status to India in so far as that may be possible while war is in progress, an exchange of High Commissioners between the Dominions and India might be immediately ar-

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ranged. Having regard to the evolution of self-government in Canada and the position taken by Canada in peace negotiations after the last war, and at subsequent Imperial Conferences with respect to equality of status of all self-governing parts of the British Commonwealth, it might well be that strong assurances to India on the part of Canada as to helpful role we would be prepared to take on her behalf, might not be without some real effect at this time. Without ascertaining, in the first instance, the views and wishes of yourself and Amery, I naturally hesitate to make an official move of any kind. If, however, the War Committee of the Cabinet of the United Kingdom felt that an association of the self-governing Dominions with the Government of Great Britain in Cripps' present mission to India would be at all helpful, I should like you to know that my colleagues and I would be ready to lend any good offices that may be within our power. I feel quite sure that Smuts, Curtin and Fraser would be equally ready to give assurances on parallel lines.

I have thought it best to communicate direct with you in this personal and confidential manner before discussing the suggestion with anyone, even Amery. I should be obliged, however, if you would let Amery know of the contents of this communication which I would like to have regarded as intended equally for him.

I should perhaps add that when Dr. Soong was in Ottawa, I told him that he could feel wholly assured that the Dominions and, in particular, Canada were wholly sympathetic with India's desire for self-government, and that their influence to that end might be relied upon in conferences immediately succeeding the termination of the war. I have no doubt that this word has been passed on by Soong to Chiang Kai-shek. Ends.

829.

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Le Premier ministre au ministre des Affaires étrangères de Chine
Prime Minister to Minister for Foreign Affairs of China

PERSONAL

Ottawa, March 16, 1942

As mentioned to you over the long distance phone yesterday, I was more than pleased to receive your exceedingly kind letter of the 3rd instant¹. It was a very great pleasure to me to make the acquaintance of Mrs. Soong and yourself, and particularly to have the opportunity of the confidential talk with you which we had together at the time of your visit. I am glad, indeed, to know that the visit itself has left to the members of your party and yourself, the happy memories of which you speak in your letter.

As I said to you in conversation and repeated again yesterday over the phone, I am most anxious that Canada's influence should be exerted to the full — as indeed is the wish of the Canadian people — in helping to meet some of the appalling situations with which the united nations are faced at the present time. As Canada was the first of the Dominions within the British Empire to win complete self-government, it has seemed to me that an assurance by Canada of

her readiness to assist in obtaining for India, equality of status with other of the self-governing dominions of the British Commonwealth might be of real assistance in the situation at present existing in India.

I recall with [*sic*] interest with which you looked at the proclamation which placed a reward on the head of my grandfather William Lyon Mackenzie, at the time he was the leader, in Canada, in the struggle for responsible government. Being a grandson of Mackenzie, and occupying the position which I have for some years past, it has seemed to me that the leaders in India might have reason to feel that Canada's interest in their cause would be a very real one, and that any assurance given in the name of Canada would be honoured to the letter.

You may recall my saying to you that I thought the appointment of Mr. [*sic*] Cripps as leader of the House of Commons in Britain was because of his known democratic sympathies, and that I believed it was immediately related to the situation in India. The decision of Mr. Cripps himself to go to India had not, so far as I am aware, been made at that time. It has seemed to me that if Mr. Nehru and Mr. Gandhi had reason to know that any representations Mr. Cripps might make on behalf of the British Government would be backed up to the letter by Canada, it might be helpful all around. Personally, I have no doubt that it would be possible to have like assurances from the Prime Ministers of the other self-governing dominions: Australia, New Zealand, and South Africa.

While the matter of self-government within the British Commonwealth of Nations is a matter primarily for the several governments of the Commonwealth, I have no doubt that our friend Mr. Roosevelt would also be prepared to lend the good offices of the United States toward helping to assure the implementation of any undertakings which might be given by the Government of Great Britain to India at the present time.

I see, of course, great difficulties in the way of arranging any conferences, representative of all the nations of the British Commonwealth, or of the united nations while the war itself is in progress. I see, however, no reason why undertakings might not be given immediately which, with assurances on the part of the self-governing dominions and the United States, would then be as certain of fulfilment immediately upon the termination of the war as if they were put into effect today. Moreover, I doubt if, in the long run, it would further the interests of self-government in India to attempt to bring a new Constitution into being at a time of actual war.

By chance, a night or two ago, I happened to come across a little pamphlet in reference to myself which was issued in the course of the last general elections in March, 1940. Since that time, it has occurred to me that some of the biographical material it contains might be of interest to you and, indeed, of possible interest to His Excellency Generalissimo Chiang Kai-shek and possibly also to Nehru. It helps to throw light on the extent to which I might be expected to take a special interest in the movement for self-government on the part of India, and also on the authority which might attach to any promise which might be made to India, in my name, on behalf of Canada. Perhaps, in the circumstances, you will excuse me if I venture to enclose one or two copies to be retained or to be used by yourself in any way you may think might be of service.

This letter is, of course, entirely personal and wholly unofficial. It has seemed to me that before attempting anything of an official nature, it would be preferable to write you in this personal way. You will know better than I what value to attach to any of the suggestions or ideas the letter contains. I need scarcely add that this letter, like my message to you over the phone, is being written wholly at my own instance, and without suggestion from any source. Should you wish to acquaint Mr. Lauchlin Currie with its contents, I, of course, would be only too pleased to have you do so.

[W. L. MACKENZIE KING]

830.

W.L.M.K./Vol.322

*Le Premier ministre à l'adjoint administratif
du Président des États-Unis*

*Prime Minister to Administrative Assistant
to President of United States*

Ottawa, March 16, 1942

Dear Mr. Currie,

I thank you most warmly for your kind letter of the 6th instant.[†] I am indeed pleased to know that the recent visit to Ottawa of our Chinese friends, and Mrs. Currie and yourself, has left the many happy memories it has.

I very much enjoyed the talk we had together, and only wish that it might have been of longer duration.

General McNaughton was delighted with the interview which he had with the President. His talks with members of the different staffs were also of the greatest value to him, and indeed I think, I may well say, to all of us. I am deeply obliged to you for your thoughtful initiation of this exceptional and helpful step.

I have tonight been writing a letter to Dr. Soong which he may show to you. It contains the suggestion that assurances to be given by Canada, and other of the self-governing dominions, of their readiness to see that any undertakings for complete self-government by India given by Cripps on behalf of the British government, are fully implemented, might be of assistance in the present difficult situation. I have no doubt too that President Roosevelt will be equally prepared to have the United States lend its good offices toward having the leaders in India believe that its influence, as well as that of other of the United Nations, would be exerted to see that whatever the undertakings might be given, will be fulfilled to the utmost and without delay. I can see wherein it is going to be almost impossible for any final settlement to be made while the war is in progress. There is no reason, however, why a comprehensive undertaking should not be immediately given, together with sufficient in the way of assurances on the part of the self-governing dominions in the Commonwealth, and of

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other nations, to place its immediate implementation, once the war is ended, beyond all shadow of doubt.

With kindest remembrances and regards to Mrs. Currie and yourself,

Yours very sincerely,

[W. L. MACKENZIE KING]

831.

W.L.M.K./Vol. 321

Le secrétaire d'État pour l'Inde et la Birmanie au Premier ministre

Secretary of State for India and Burma to Prime Minister

London, March 17, 1942

My dear Mackenzie King,

The Prime Minister has just shown me your most generous and helpful telegram about India, as well as his reply.⁹ It is of course perfectly true, as he points out, that the problem is one of immense difficulty, that Congress has committed itself to extreme policies, and that we cannot afford any immediate settlement which would shake the loyalty of the Army or interfere with recruiting. For all these reasons it would no doubt be as well that you should stay your hand, so far as any public declaration goes, until we know how far the Cripps Mission has succeeded or failed.

Personally, I fear that the latter is the more probable alternative, and that the bulk at any rate of Congress will reject our policy because it does not give Indian political leaders the immediate control of the conduct of the war. The practical objections to that are obvious, but there is the equally serious political objection that by this the Congress leaders mean control for themselves and the opportunity to shape the future of India to their liking, regardless of the wishes of the minorities or of the Princes. That is why even a moderately extensive degree of co-operation in the present Government of India is only possible if Cripps can bring about some measure of agreement on the future.

By "failure" I mean, of course, immediate failure to bring about an agreement between Indians and the immediate co-operation of the political parties. That need not be altogether failure from the long-term point of view. For two years I have been trying to tell Indians that if they want a free and united India they must shape it themselves by agreement, just as every Dominion has framed its own constitution; that the suggestion that they cannot agree and must therefore have a constitution imposed by us which they can then all criticise, is evidence of a real unreadiness to shoulder the responsibility of freedom. Now Cripps is going to bring this home to them in even more direct fashion and make it clear, I hope for good and all, that if they cannot agree they are not going to secure what they want by belabouring the British Government. From that point of view Cripps' Mission, even if it fails in its immediate object, may help to pave the way for Indian agreement a little later on.

⁹ Voir le document suivant.

⁹ See following document.

Meanwhile, I do feel that, agreement or no agreement, the interest that would be shown in India and the recognition of India's status implied in an exchange of High Commissioners between India and Canada, would be of the very greatest help with a sensitive people like that of India, and I hope to take up that suggestion of yours with the Viceroy without delay.

Similarly, no doubt, when the peace negotiations come in sight, a lead from the senior Dominion in welcoming the Indian delegates to the Peace Conference as in the fullest sense equals, would be immensely helpful. By then, whatever happens to Cripps' Mission, the political situation may have ripened further and it may become possible for India to be represented at the Peace Conference by men representative, not merely of the official Government of India, but of the main elements in her political life.

Once again, let me express my warm appreciation of your generous initiative, which I am sure will bear useful fruit.

Yours ever,

L. S. AMERY

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 63

London, March 18, 1942

SECRET AND PERSONAL. Following from Mr. Churchill for Mr. Mackenzie King, Begins: Personal and Secret also Private. Your telegram No. 79.¹⁰ Question which has to be solved is not one between British Government and India, but between different sects or nations in India itself. We have resigned ourselves to fighting our utmost to defend India in order if successful to be turned out. Congress have hitherto definitely refused Dominion status. Moslems, a hundred millions, declare they will insist upon Pakistan, i.e. a sort of Ulster in the north. We have our treaties which must be respected with Princes in India, over ninety million. There are forty million Hindu Untouchables to whom we have obligations. These are the grim issues which Cripps is valiantly trying to settle. There can be no question of our handing over control during the war. This would break up the Indian Army, eighty-five per cent of which cares nothing for Congress and is loyal only to the King-Emperor. It would render the defence of India impossible. I should strongly recommend your awaiting developments till we see how the Cripps' mission goes. I have shown your telegram to Amery. Ends.

¹⁰ Document 828. --

833.

W.L.M.K./Vol. 335

Le ministre des Affaires étrangères de Chine au Premier ministre
Minister for Foreign Affairs of China to Prime Minister

PERSONAL

Washington, March 24, 1942

Dear Prime Minister,

Thank you so much for your letter of the 16th, which reminds me once again of the friendly intimacy with which you have honored me since meeting you in Ottawa. It is indeed China's good fortune that we have in you an ally who is so far-seeing, and is even now giving thought to the difficult problems of peace, which in their way are perhaps even more difficult of solution than the immediate military situation.

As I told you over the telephone last night, General Chiang Kai-shek is greatly encouraged by your warm interest in the prompt and satisfactory solution of the Indian problem, and he has passed on your message to his Indian friends, who are all most appreciative. Now that Cripps has arrived in India, it is the Generalissimo's belief that, after having shown the Indians where your sympathies lie, the next move would be to await the outcome of Cripps' conversations.

Should these conversations unfortunately break down, he hopes that you will then take the initiative and call for an immediate conference of the various members of the Empire to settle the Indian problem. While recognizing that it is primarily a question for the various members of the British Empire, he would be glad to be associated with you and to lend his assistance in any way that is required of him. I have no doubt that our mutual friend, President Roosevelt, would also be more than glad to lend a helping hand, so that in the titanic struggle in which we are engaged, the issue between us and the Axis powers would be clearly defined, our side representing the hope and future of all mankind.

I am delighted to receive the copies of the little pamphlet issued during the General Elections of March, 1940. While much of what it relates is already known to me, I am sending it on to the Generalissimo and to Nehru, who would be interested to know the background of the friend who is destined to play a common role with them.

I am having the Australian Minister for External Affairs, Mr. Evatt, and his wife to dinner tonight, together with Mr. and Mrs. Felix Frankfurter. I shall certainly pass on to Mr. Evatt your warm message of greetings and your hope that he can visit Canada very soon.

With kindest regards, in which my wife joins me,

Yours sincerely,

T. V. SOONG

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Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 538

London, December 11, 1942

MOST SECRET. Following for Prime Minister from Prime Minister, Begins: We have for some time past had under consideration the question how to deal with the considerable volume of criticism which is heard from time to time regarding British Colonial policy. Recent events in America — for example Mr. Luce's article in *Life* and Mr. Wendell Willkie's recent speeches, have raised the question in an acute form. It is clear that there is a widespread and rooted feeling in the United States which regards the British Colonial Empire as equivalent to the private estate of a landlord preserved for his own benefit. Clearly this view is unreasonable but it is no use ignoring its existence. Moreover, we must, if we can, endeavour to get the United States to express their willingness to enter some general defence scheme which would include the defence of Colonial areas. Their assistance however will not be forthcoming unless we can secure their general goodwill. With this in view it is essential that we should act now to convince United States opinion that our Colonial policy is not a danger and an anachronism as certain quarters in that country are inclined to regard it.

Some time ago His Majesty's Ambassador at Washington had a discussion with the United States Secretary of State on this matter. Mr. Hull referred to the question how the statements of the Atlantic Charter¹¹ could best be utilised to guide opinion wisely in relation to backward peoples of differing grades and capacities, and said that his idea was to get some general statement in which we might all assert broad purposes, making plain that attainment of freedom involved mutual responsibility of what he called "Parent States" and of those who aspired to it. He was prepared to include a very clear expression against officious intervention from outside with affairs which were responsibility of Parent State and said that wide variety of the problem could be appropriately stressed.

It appears to us that Mr. Hull's suggestion affords a valuable basis for further action and we have been considering, in consultation with General Smuts, during his visit to London, what would be most convenient course.

It seems to us that as a first step it would be desirable that we should endeavour to remove the misconceptions about British Colonial policy which are prevalent in the United States and elsewhere. We should explain that principles on which our Colonial policy has been founded, how within our resources we have consistently applied liberal ideas in social, economic and political sphere for the benefit of the peoples concerned, and how our administration of backward territories has never meant that others have been deprived of free access to

¹¹ Voir le volume 7, document 327.

¹¹ See Volume 7, Document 327.

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their resources. Lord Cranborne's recent speech in the House of Lords¹² was therefore designed with this object in view.

It is clearly important that we should encourage the United States to look outwards rather than inwards and to be a World Power rather than a Hemispheric Power. For this purpose we should do well not to resent but rather to welcome American interest in the British Colonial Empire and there would be advantages in so arranging our affairs that the United States joins in public acceptance of a line of policy towards Colonial peoples and their development.

As a next step, therefore, we should propose to follow up suggestion thrown out by Mr. Hull and propose a joint declaration (to which other Colonial Powers might possibly subscribe) on the general Colonial question. Such a document, if participated in by the United States Government, should do much to damp down the restless irresponsible and ignorant criticism which has been prevalent in America and help dispel the illusion that this is an Anglo-American question, whereas it is of course of equal concern to all Powers with overseas possessions. It would not of course constitute informal commitment on the part of the United States to join in a general defence scheme for Colonial areas, but it would certainly be a step towards to [*sic*] acceptance of obligations for defence.

We are greatly attracted by Mr. Hull's conception of "Parent States" and something on the lines of his remarks on that point would be an essential basis of the declaration. With this in mind as a basis, the line which we should like to see such a declaration take would be as follows:

- (1) First aim of United Nations is to defeat present aggression and render future aggression impossible.
- (2) This aim requires for its successful achievement the establishment of conditions under which security and prosperity can be assured to all nations. Since it is evident that there are certain peoples whose social equipment and resources are not yet such as to enable them to achieve these ends by themselves, it will be a clear responsibility of all Parent States to enter into general defence schemes designed to ensure freedom from fear for all peoples.
- (3) The Parent States must aim to promote the social, economic and political well-being of peoples who are unable without danger to themselves and to others to assume full responsibility for their affairs. Defence having been assured, the Parent States with their special qualifications for the task must accept the duty of guiding and developing the social and political institutions of the territories with which they are concerned, that their peoples may in due course be able to discharge the other responsibilities of Government.
- (4) By this combination of defence and orderly development the Parent States will fulfil their responsibilities to those peoples and enable them to enjoy rising standards of life and to continue their advance along the path of progress. In pursuance of this policy the natural resources of Colonial territories will be

¹² Voir Grande-Bretagne, Chambre des Lords, *Debates*, cinquième série, volume 125, colonnes 401-16.

¹² See Great Britain, House of Lords, *Debates*, Fifth Series, Volume 125, columns 401-16.

FROM PROCEEDINGS

organized and marketed not for the promotion merely of commercial ends, but in the best interests of the peoples concerned and of the world as a whole.

We should propose that His Majesty's Ambassador should, in the first place, sound Mr. Hull on the above list of points as the basis for a declaration. If Mr. Hull agrees that a declaration on these lines would be in accordance with his views, His Majesty's Ambassador would then explain to him that we think that practical application of these principles would need to be discussed and agreed as soon as the declaration had been published and inform him that our present line of thought is:

(a) That necessary practical measures would take the form of machinery for consultation and collaboration between Parent States with the aim of ensuring a common policy in those regions of the world in which they have interests as Parent States. For this purpose Regional Commissions composed of representatives of such States should be constituted. Provision should also be made for the representation of nations which have a major defence or economic interest in the regions concerned. Such regions might be, first the Far East, secondly Africa, and thirdly the West Atlantic, and any others which at a later stage may seem appropriate.

(b) That within this framework and subject to the principles laid down in paragraphs (2) and (3) of the joint declaration responsibility for administration of its own territories would rest with the individual Parent State concerned.

Should be glad to learn as soon as possible whether you have any comments or suggestions to make regarding the above proposals. You will appreciate that we are very anxious to proceed with the matter with the least possible delay. Ends.

835.

DEA/180s

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 3074

London, December 12, 1942

MOST SECRET. Following for the Prime Minister, Begins: Dominions Office telegram Circular D. 538 of December 11th. Informal discussion on proposed declaration referred to in this wire took place yesterday at Dominions Office and certain observations were made which would seem worthy of consideration. It was suggested that in the outline of proposed declaration the emphasis on defence aspect and the language employed in referring to it might lead to misunderstanding in Washington. Secondly it was thought that it would be wiser to make clear to the American Government that it is the intention of the British Government in any event to pursue course with regard to its own Colonies outlined in paragraph 3, and that this is in no way conditional. It was also

suggested that status, functions, and membership of Regional Commissions referred to in (a) should be more clearly defined.

The document was drawn up by a Committee composed of Attlee, Cranborne and Eden but it has full concurrence and approval of Oliver Stanley who has just succeeded Cranborne. Stanley has emphasised the importance of speedy action in connection with proposals which are to be submitted to the United States Government. The matter has now been under consideration for a good many months and he is most anxious to have the proposal placed before the Secretary of State as soon as possible lest something might happen to change atmosphere in Washington which, when the subject was last raised by Mr. Hull, was very favourable to something along lines of draft declaration which is now proposed. Government here would therefore much appreciate the views of Canadian Government as soon as it is possible for you to give the matter consideration. Ends.

MASSEY

836.

DEA/180s

*Mé morandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

[Ottawa,] December 14, 1942

I submit some hasty and perhaps immature observations on Dominions Office Circular D. 538 of December 11th concerning projected discussions with the United States on future Colonial policy. This telegram asks rather urgently for an early reply and the anxiety of the United Kingdom Government to proceed without delay is emphasized also in Mr. Massey's telegram on the same subject, No. 3074 of December 12th.

1. I agree that it is a matter of considerable importance to deal with the criticism rampant in the United States of British Colonial policy. I agree, also, that much of this criticism is due to ignorance and that a fuller understanding of the purpose and methods of administration, in parts of the Colonial Empire at any rate, should in itself remove many misconceptions in the United States. I agree emphatically with the statement at the top of page 3 of the telegram that it is important that the United States should be encouraged to look outwards rather than inwards and to be a world power rather than a hemispheric power. This should be a dominant concern of all of us and should not merely be confined to consideration of Colonial questions. The suggestion made by Mr. Hull for a joint declaration is too interesting and valuable not to be followed up but I suspect that there will be many difficulties and delays in arriving at an agreed text and I doubt very much whether the United States will agree to a text on the lines indicated on pages 4 and 5 of the telegram.

2. I share the doubts expressed by Mr. Massey over the wisdom of putting defence in the forefront of the proposal submitted to the United States. Not only

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do I think that this idea will be rejected in Washington but I also believe that it is the wrong way to approach the post-war security problem. It is certainly unreasonable to expect a public commitment by the United States to enter into a general defence scheme for the protection of colonies before there has been any discussion of the post-war security system as a whole. It cannot fairly be represented that the dominant purpose of any general scheme in a world constituted like ours will be to allow the peoples incapable of developing in independence to grow up in safety.

3. I have no other objections to make to the four points set out in the telegram as a possible basis for a joint declaration but I think that they should in all probability be supplemented. I understand that you intend to prepare a note on the possibility of including a proposal for the abolition of Colonial preferences as a concrete evidence of British intentions. The Colonial preferences in general tend to be an irritant in the United States and particularly to Mr. Hull, whereas their real value is now open to serious questioning. I am not sure whether something ought not to be said about the operations of the big Colonial trading companies like the United Africa Company and Lever Brothers to which there is a considerable opposition in England itself.

4. It is open to question whether a joint declaration on Colonial policy, even if it won general commendation in the United States, would meet the criticism of British Imperialism unless it is accompanied by some further and satisfactory statement of policy towards India.

5. On page 5 of the telegram a suggestion is made for a regional organization of "parent states" in regional commissions, actual administrative responsibility in each territory being left to the Colonial power. It would seem to be contemplated that the regional commissions would operate along the lines intended for the League Mandates Commission but would be composed only of representatives of the "parent states" interested in the particular regions. There may be a good deal to be said for this idea but it is very difficult to judge its value except in relation to the sort of general international political organization to be set up after the war. A region most ripe for treatment on these principles would be the Caribbean area.

While I was in London I was present at several discussions of Colonial policy. The main purpose often seemed to me to be rather to placate and educate opinion in the United States than to consider Colonial problems on their merits. On one occasion Lord Cranborne, then Secretary of State for the Colonies, was seeking some word to substitute for "colony" on the true ground that was taken in the United States to imply autocratic government in the interests of the mother country. On another occasion Mr. Harold Macmillan, Parliamentary Under-Secretary for the Colonies, who is one of the ablest young ministers, developed a scheme for devolving Colonial responsibility in certain cases from the United Kingdom to Dominion Governments. I told him that I thought Canada was not interested, that we had our own Colonial problems inside our national boundaries, that I doubted whether the inhabitants of the British West Indies would welcome government from Ottawa instead of from London, but that we might be interested in participating in some form of international

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regulation in the Caribbean area with which the United States was associated. I think that he threw out this idea mainly to provoke discussion. He, like Lord Cranborne, was anxious to find some linguistic method of breaking down the sharp distinction between the self-governing and nonself-governing parts of the British Commonwealth. Mr. Richard Law, Parliamentary Under-Secretary for Foreign Affairs, who was also present, criticized Mr. Macmillan's proposals and expressed rather strong views on the desirability of curbing the activities of the big companies operating in the Colonies.

H. W[RONG]

837.

DEA/180s

Mé morandum du bureau du Conseil privé au secrétaire du Cabinet
Memorandum from Privy Council Office to Secretary to the Cabinet

SECRET

[Ottawa,] December 15, 1942

RE: STATEMENT ON BRITISH COLONIAL POLICY

Apparently the main purpose in issuing the statement is to clear up misunderstanding regarding future British policy. A statement along the lines proposed, however, would appear to be largely a justification of British policy in the past, and would indicate no major change in that policy. This would not help matters, since the existing criticism is largely based on past British policy.

Emphasis on the necessity of defence guarantees might be used in the United States by critics of British policy as evidence of a British trick to draw the United States into a guarantee of the British Colonial Empire, unless there is indication, at the same time, of a drastic change in the nature of all Colonial government.

Apparently the regional commissions suggested would have purely advisory functions. Moreover, there is no indication that the commissions would be responsible to a central body. Both of these conditions would make for weakness. What is even more important is the apparent trend toward Great Power supervision. There is no indication that the colonies themselves would be represented on the commissions. Nor is there any indication that nations which at present do not possess colonies would be allowed representation; yet such nations, as neutral third parties, should have valuable contributions to make.

The policy indicated is very disappointing. It appears to be a step backward from the mandate system. As a disinterested third party, Canada is in a good position to make strong representations to the United Kingdom on this matter, pointing out the unsatisfactory nature of the proposals and possibly making counter-suggestions. (In this connection Rasminsky's draft¹³ prepared at Mont Tremblant¹³ might be interesting.)

I think if the matter goes to the War Committee that it might be advisable to do more than report on the telegram from Great Britain. Suggestions regarding a reply could be offered.

J. R. B[ALDWIN]

¹³ Voir le document 839.

¹³ See Document 839.

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PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 16, 1942

BRITISH COLONIAL POLICY

19. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that, to counteract criticism regarding British Colonial policy, the government of the United Kingdom was considering asking the United States to join in a declaration on the general colonial question. Lines such a declaration might follow had been communicated to the Canadian government whose observations were invited.

(Telegram No. D.538, Dominions Office to External Affairs, December 11, 1942).

20. THE WAR COMMITTEE, after discussion, noted the report of the Under-Secretary of State for External Affairs and agreed that decision as to any reply which might be sent be referred to the Prime Minister.

839.

DEA/180s

Le président suppléant, la Commission de contrôle du change étranger,
au sous-secrétaire d'État adjoint aux Affaires extérieures

Alternate Chairman, Foreign Exchange Control Board, to
Assistant Under-Secretary of State for External Affairs

PERSONAL

Ottawa, December 16, 1942

Dear Hume [Wrong],

I am returning herewith the material on colonial policy you sent me yesterday and I enclose a memorandum of my own comments on this material and also the synthesis of views on colonial policy¹⁴ which was reached at the I.P.R. conference at Mont Tremblant.¹⁴

I would like to stress the following points more than I have done in my memorandum:

American suspicions regarding British colonial policy are so widespread that nothing short of a major step will allay them. If the British put up a proposition which is unimaginative and unprogressive, not only will no good be accomplished, but positive harm. For the critics, including the friendly critics, of

¹⁴ Conférence de l'Institut des relations du Pacifique du 4 au 14 décembre.

¹⁴ Conference of the Institute of Pacific Relations, December 4-14.

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British policy will find in such a proposition confirmation of their suspicions and fears.

I feel quite certain in my own mind that the present British proposal is a backward step. It goes no further than the old Mandates Commission; in fact it does not go so far for the Mandates Commission was representative of genuine third-party interest while the British proposal is not. But more important, the emphasis on security would be very broadly interpreted in the United States as an attempt on the part of the British to edge the Americans into underwriting the British Empire without the British even giving real commitments regarding their future colonial policy.

I think that you will find the Mont Tremblant declaration on colonial policy¹⁵ worth reading. Lord Hailey started with a proposal identical with that contained in the British telegram¹⁵ and after being subjected to several days' criticism from most of the rest of the conference he and Captain Gammans, a Conservative M.P. who has lived in Malaya and knows a good deal about colonial policy and administration, finally agreed to the declaration. You will see that it goes very much further than the original proposal and in view of the British acceptance of this at Mont Tremblant it would seem to me worth while putting up to the British Government something along these general lines.

I have in my mind one or two other points which I shall not bother you with now as they would arise only if our Government decided to reply constructively to the British telegram.

Yours sincerely,

L. RASMINSKY

[PIÈCE JOINTE/ENCLOSURE]

Mémoire du président suppléant, la Commission de contrôle du change étranger, au sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Alternate Chairman, Foreign Exchange Control Board, to Assistant Under-Secretary of State for External Affairs

[Ottawa,] December 15, 1942

The following points have occurred to me on examining Mr. Churchill's telegram to Mr. King and Mr. Massey's telegram and your own memorandum:

1. I entirely agree that to place security questions in the forefront at the present time will not meet the purpose which the joint declaration is designed to serve, namely allaying American suspicions of British colonial policy. It is perfectly clear that the American Administration is in no position to give any commitments in this matter. This was so repeatedly stressed by the official group of Americans at Mont Tremblant that there seems little doubt of what the Administration view regarding American public opinion in this matter is. To come forward now with a statement on colonial policy which starts by stressing

¹⁵ Document 834.

HON - CIRCULATING 1

the need for American commitments regarding security would be generally interpreted in the United States as a mark of insincerity regarding the future of British colonial policy itself, and as an attempt to get the USA to underwrite the Empire.

2. I entirely agree with your point regarding India but I do not think that it would be possible to work into a joint declaration of the sort envisaged any direct references to India. Could it not, however, be done by opening with a general reference to the aims of the Atlantic Charter which would make it clear beyond doubt that the Atlantic Charter is intended to apply to all parts of the world. The reservations Mr. Churchill made regarding its application to India have left considerable suspicion in American (and also Canadian) minds. It is important that this suspicion should be dispelled and this would be a convenient way of doing it.

3. If a joint declaration is to be made, there are certain general points which seem to me should be stressed more than the British proposal. One is their desire to hasten the attainment of self-government in the colonial areas. Another is their desire (again referring to the Atlantic Charter) to secure social and economic progress, a rise in the standard of living in these areas. The concept of trusteeship should be stressed and in this connection the lack of desire for any special economic privilege and the freedom of access to raw materials are relevant. Most important of all, as it seems to me, would be a clear statement that the colonial powers recognize that they have a moral responsibility to the rest of the world for the manner in which they discharge their obligations of "parent-hood" in the colonial areas.

4. The heart of the problem, which to my mind is not met by the proposed British declaration, is the willingness on the part of the colonial powers to introduce third-party judgment on their colonial administration. It is only through third-party judgment that their moral responsibility to the rest of the world can in fact be discharged. The proposal of the British telegram goes some way towards meeting this but not as far as it will be necessary to go if the objections to British colonial policy are to be effectively met. The British proposal was put up to the I.P.R. Conference at Mont Tremblant by Lord Hailey and aroused no enthusiasm among the non-British participants. It is in fact a proposal for a sort of syndicated imperialism with the admission of the United States and other countries to purely advisory functions on condition that they are willing to assume some responsibility for security in the areas concerned. It seems to me that if the purpose of the proposed declaration is to be achieved it will be necessary to do more than this. It will be necessary to (a) provide for genuine third-party interest, that is representation of non-colonial powers, and (b) to provide for representation of the indigenous peoples themselves. Lord Hailey and the other British representatives finally agreed to this at Mont Tremblant and the Annex to the Report of the group on South-Eastern Asia, to which they subscribed, provides for genuine third-party representation. The British also agreed that if outside powers were willing to assume some responsibility for security in the Pacific the proposed Council could be endowed with more than purely advisory and consultative functions. In particular they agreed

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that it should have (a) the right of investigation on the spot, (b) the right to call for reports from the colonial power on the progress made *and planned* towards the achievement of self-government and the progress made in improving economic and social conditions, and (c) the right to suggest lines of policy directed towards the two major objectives just named.

5. Even if no assurances regarding security arrangements can be obtained at the present time, the consultative body proposed should still be representative of genuine third-party interest, i.e. it should include representatives of the indigenous peoples and non-colonial powers, and the British at Mont Tremblant agreed that even in this case there was no reason to withhold from such a body, which would have its own technical staff, the right of investigation on the spot.

6. Some concrete action would go much further to allay American and Canadian suspicions than a general statement of policy. The concrete action which could be taken at once would be the establishment of an international body with advisory functions representing the colonial powers, the indigenous peoples and outside interests. Even if this body did not have much to do at the present time (and it obviously could not in the Pacific area) it would create the impression that the British were progressive and forward-looking in this matter and genuinely determined to carry out the aims of the Atlantic Charter.

L. R[ASMINSKY]

840.

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*Mémemorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 16, 1942

PROPOSED DISCUSSIONS BETWEEN UNITED STATES
AND UNITED KINGDOM ON COLONIAL POLICY

Dominions Office Circular telegram D. 538 of December 11th brings to the attention of the Canadian Government for comment and suggestions the steps contemplated to meet with the criticism prevalent in the United States of British Colonial policy. It is requested that any comments should be telegraphed to London immediately.

They propose to follow up a suggestion made by Mr. Hull (I think sometime before the November elections) that a joint statement setting forth the broad purposes of the United Kingdom and the United States Governments on Colonial policy should be issued in amplification of the relevant passages in the Atlantic Charter. The chief points which they think in London should be proposed for this joint statement are set forth in the telegram. They relate to the ending of present and future aggression, the development of a general defence scheme by "parent states" (a phrase borrowed from Mr. Hull to replace "Colo-

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nial powers") and the responsibility of parent states for the social, economic and political well-being of peoples not yet capable of independence. If Mr. Hull were to agree to these points the British Ambassador would propose as a practical measure the creation of Regional Commissions composed of representatives of parent states which have major defence or economic interests in the regions; three regions are suggested,— the Far East, Africa and the West Atlantic.

There is no doubt whatever of the great importance of British Colonial policy as a present and future element in the relations between the United States and the United Kingdom. (In the United States Colonial policy is associated with Indian policy which is not referred to in the telegram). I feel, however, that the suggested approach to the United States would have most unfortunate effects and that it might aggravate the present controversies by implanting new suspicions in the minds of senior United States officials. I think, therefore, that it would be desirable for us to comment promptly, as invited, on the proposed plan.

The outstanding weakness in it is the emphasis on defence which would be construed by many in Washington as an attempt to commit the United States indirectly to full participation in a world security system. I think that in discussions dealing with future Colonial policy it should at this stage merely be assumed that an international security system will be framed by the United Nations after their victory. An approach on the proposed lines would tend to look like hypocrisy to many in Washington.

Secondly, the suggestions for Colonial policy proper do not imply any progressive step. The proposed Regional Commissions made up solely of the parent states interested in each region and without third-party representation are in theory at least a backward step from the Mandate system established after the last war in which disinterested third parties played an important part. There is also nothing new in the statement of social, economic and political purposes towards Colonial territories. What is needed to meet criticism in the United States is both education on the realities of British Colonial administration (which is often ignorantly attacked) and some new evidence of genuinely progressive intentions.

I would suggest that an immediate reply should be sent to the telegram saying that we have serious doubts over the form of the suggested approach and that we shall telegraph our views at length after full consideration. I understand that at the Conference of the Institute of Pacific Relations at Mont Tremblant, which has just concluded, the British Delegation tried out on the American representatives the scheme outlined in this telegram and that they had a very chilly reception. The scheme certainly seems to ignore some important realities of present American opinion.

N. A. R[OBERTSON]

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DEA/180s

*Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions**Secretary of State for External Affairs to Dominions Secretary*

TELEGRAM 274

Ottawa, December 23, 1942

MOST SECRET. Your Circular telegram D. 538 and our interim reply No. 271.[†]

1. We are hesitant to comment on the substance of your proposals for the development of Colonial policy since we feel that this must remain the primary responsibility of the Government of the United Kingdom and of the other parts of the British Commonwealth which control Colonial territories. We are, however, deeply interested in the effect on Anglo-American relations of problems of Colonial policy. The comments which follow contain our estimate of the effect on United States opinion, both official and general, of the proposals outlined in your telegram. We do not wish to express any definite views on how Colonial policy should be developed; our particular concern is whether these proposals are in fact likely to achieve their purpose.

2. We are in general agreement with your estimate of the importance of taking steps to deal with criticisms in the United States of British Colonial and Indian policy and also with the desirability of following up Mr. Hull's suggestion for a joint declaration on this subject to which other Colonial powers might subscribe.

3. We have no special comments to offer on the first six paragraphs of your telegram except to say that the criticisms of British Colonial policy found in the United States are also present to some degree in Canada.

4. Concerning the proposed joint declaration we consider that the emphasis placed on defence in paragraph 2 is likely to be misinterpreted in the United States and to be regarded in some quarters as an effort to secure indirectly a prior commitment for participation in the defence of the British Colonial Empire in advance of a general settlement. We believe that at this stage it is wisest to assume that the victory of the United Nations will result in an effective system of international security, and to refer only incidentally to defence in this approach. While security is a prerequisite of progressive Colonial development, it is, of course, equally important to states which are not Colonial powers.

5. It seems to us that informed opinion in the United States would consider that points three and four of the proposed declaration ought to be expanded to include some recognition that colonial development has become a legitimate subject of international concern. It would meet this if the reference to the responsibility of "parent States" were extended in the declaration so as to make it clear that this responsibility is not only towards the indigenous peoples, but also towards enlightened world opinion. While there is much in the present criticisms in the United States that is ignorant and captious, the main concern would appear to be not merely to explain and defend the record but to encourage a greater sense of responsibility for orderly progress throughout the world.

6. This might be accomplished if the proposed declaration were expanded so

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as to make the approach less negative and conditional. For example greater emphasis might be placed on the rights of native peoples to participate as much as possible in the conduct of their own affairs, and the opportunity might be taken to remove misgivings about the universality of the Atlantic Charter, and to underline that the various declarations on the necessity of raising living standards after the war apply to colonies as well as self-governing areas.

7. Regarding the practical application of the principles of the declaration the proposal to establish international Regional Commissions would, we think, in general be welcomed in the United States, but it appears to us that opinion there would expect more than the admission of the United States and other directly interested countries for the purpose of "consultation and collaboration" on condition that they assume some responsibility for security. Your suggestion would limit participation to "parent states" and nations with major defence and economic interests in the regions concerned. Critics might argue that "parent states" ought clearly to recognize their position of trusteeship not only towards the people of colonies but also towards the rest of the world, and that this requires the introduction of genuine third-party opinion, involving participation in Regional Commissions by representatives of countries without great interests in the regions. Furthermore, unless some provision is made for representation on the Commissions of the indigenous peoples themselves, the scheme might not be regarded as constructive and progressive. Some importance might also be attached to the right of the proposed international bodies to maintain their own technical staffs and to make their own investigations in colonial territories.

8. We do not profess to judge whether it is feasible at this time for proposals of greater weight and content along the lines suggested above to be presented to the Government of the United States. We fear, however, that the approach will not achieve the desired results unless it is more comprehensive and explicit.

842.

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*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2395

Ottawa, December 24, 1942

MOST SECRET. Following for Massey from Robertson, Begins: Your telegrams Nos. 3074¹⁶ and 3117¹ and our No. 274 of December 23rd to Dominions Office on Colonial policy. When the Prime Minister was recently in Washington¹⁷ questions of Colonial policy and current criticisms of the United Kingdom on this score were discussed by the President with him at some length. The President is considerably concerned over the trend of American criticisms and feels the need to meet them by progressive declarations and measures.

¹⁶ Document 835.

¹⁷ Du 4 au 7 décembre.

¹⁷ December 4 to 7.

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Supplementing our telegram to Dominions Office, we have told the United Kingdom High Commissioner that public attention in Canada and the United States is concentrated more on India than on the Colonial Empire and that if the approach to the United States makes no reference even indirectly to India we doubt that the atmosphere will be thoroughly cleared. We have also told him that we are somewhat concerned over the possible effects in the United States of the continuance of a form of Colonial rule in Newfoundland although we do not wish to raise the question of any immediate change in its status. Mr. MacDonald is telegraphing to the Dominions Office on these points.

You may think it wise to discuss with Attlee the contents of this telegram.

843.

DEA/180s

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 3212

London, December 30, 1942

Your telegram No. 2395 of December 24th. I saw Attlee yesterday and conveyed to him your views on the subject of questions of India and Newfoundland in relation to proposed declaration. I also emphasised the points made in paragraph 6 of your telegram No. 274 of December 23rd. I think he appreciates importance of these suggestions. Halifax has sent a wire from Washington in which he expresses views similar to those in paragraph 4 of your telegram No. 274 and which resembles your telegram in other respects.

MASSEY

844.

DEA/180s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 4

London, January 8, 1943

IMPORTANT. MOST SECRET. Your telegram of December 23rd, No. 274. Following for the Prime Minister, Begins: We are very grateful for your helpful comments and criticisms on the subject of Colonial policy.

After full consideration of the whole question and with the views of other Dominion Governments also before them, the Cabinet are now disposed to authorise Lord Halifax to approach Mr. Hull on the basis of the revised draft statement, the text of which is set out in my immediately following telegram Circular D. 14.

As you will see this statement has been redrafted in a manner which we hope substantially meets your suggestions with one exception, namely, that relating

FROM - CIRCULAR D. 14

to the inclusion of representation of third-party opinion on the proposed Regional Commissions. It seemed to us that any attempt to follow too closely the analogy of the Permanent Mandates Commission would lead to weakness by introducing an element of irresponsibility and that it would be better to rely for protection of general world interests on the collaboration of the various authorities with direct and important interests in the areas concerned. Provided that as we have assumed this would in each region include the United States, we think that sufficient provision would be made for safeguarding the general world interest.

Should be very grateful if you would telegraph any further comments at earliest possible moment. Matter is now becoming extremely urgent and we should like to send instructions to Washington early next week, Lord Halifax having promised Mr. Hull a further conversation at an early date. Ends.

845.

DEA/180s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 14

London, January 8, 1943

IMPORTANT. MOST SECRET. Following for the Prime Minister, Begins: My immediately preceding telegram. Following is revised text, Begins: The immediate object of the United Nations is to defeat the present aggression and to render future aggression impossible. This requires for its successful achievement the establishment of conditions under which security, prosperity and equal opportunity can be assured to all peoples.

2. This then is the aim of those nations which have, owing to past events, become charged with responsibilities for the future of Colonial peoples. But it is evident that while some peoples are far advanced along this road, the development and resources of others are not yet such as to enable them to achieve security and prosperity by themselves. It is therefore the duty of "parent or trustee" States to guide and develop the social, economic and political institutions of the Colonial peoples until they are able without danger to themselves and others to discharge the responsibilities of Government.

3. Freedom from fear and want should be the assured possession not of some, but of all peoples. It is the clear responsibility of the "parent or trustee" States to enter into general defence schemes designed to secure the safety of all peoples. The duty of guidance must be discharged in the general interest of all nations as well as in the particular interest of the peoples of the territories concerned. In pursuance of this policy, the natural resources of Colonial territories should be organised and marketed not for the promotion merely of commercial ends but rather for the service of the people concerned and of the world as a whole.

4. The "parent or trustee" States will remain responsible for the administration of their territories. But the policy embodied in this declaration cannot successfully be pursued without a large measure of co-operation between na-

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tions. We accordingly propose the establishment for certain regions as soon as circumstances permit, of Commissions comprising both the "parent or trustee" States concerned in the region and other States which have a major strategic or economic interest there. The machinery of each Commission should be designed to give the people of the territories an opportunity to be associated with its work. These Commissions will provide effective machinery for consultation and collaboration so that the States concerned may work together to promote the advancement of the Colonial peoples and the general welfare of mankind. Ends.¹⁸

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*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 12, 1943

I had a talk with Malcolm MacDonald this morning about the latest draft of the statement on colonial policy which the United Kingdom propose to communicate to the United States Government. I told him that your reaction to it was wholly favourable and that you felt it marked a great improvement on the original text. I thought there were one or two drafting points which had struck us in comparing the different texts and which he might, if he thought the suggestions useful, pass on to London.

In particular, we thought the second sentence of paragraph 3 of Dominions Office telegram D.14 which reads "It is the clear responsibility of the 'parent or trustee' states to enter into general defence schemes designed to secure the safety of all peoples" might still be regarded as an attempt to secure a prior commitment from the United States for participation in defence of the British Colonial Empire and that as now phrased it mixes up statements applicable to all peoples with statements applicable only to colonial peoples.

I thought the general purpose they had in mind might be a bit more clearly put along the following lines:

"In accordance with the Sixth Article of the Atlantic Charter it is the clear responsibility of all the United Nations to enter into general arrangements designed to secure the safety and prosperity of all peoples. It is the special responsibility of 'parent or trustee' States to ensure that the safety and prosperity of Colonial peoples are safeguarded."

Mr. MacDonald thought this would be a clarification and improvement of the text received.

N. A. R[OBERTSON]

¹⁸ La note suivante était écrite sur cette copie du télégramme:

¹⁸ The following note was written on this copy of the telegram:

Pretty good Liberal doctrine from beginning to close. K[ING]

NOT CIRCULATING

847.

DEA/180s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 23

London, February 1, 1943

MOST SECRET. My telegrams Nos. 4 and Circular D. 14. Colonial policy.

We are grateful for Canadian Government's suggestions conveyed to us through our High Commissioner on January 12th.

As regards amendment to paragraph 3, we agree with substance of this proposal but we are not sure whether the exact form of words suggested would be quite satisfactory. We have tried to meet the point by splitting the paragraph into two paragraphs and slightly re-wording them, including a reference to the Atlantic Charter. We have not included suggestion that the Regional Commissions should have the right to maintain their own technical staffs and to make their own investigations, as we feel that it would involve too much detail at the present stage. We are anxious to avoid being committed to any particular form of machinery at present.

In the light of your observations and those of the other Dominion Governments we have now instructed Lord Halifax to make personal approach to Mr. Hull on the basis of the revised draft statement contained in my immediately following telegram Circular D. 54. Lord Halifax is being asked to leave the draft with Mr. Hull after his talk but only as a basis of discussion.

848.

DEA/180s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 54

London, February 1, 1943

MOST SECRET. Following is text of revised draft statement, Begins: The immediate object of the United Nations is to defeat the present aggression and to render future aggression impossible. This requires for its successful achievement the establishment of conditions under which security, property¹⁹ and equal opportunity can be assured to all peoples.

2. This then is the aim of those of the United Nations which have, owing to past events, become charged with responsibilities for the future of Colonial peoples. But it is evident, while some peoples are far advanced along this road, the development and resources of others are not yet such as to enable them to achieve security and prosperity by themselves. It is therefore the duty of "parent" or "trustee" States to guide and develop the social, economic and political institutions of the Colonial peoples until they are able without danger to themselves and others to discharge the responsibilities of Government.

¹⁹Note marginale:¹⁹Marginal note:
prosperity?

CONSULTER SUR PLACE

3. This duty of guidance must be discharged in the general interest of all nations as well as in the particular interest of the peoples of the territories concerned. In pursuance of this policy, the natural resources of Colonial territories should be organized and marketed not for the promotion merely of commercial ends but rather for the service of the people concerned and of the world as a whole.

4. The Atlantic Charter looks to the establishment in the future of a wider and permanent system of general security. It will be the special responsibility of parent (or trustee) States to ensure the safety of Colonial peoples within this general framework.

5. The parent (or trustee) States will remain responsible for the administration of their territories. But the policy embodied in this declaration cannot successfully be pursued without a large measure of cooperation between nations. We accordingly propose the establishment for certain regions as soon as circumstances permit, of Commissions comprising both the parent (or trustee) States concerned in the region and others which have a major strategic or economic interest there. The machinery of each Commission should be designed to give the people of the territories an opportunity to be associated with its work. These Commissions will provide effective machinery for consultation and collaboration, so that the States concerned may work together to promote the advancement of the Colonial peoples and the general welfare of mankind.
Ends.

PARTIE 3/PART 3
PRÉPARATION EN VUE D'UNE RÉUNION
DES PREMIERS MINISTRES
PREPARATION FOR A MEETING OF PRIME MINISTERS

849.

DEA/51s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 70

London, April 3, 1943

SECRET AND PERSONAL. Your telegram of April 2nd, No. 57¹. Following from the Prime Minister for the Prime Minister, Begins: Thank you so much for your telegram. I am delighted to know that Anthony's visit was as successful in Canada as in the United States. He is a great help and standby to me and so are you my old friend.

2. I am going to take an opportunity at a suitable occasion probably on Dominion Day to proclaim Canada's contribution to the common cause under the following five headings:

- (1) Her army guarded the heart of the Empire during the direst peril.
- (2) The extraordinary naval development of Canada both in fighting and merchant ships.

NON-CIRCULATING 1

(3) Immense air contribution of Canada the home of the Empire training scheme:

(4) Munitions production on a great scale.

(5) Munificent and lavish financial gift of equivalent to two billion dollars.

3. I am inclined to think that some time this year we should have an Imperial Conference in order to show the whole world the strength and union of what we should call in future "the British Commonwealth and Empire". Let me know what you think. Ends.

850.

DEA/62s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 73

London, April 12, 1943

MOST SECRET AND PERSONAL. Your telegram No. 61 of April 6th[†]. Following from Prime Minister for Prime Minister, Begins: Subjoined I send you privately an advance copy of the telegram which we propose to send to all the Dominions. The matter is urgent on account of the difficulty of finding a period when all can meet together. I think it essential, however, to have a conference of this kind even if some of the Prime Ministers have to send representatives, although this would be a great misfortune. Ends.

Following is telegram referred to, Begins:

The time has now come when we must devote serious thought to the planning of the future world organisation, both in the period immediately following the cessation of hostilities and also for the long-term settlement. The lessons of 1918, when we were caught unprepared by the end of the war, show how necessary proper planning is. This time let us make sure that we are ready both with our armistice terms when the enemy sues for peace and with our long-term plans.

In this planning it is essential that the British Commonwealth and Empire should take its full share. Each of us has his own contribution to make, but only by working together in full co-operation and agreement can we ensure that our proper influence and collective strength are exerted.

Already, as you know, some progress has been made with the detailed working out of plans for dealing with specific post-war problems, more especially on the economic side. But all these plans presuppose some general political organisation and we have recently found our planning hampered by the absence of any clear formulation of our combined policy in the post-war world.

I suggest, therefore, that at this stage it would be most valuable if the five Prime Ministers could meet together to discuss these problems and agree upon the part which the British Commonwealth and Empire can and should take in organising world affairs. Apart from the intrinsic value of such private discus-

CONSULTER SUR PLACE

sions on the major issues which we shall soon have to face, I attach great importance to demonstrating to the world our solidarity and strength.

I hope that you will find it possible to attend such a meeting here. I can well understand that it is not easy for you to leave your country for any prolonged absence, but I very much hope that, by careful timing, we may be able to arrange a date convenient to all and not involving prolonged delay for any. Please let me have your views as soon as possible. I should myself like a meeting in June or July, but if that is impracticable then I hope that August or early September could be arranged. Ends.

851.

DEA/62s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 66

Ottawa, April 14, 1943

MOST SECRET AND PERSONAL. Your telegram No. 73 of April 12th. Following for Prime Minister from Prime Minister, Begins: I agree with you that a conference of Prime Ministers is desirable at this time. I shall do my utmost to arrange matters here so as to be present at a time most convenient for all to meet together. A meeting in late June or in July would I think be preferable to August or early September.

In reply to your earlier telegram No. 70, I had prepared a somewhat lengthy statement[†] setting forth what seemed to me strong reasons against attempting to hold at a time of war an Imperial Conference of the conventional type. From the reference in your telegram to the suggested designation "British Commonwealth and Empire" I gathered the Imperial Conference to be called might be concerned largely with questions of intra-Imperial relations, and that almost certainly would raise questions respecting status of India and other constitutional issues. I was suggesting instead a meeting of Prime Ministers for purposes of conference on lines you now propose. I was about to send this communication when your present message was received but am not now forwarding it. I am much relieved to find that we are apparently of same mind as to a meeting of Prime Ministers being preferable to an Imperial Conference. Ends.

852.

DEA/62s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 73

Ottawa, April 26, 1943

SECRET AND PERSONAL. Your telegram Circular D. 219²⁰. Secret and Personal. Following from Prime Minister for your Prime Minister, Begins: I shall be

²⁰Voir le document 850.

²⁰See Document 850.

pleased to do my utmost so to arrange matters here as to be present with other Prime Ministers at a meeting in London at whatever time may best suit their convenience. I myself would prefer June or July to August or September, but recognizing the difficulties with which some of the other Premiers are faced, I would endeavour to meet their convenience.

If the meeting is to serve the purposes indicated, it is, I think, important that it should be one of Prime Ministers only. Great care must, moreover, be taken to see that no ground for misunderstanding as to the underlying purpose of any conference should be given to any of the Allied Nations.

An exchange of views from now on between Prime Ministers on the principal matters to be discussed at any conference might be helpful in preparing for any eventuality. Such an exchange of views would have the further advantage of permitting the views expressed being fully known to and shared by colleagues in the several governments. Ends.²¹

853.

DEA/62s

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 633

London, September 8, 1943

SECRET AND PERSONAL. Following from the Deputy Prime Minister for the Prime Minister, Begins: Prime Minister has asked me to recall to you his message in telegram Circular D. 219 of April 15th. Now that the Australian and South African elections are over, and that the New Zealand election has been fixed for September, Mr. Churchill greatly hopes that it will now be found possible definitely to arrange a meeting of the five Prime Ministers in London in November. There are strong reasons for holding such a meeting as explained in that telegram, and recent events have indeed emphasized the desirability of early consultation between the Prime Ministers, especially on post-war problems. It is not, of course, a formal Imperial Conference of the pre-war type that is in mind, but a meeting of the five Prime Ministers, the number of official advisers being kept to the minimum.

The importance of adequate preparation was stressed in replies to the Prime Minister's earlier message. We are fully alive to the importance of this, and if the date proposed is generally acceptable we would send as soon as possible, for your consideration, suggestions as to the agenda for the meetings and as to the best method of arrangement for the necessary preparatory work. As time is short for this the Prime Minister would be grateful for the earliest possible reply. Ends.

²¹ La note suivante était écrite sur cette copie du télégramme:

Please repeat this telegram for information of Prime Ministers of Australia, New Zealand and South Africa. N. A. R[OBERTSON]

²¹ The following note was written on this copy of the telegram:

854.

W.L.M.K./Vol. 351

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 146

Ottawa, September 15, 1943

SECRET AND PERSONAL. Your telegram Circular D. 633 of September 8th. Secret and Personal. Following from the Prime Minister for the Deputy Prime Minister, Begins: I have told Mr. Churchill that in anything he regards as of first importance I shall endeavour to let nothing stand in the way of meeting his wishes. I shall therefore do my utmost to attend the meeting of Prime Ministers in London in November. I must however point out, as I did to Mr. Churchill in Quebec, that my colleagues and I have been obliged to give our attention so exclusively to matters immediately pertaining to the prosecution of the war that unless we can avail ourselves of the opportunity which the present adjournment of Parliament affords to deal with the domestic situation, I am afraid it may get so completely out of hand that the consequences may prove most prejudicial to the Government's position and to Canada's war effort. For this reason I much hope that if it is decided to have a meeting in November, matters may be so arranged that the proceedings will be as brief as possible. I sincerely hope that whenever the Conference is held all Prime Ministers may find it possible to be present. Ends.

855.

DEA/62s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 167

Ottawa, October 22, 1943

SECRET AND PERSONAL. Your telegram No. 157 of October 21st. Following from Prime Minister for Prime Minister, [Begins]: I shall arrange to be present at meeting of Prime Ministers in London on December 7th. Please let Smuts know that I greatly appreciate his remaining over for meeting at that time. I much hope that Curtin and Fraser may find it possible to be present. All good wishes.

856.

W.L.M.K./Vol. 351

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 168

London, November 9, 1943

SECRET AND PERSONAL. Your telegram No. 167 of October [22]. Following personal for the Prime Minister, Begins: Prime Minister has asked me to let you

1001 - DISCUSSING 1

know that we have heard that neither Mr. Curtin nor Mr. Fraser can arrange to be in London on December 7th as suggested. General Smuts has to return to South Africa next month and must stay for the first months of the new Parliament. But he has very kindly promised to return to London again for the meeting in the last week of April and the first week of May if that date is convenient to other Prime Ministers. I am accordingly telegraphing Mr. Curtin and Mr. Fraser to ask whether this date would be possible for them.

I am afraid that such a date may be less convenient for you, but we hope very much that nevertheless you will find it possible to make the journey then if that date is agreeable to the other Prime Ministers. You know how great an importance we attach to such a meeting as soon as possible. Ends.

857.

DEA/62s

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 184

Ottawa, November 18, 1943

MOST SECRET AND PERSONAL. Following from Prime Minister, Begins: Reference your telegram No. 168 of November 9th. Should the last week of April and the first week of May prove to be convenient to other Prime Ministers, I shall be pleased to plan accordingly, and will endeavour so to arrange other duties as to be present at meeting in London at that time. Ends.

PARTIE 4/PART 4
IMMIGRATION

858.

DEA/5418-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

DESPATCH CIRCULAR D. 24

London, April 2, 1943

CONFIDENTIAL

Sir,

I have the honour to inform you that His Majesty's Government in the United Kingdom feel it desirable to invite the attention of His Majesty's Governments in the Dominions to the question of migration. This aspect of the problems of post-war reconstruction is one which is of vital interest to all members of the British Commonwealth, and moreover is one which in a particular degree requires mutual co-operation and joint planning.

2. The question of migration was the subject of a comprehensive study from the point of view of the United Kingdom, before the outbreak of the war, in the Report of the Oversea Settlement Board of which a copy was enclosed in the late

Lord Stanley's despatch C. No. 136 of the 30th June, 1938^t. A single copy of the Report^t is enclosed in this despatch for easy reference.

3. The Report opened with an analysis of the general principles affecting migration from the United Kingdom. After briefly referring to international considerations (paragraphs 9-12) and the importance of British stock as a source of increased population in the Dominions (paragraphs 13-15) it went on to deal with population trends in the United Kingdom (paragraphs 16-24, 38). It pointed out (paragraph 39) that hitherto nearly all Governments, in considering migration within the Empire had made, either overtly or tacitly, two assumptions, the second being that there was a surplus population in the United Kingdom which it was desirable to transfer to the Dominions in order to provide an increase in the population there. It stated (paragraphs 40-47) that it could no longer be assumed that large scale migration from the United Kingdom could still take place, and suggested that, if an increase in the population of British stock of any particular Dominion was desired, it was for the Dominion concerned to encourage migration from the United Kingdom.

4. To the considerations mentioned in the Report should now, of course, be added the experience of the war. It will, I think, be generally agreed that the war has emphasized the Dominions' need for larger populations from the Defence aspect. It has also brought about important alterations in the internal economy of many parts of the Empire by the increase in secondary industries. This development may well offer wider scope for the absorption in the Dominions of industrial workers from this country than has been offered in the past when land settlement has had a prominent place in migration schemes. The war has moreover produced in the United Kingdom a general and widespread interest in migration and an expectation that when the war ends the Governments concerned will be ready with plans to promote it.

5. The Report of the Oversea Settlement Board also dealt at considerable length with methods of migration (paragraphs 49-58, 82-85). It laid down the principle that migration was essentially a question of partnership between participating countries and this implied that, if assistance was given, such assistance should be afforded not merely by the Government of the United Kingdom in encouraging the departure of individuals from this country, but as a joint enterprise in which the "receiving" country should take at least as active a part in the matter as the "giving" country (paragraph 51). So far as methods of migration are concerned, the Board, in paragraph 82 of their Report, expressed themselves in favour of placing reliance "primarily upon what is described as 'infiltration', namely, the settlement on the land, or otherwise, of single individuals or families in existing communities as and where they may find room for themselves, or room may be found for them The most fruitful means by which infiltration can be assisted, is, in our view, the system of nomination, whereby individuals or groups of persons resident overseas may nominate persons resident in this country for the grant of an assisted passage, the nominator accepting responsibility for the person nominated in the initial stages of settlement"

6. In the widest sense, the method of "infiltration" is always operative and can be operative without any Government intervention in the country of departure. Under this method, no impression can be given that the primary responsibility for successful settlement rests anywhere else than on the individual migrant, and it will thus help to preserve his personal initiative which is so essential a quality in the achievement of success as a settler. In this connection, one factor which in future will probably loom larger than it has done in the past is the extent to which an emigrant from the United Kingdom will be able to carry with him, on entry into the Dominions, the benefit of any rights for which he may have qualified under Social Insurance Schemes in the United Kingdom as an equivalent in corresponding local schemes. The importance of this point cannot be over-estimated and from the United Kingdom point of view it is under consideration in connection with Sir William Beveridge's Report on Social Security. I shall hope to address you further as to this as soon as possible but in the meantime I assume that Dominion Governments will also wish to consider the problem from their point of view.

7. Even under "infiltration" schemes, however, it would not be possible under present-day conditions for the United Kingdom Government to divest itself of interest in the migrant after his departure. It is not in the interests of the United Kingdom that a migrant should depart from this country on reaching the age of maturity to find that conditions in the country of arrival are unfavourable to his earning a livelihood, with the result that he may fall into destitution and even be returned to this country to make a fresh start in life. With rising standards of life in this country, public opinion will be more exacting in future as regards the steps to be taken to ensure the well-being of a migrant after he has arrived in the country of destination. The further care of a migrant after entry is thus also a matter which requires the full co-operation of the 'giving' and 'receiving' Governments. The essential element, from the point of view of the United Kingdom Government, is that under modern conditions, and particularly in view of the hazards of industrial life, some continuing machinery should be set up in the country of settlement to watch over the interests of the migrant who is genuinely seeking employment, but through no fault of his own is unable to secure it, and that this machinery should be not merely local in character, but should extend over the whole area of a Dominion in order that information of possible openings, both in the place where the migrant happens to be and elsewhere where conditions may be more suitable, may be made available to him.

8. Paragraphs 79 to 97 of the Board's Report also develop the suggestion for a greater measure of planned co-operation than has existed in the past. The Board suggest, in paragraph 79, that there should exist in the Dominions, in so far as it does not exist already, machinery through which the current needs of the Dominions for specific types of workers may be ascertained as precisely as possible, and through which these needs may be correlated with the supply available in the United Kingdom. In paragraph 97, the Board go on to suggest that machinery should be provided, as in former years, for making available full and reliable information regarding the Dominions, and for giving advice to the

intending migrant as to the best means of achieving his objective. As regards the last suggestion, the establishment in the United Kingdom of machinery for making available full and reliable information regarding the Dominions and for giving advice to the intending migrant is of course a matter for action by His Majesty's Government in the United Kingdom. Such machinery cannot act efficiently unless it is able to secure full, up-to-date, and reliable information of current conditions (particularly as to industrial occupations) from each Dominion to which migration is taking place and that such information can only be obtained on an adequate scale if suitable machinery has been established in the Dominion with adequate resources in staff to enable the information to be collected. The question of establishing such machinery would seem to be one of the requisite steps to be considered by a Dominion Government which is anxious to promote migration in future to its territories. His Majesty's Government in the United Kingdom would, for their part, be ready to take the measures recommended in the above paragraphs of the Report, so far as lies with them.

9. A further point in the Report of the Oversea Settlement Board merits special consideration. In paragraph 94 the Board recommend the establishment of reduced passage rates for migrants "which, while bringing the cost of the passage within the reach of the average person desiring to proceed overseas yet leave the settler on arrival overseas within the category of an unassisted migrant". This recommendation embodies one of the most important practical steps which can usefully be taken to assist migration and, if adopted, would be likely to produce a considerable increase in the numbers proceeding from the United Kingdom to the destinations to which such reduced rates would apply.

10. The Report of the Oversea Settlement Board also referred briefly to international considerations (paragraphs 9-12, 48). The war is likely to bring this matter into even greater prominence than in the past and, just as there may be a stronger desire in the United Kingdom for the resumption of migration from this country to other parts of the Empire, so foreign countries are likely to press for facilities for the admission of members of their own communities into the Dominions. The population trends analysed in the Board's Report go to show that the Dominions could not rely on this country alone to provide an influx of population to meet fully a demand for a rapid influx of population. If a policy of admitting foreign immigration on a selective basis is regarded as a legitimate ideal in a Dominion, the question would presumably arise of giving special consideration to the admission of nationals of countries Allied with us in the war, but is not intended to suggest that a decision on this question would be practicable here and now. It seems, however, desirable to mention the matter here as it will no doubt be a live issue in the post-war situation and may, indeed, arise with considerable force before the termination of the war.

11. The foregoing paragraphs of this despatch deal with the general considerations relevant to a policy of assisted migration after the war. There are however certain more immediate problems which will arise as soon as hostilities end. These will result from the demobilisation of the Armed Forces of all the Governments concerned, and of the resettlement of ex-service personnel in civil life. There is no doubt that the prospects of migration to the Dominions as one of the

NON-CIRCULATING

possible methods of seeking a livelihood in the future are already exercising the minds of many members of the Forces of the United Kingdom. This question is likely to call for some public statement of policy, probably before the end of the war. One aspect relates to the demobilisation of ex-service personnel who may already be in a Dominion at the time of the termination of hostilities and desire to settle there. Accordingly His Majesty's Government in the United Kingdom have recently appointed a Committee to consider the immediate problems as to oversea settlement resulting from the general demobilisation of the Armed Forces of the United Kingdom. A copy of the Committee's Report is enclosed; their recommendations are summarised in paragraph 20.

12. It will be seen that the Committee have recommended that the United Kingdom Government should adopt a free-passage scheme, somewhat on the lines of the scheme which was in operation from 1919 to 1922, for such ex-service men and women and their dependents as may be approved for admission to the Dominions. Under the proposal in the Committee's Report, the United Kingdom Government would provide free transportation to the port of disembarkation overseas, and the Dominion Government would be asked to bear the cost of the rail journey to the final destination in the country of settlement. Dominion Governments would be asked to set up, at their own expense, the machinery necessary for the examination of applicants in the United Kingdom and for the reception and after-care of approved settlers after their arrival overseas. It is suggested that permission should be given, on certain conditions, for the demobilisation of United Kingdom Service personnel in a Dominion, if such action is approved by the Government of the Dominion, and that such personnel should retain the right to repatriation to the United Kingdom for two years from the time of their discharge. The free passage scheme would, in general, extend to the dependents in the United Kingdom of a married man demobilised overseas, but his right to repatriation in such cases would cease as soon as the grant of free passages to his dependents had been approved. Alternatively, his right to demobilisation in a Dominion would not be granted if the category of dependent was not, in general, acceptable to a Dominion Government.

13. The United Kingdom Government are prepared for their part to accept the recommendations of the Committee and would be glad to learn the views of Dominion Governments on them.

14. A subsidiary point considered by the Committee relates to the classes of dependents to be recognised as eligible under the free-passage scheme. The same question also arises for an entirely different purpose (set out in paragraph 1 of their Report) in connection with the repatriation of members of the Armed Forces who have come from overseas to join the Armed Forces of the United Kingdom and become entitled to repatriation at the expense of the United Kingdom Government and His Majesty's Government in the United Kingdom would be glad to have the views of Dominion Governments on this point as discussed in paragraph 16 of the Report.

15. I have thought it well to set out in the preceding paragraphs the main issues in relation to migration from the United Kingdom to the Dominions to

which the Oversea Settlement Board Report of 1938 calls attention. In view of the importance of the question to the future of the British Commonwealth of Nations, it would, I suggest, be desirable that there should now be an interchange of views between the several Governments on the policy to be adopted after the war so far as this can at present be determined. It would, I think, be useful if the principles formulated in that Report as set out above could be taken as a basis of discussion. I should accordingly be glad to receive the views of Dominion Governments on these lines. His Majesty's Government in the United Kingdom fully realize the difficulty of reaching any final conclusions on the policy while the future of the post-war world is still so uncertain and indefinite. Nevertheless they are confident that a preliminary examination of the problem ought if possible to be undertaken.

16. A copy of this despatch is also being sent to the Government of Southern Rhodesia.

I have etc.

C. R. ATTLEE

859.

DEA/5418-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] May 17, 1943

I attach a copy of a lengthy despatch from the Dominions Office (Circular D. 24 of April 2nd) which proposes an interchange of views between Commonwealth Governments on the question of migration after the war. The bulk of the despatch is devoted to a summary of the 1938 Report of the Oversea Settlement Board (paragraphs 2-10). Paragraphs 11-13 deal with a Report of an Interdepartmental Committee on Oversea Settlement on Demobilization dated February 1, 1943, the recommendations in which have been accepted by the United Kingdom Government. I attach a copy of this Report.¹ Paragraph 15 proposes a general interchange of views on the whole question.

I have received a letter from Sir Patrick Duff dated May 8th¹ urging that early and sympathetic consideration should be given to the whole question and especially to the immediate problems that will arise of special facilities for migration on demobilization:

"The United Kingdom authorities are very much hoping that early and sympathetic consideration can be given to the issues raised and to hear an expression of the views of the Canadian Government on the general problem. It is recognised that the study of this matter may inevitably take some time: but included among the wider considerations is the more immediate and concrete problem which will arise as soon as hostilities end, of special facilities on demobilisation. This particular aspect is dealt with in paragraphs 11 and following of

NON-CIRCULATING

the Secretary of State's despatch. Mr. Attlee hopes very much that a reply on this more restricted issue may not have to wait until comprehensive views on the broader problem are forthcoming?.

I am sending the enclosures under a covering letter to the Departments of Mines and Resources, Labour, Pensions and National Health and Finance.

860.

DEA/5418-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs*

DESPATCH A. 248

London, August 9, 1943

Sir,

I have the honour to refer to my previous despatches concerning the Committees under the Chairmanship of Lord Hankey which are considering the further education and training of members of the Armed Forces and the posts which will be open to them on demobilisation.

2. At one of these meetings Mr. Johnson was asked if he could provide an estimate of the numbers of persons belonging to the United Kingdom who might be employed in Canada after the war, excluding persons in the employ of the United Kingdom firms operating in Canada. Mr. Johnson pointed out the magnitude of the problem facing the Canadian authorities in providing employment for the members of the Canadian Armed Forces and persons engaged in war work, and thought that the prospects of United Kingdom residents obtaining employment in Canada for the first three years after the war at any rate, were practically negligible. He did, however, undertake to refer the request to the Canadian Government to see if they would be able to give an estimate.

3. You will understand that these Committees are concerned with posts which are normally filled by persons with training above Secondary School standard. The appendix of F.T. (43)3 contains a list of most of the callings concerned with the corresponding qualifications. The Note F.T. (43)3[†] containing this appendix has already been sent to you, but for your convenience I am enclosing a copy of the appendix[†] herewith.

I have etc.

DAVID M. JOHNSON
for the High Commissioner

CONSULTER SUR PLACE

861.

DEA/5418-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

DESPATCH 912

Ottawa, September 13, 1943

Sir,

I have the honour to refer to your despatch No. A.248 concerning the possible employment in Canada after the war of members of the United Kingdom Armed Forces. While it is not practicable for the Canadian Government to give an estimate of the character contemplated by the members of Lord Hankey's Committee, it is perhaps possible to add a little to what Mr. Johnson told the Committee.

2. It is a matter of common knowledge that it will be the concern of all governments, after the conclusion of hostilities, to maintain conditions which will ensure, as far as practicable, what is generally termed full employment. It is equally obvious that the training and employment of members of the Armed Forces will be a primary objective.

3. It is only if these two objectives can be achieved in Canada that there is likely to be any scope for an immigration policy. On the other hand, the achievement of full employment and of a reasonably high national income would be very likely to make Canada attractive to prospective immigrants and at the same time capable of absorbing them with advantage to the country.

4. It is impossible to say with any confidence whether or not full employment can be reached and maintained in Canada; nor is it possible to say how long a period must elapse before the civil establishment of members of the Armed Forces will be completed. There would, therefore, appear to be a very considerable hazard in educating, or training, members of the United Kingdom Armed Forces specifically for careers in Canada.

5. As the immigration law stands at present British subjects from the United Kingdom who are in good health and who have sufficient funds to maintain themselves until employment is secured may enter Canada. If they come they do so at their own risk, and it would not be fair to them that we should hold out any expectation as to what employment conditions are likely to be at the end of the war.

6. Mr. W.S. Woods, Associate Deputy Minister of Pensions and National Health, informs us that he expects to be in England shortly and hopes to discuss the matter with Mr. Johnson with reference to the activities of his Department in providing for the re-establishment of members of the Canadian Armed Forces.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

NON-CIRCULATING 1

862.

DEA/5418-40

*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire adjoint de Grande-Bretagne*

*Under-Secretary of State for External Affairs
to Deputy High Commissioner of Great Britain*

Ottawa, November 4, 1943

Dear Sir Patrick [Duff],

I am referring to your conversation with Mr. Wrong and myself on September 22, on the subject of the possibility of migration from the United Kingdom to Canada when the war is over. This conversation concerned a request which was originally advanced in Circular despatch D. No. 24 of April 2, 1943, and special attention has more recently been drawn to the particular question of permitting the demobilization of United Kingdom service personnel in Canada.

While it may be some time before the Canadian authorities are able to make any commitment in respect of these questions, it may be useful to set out a few general considerations.

In the course of the war very great changes have taken place in the Canadian economy and it is not at all an easy matter to predict the lines on which that economy will develop in the post-war period. The most immediate concern of the Canadian Government, when the war ends, will be the demobilization and re-establishment in civilian life of the personnel in the Canadian armed services. As you know, careful preparations have been made to deal with this problem.

It is becoming increasingly clear that the policy of most countries after the war will be directed to attaining and preserving what is rather loosely called "full employment". In so far as full employment is achieved in Canada, conditions will presumably be established which are very favourable to the economic absorption of suitable immigrants, but, until full employment is achieved, immigration is likely to be popularly regarded as an economic danger which may increase the magnitude of the problem. If immigrants receive employment at a time when large numbers of Canadians are unable to secure employment, or at a time when large numbers of Canadians are migrating to the United States, the popular movement for restricting immigration might easily become irresistible.

In advancing these considerations I am not losing sight of the fact that from the point of view of the United Kingdom it will be very difficult to postpone the emigration of demobilized personnel until it can be seen how the post-war economy of Canada is developing. However, as the time of demobilization approaches, it may be possible to look into the future with more confidence than at present. For one thing the ability of Canada to maintain full employment and a high standard of living will depend in large part on the arrangements which can be made with respect to international trade in the post-war world. I understand that at the present time substantial progress is being made in the course of

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discussions on this subject between the Government of the United Kingdom and the Government of the United States, and it is to the outcome of such discussions, perhaps on an even broader scale, that we must look for guidance when we attempt to make economic forecasts.

Turning to the specific question of the demobilization of the United Kingdom personnel in Canada, who elect to remain in this country, I am inclined to think that the problem is somewhat simpler. The numbers affected cannot be very large and it may be possible for the United Kingdom authorities to give us a fairly accurate estimate of these numbers. If we may assume that the numbers will not be large enough to make a serious difference to the general problem of re-establishing service men in Canada, the ideal solution would appear to be for the United Kingdom Government to provide for its personnel in Canada conditions of demobilization and civil re-establishment comparable to, if not identical with, those provided by the Canadian Government for its own personnel. It may not be practicable for the United Kingdom Government to do as much as this, but it would be a rather unfortunate development to have two classes of ex-service men seeking a place in civilian life who are on very different terms with respect to educational opportunities, assurance against the hazards of unemployment and against the hazards of disabilities resulting from injuries received in the course of the war. I cannot help thinking that ex-service men from the United Kingdom will be seriously handicapped in their effort to establish themselves in Canada if they have to compete with Canadian ex-service men who know the country and have, in many cases, an established position to which to return, unless the United Kingdom service men have at least comparable treatment from their Government on demobilization.

I hope that the considerations which I have set out in this letter may help to provide a basis for constructive discussion. It might be possible for the United Kingdom authorities to examine the preparations which have been made in Canada for the re-establishment of returned soldiers and to see how far they are prepared to go along similar lines in the case of United Kingdom personnel discharged in Canada. You will probably come across a book by Mr. Robert England entitled *Discharged* which gives a good account of these preparations.

Yours sincerely,

N. A. ROBERTSON

863.

DEA/5418-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] November 20, 1943

As you know, the United Kingdom Government have been anxious, for some months, to receive an indication of the Canadian Government's general atti-

NOT RECORDED

tude towards questions of post-war immigration. We have explained that it is almost impossible for the Government to consider questions of immigration policy until the general post-war international economic framework takes firmer shape. Moreover, in the year or two immediately following the close of hostilities, our major task will be the reabsorption into civilian occupations of the million, four or five hundred thousand persons who are now in the Armed Services or in war industries. Until this job is in a fair way to accomplishment, it would be almost impossible to give much consideration to the question of an organized immigration policy.

There is one specific question of limited scope, however, to which early consideration will have to be given in connection with plans for demobilization. On the assumption (which may be modified in the light of prospective changes in the air training programme) that there would be a substantial number of United Kingdom air personnel in Canada at the time the war ended, the United Kingdom wishes to find out whether the Canadian Government would see objection to the demobilization here of those who wish to make their homes in Canada. We have had some preliminary discussion of this question with representatives of the Departments of Labour, Pensions and National Health and Immigration. We all feel that the numbers involved are likely to be so small, in relation to the general problem of demobilization, that we could safely give the United Kingdom an affirmative answer to this enquiry.

I understand Mr. Crerar may bring the question up in Cabinet War Committee within the next few weeks.²²

864.

DEA/5418-40

*Le haut commissaire de Grande-Bretagne au sous-secrétaire d'État
aux Affaires extérieures*

*High Commissioner of Great Britain to Under-Secretary of State
for External Affairs*

506/85

Ottawa, November 26, 1943

Dear Mr. Robertson,

Thank you for your letter of the 4th November in which you set out a number of general considerations concerning the possibility of emigration from the United Kingdom to Canada when the war is over. I am arranging for a copy of your letter to be forwarded to London for the consideration of the authorities there together with the volume *Discharged* to which you make reference. I shall not fail to let you know as soon as I receive their reply.

In the meantime the Dominions Office have forwarded to us various comments based on the views which had been expressed in previous discussions on this matter and it may be useful to you to have these comments at once.

²² La note suivante était écrite sur ce mémorandum: ²² The following note was written on the memorandum:

- (116) Please have Heaney bring this before me for Council (not war committee). K[ING]

The United Kingdom authorities agree that the question of the settlement of demobilised ex-service men has a very considerable bearing on the general problem of migration. But they feel that there are two considerations which are worth bearing in mind. First there is a time-limit over the question of the demobilised personnel. They are obtainable at the time of demobilisation in a way in which they are not obtainable later when they have settled down into other employment. Secondly, the handling and the success of the settlement of demobilised personnel will be of great value as an indication of what is required and what is possible in the long-term policy.

The United Kingdom authorities recognise the difficulties due to the uncertainty of post-war economic developments, but, as set out above, it seems to them that there is much to be said for the settlement of demobilised personnel being given a trial as a pointer to future migration schemes rather than being held up because of its possible bearing upon future migration.

The United Kingdom authorities entirely agree with the importance of giving the ex-service man and woman sent from Great Britain assistance substantially equivalent to that given to the demobilised Canadian. It seems to them that this is an essential requirement for the success of this, or, indeed, any migration scheme.

It is extremely difficult to offer any suggestion as to the numbers likely to be involved but the Departments concerned are being asked whether they are yet in a position to give any idea of the sort of numbers in the following categories:

- (1) ex-Service men who will actually be in Canada at the time of demobilisation
- (2) ex-Service men who have spent a considerable time in Canada but have left by the time of their demobilisation
- (3) ex-Service men who have not been in Canada at all.

The only useful figure at the moment is that of the 1919 scheme. The sailings for Canada under that scheme from 1919 to the end of 1922 were:

11,539 men
7,522 women
7,499 children
26,560 Total

So far as the United Kingdom authorities are concerned, they would regard it as an essential feature of the scheme that the Canadian Government should do what it thinks reasonable to satisfy itself as to the suitability of the persons concerned for settlement. War disabilities of a nervous character would certainly seem to them to accord reasonable grounds for disqualification, at any rate if they were in any way serious.

I should be very glad to discuss this matter further with you at any time that you feel would be convenient.

Yours sincerely,

MALCOLM MACDONALD

100-100000-1

PARTIE 5/PART 5
RELATIONS BILATÉRALES
BILATERAL RELATIONS

SECTION A

AUSTRALIE/AUSTRALIA

865.

DEA/3251-40

*Le haut commissaire en Australie au secrétaire d'État
aux Affaires extérieures*

*High Commissioner in Australia to Secretary of State
for External Affairs*

TELEGRAM 5

Canberra, January 10, 1942

MOST SECRET. Following for the Prime Minister from Odium, Begins:

1. I reached Canberra January 8th and saw Prime Minister Curtin. I told him that I had come direct from England and had had no opportunity to talk with you. For that reason anything said was my own, except in so far as I knew your general attitude. I added that Canada and Australia faced on the Pacific same threat and viewed it from the same point of view. Australia being nearer the immediate danger has a better understanding of its nature and of steps that should be taken to meet it. Subject to her existing heavy commitments, Canada I knew was anxious to do what she could to co-operate with Australia. I was present myself as tangible evidence of Canada's desire to stand by side of her sister Dominion in this time of peril.

2. Prime Minister thanked me and said he heartily reciprocated warm greetings which I had conveyed from you to the Australian people. To the people of Canada he sent on behalf of the Australian people a cheering word that Australians will never halt in the march along the road of service and that, comrades in arms, the two peoples will win victory. He suggested that Australia needed help to meet a very real emergency and asked me to attend the meeting of Advisory War Council and confer with Chiefs of Staff early next week. In a later unofficial talk with Permanent Secretary of External Affairs it was suggested that immediate danger points are New Caledonia, New Guinea and Timor which Australia has not sufficient force to garrison. I am informed confidentially that two Australian divisions are to be brought back from the Middle East to Malaya where situation is critical. I am further informed that threat in Borneo is real. If New Caledonia is not held air ferry route from America to Australia will cease to be practical.

3. I am not yet prepared to make a recommendation, but for reasons of high Imperial policy already suggested to you in a previous message¹ consideration should be given to probable desirability of establishing very urgently a base in Australia on which some Canadian force could be built up and from which it could operate. Loss of Penang has already in effect closed northern approach to

CONSULTER SUR PLACE

Singapore and occupation of western Borneo by enemy would as effectively close southern approach. Elements of American naval and military forces are in Australia after being driven out of Cavite. Their presence is causing some inconvenience as preparations had not been made. Though the war as a whole cannot be lost here, I sincerely believe, with an eye to a long-term peace objective, Canada should now hold out practical help to her sister Dominion. Eventual despatch of a brigade group or a division to act as part of an Australian force may appear desirable.

4. Yesterday I was received by the Governor General and discussed with him these problems and others disclosed in my visit to the Middle East, which I wish to bring to your attention but which I withhold until I am satisfied of security of our cypher system.

5. My trip took 18 days in actual flight, balance being spent with Australian field force. I find mail badly disarranged and am at a loss how to communicate. It appears to me that for all important matters we must rely on cable. Ends.

866.

DEA/3251-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie
Secretary of State for External Affairs
to High Commissioner in Australia*

TELEGRAM 9

Ottawa, January 12, 1942

MOST SECRET. Following from Prime Minister for High Commissioner, Begins: Contents of your most secret telegram No. 5 of January 10th will be examined promptly by War Committee of Cabinet, which is, you will appreciate, the only body competent to determine the disposition of Canadian Forces. Decisions as to theatres where they can most effectively be employed will only be taken in consultation with the unified strategic direction of common war effort which is being organized by the United Kingdom and the United States. In the meantime I hope you will not give Australian Government any reason to expect despatch of Canadian Forces. For your guidance I might add that Cabinet is zealous in guarding its prerogative of deciding all questions of war policy including disposition of man-power and allied problems. Ends.

867.

DEA/3251-40

*Le haut commissaire en Australie au secrétaire d'État
aux Affaires extérieures
High Commissioner in Australia to Secretary of State
for External Affairs*

TELEGRAM 20

Canberra, January 24, 1942

MOST SECRET. My telegram No. 16, January 17th[†]. Following for the Prime Minister from the High Commissioner, Begins:

NON-CLASSIFIED

1. In view of grave situation including actual threat of physical invasion which now confronts Australia, Commonwealth Government, through Minister for External Affairs, has asked me to submit to your Government the following three suggestions of help which it hopes the Government of Canada might extend to it in this emergency. Suggestions are made in order of priority in which they would best meet Australia's needs, and will be supported by an appreciation of the situation now being prepared by the Chiefs of Staff which will be submitted to you early next week through the Australian High Commissioner in Canada.

2. Suggestions are:

(a) Supply where possible of equipment in which Australian deficiencies are serious, such as aircraft, anti-aircraft equipment, R.D.F. equipment, armoured fighting vehicles, anti-tank equipment and torpedoes;

(b) Establishment in Australia of a Canadian Army force to be a G.H.Q. mobile reserve in Australia. Knowledge that such a force would be made available would justify the Australian Government in adopting a bolder policy than it otherwise could in sending out detachments of its own Air Force to defend advanced positions;

(c) Transfer to Australian naval stations of a number of fully manned and equipped naval units suitable for local defence.

3. Suggestions were submitted to me yesterday as an aide-mémoire for a discussion which Dr. Evatt proposed should be held in Canberra next week, but in view of the urgency of the situation I am now asked to transmit them to you without discussion.

4. In studying the situation you should consider the entire Malay Peninsula, including Singapore, Borneo, Celebes, New Guinea and Northern Solomon Islands likely to be in enemy hands before any assistance agreed upon could be implemented.

5. Australian Government is fully aware that final action must be subject to the approval of Allied coordinating authority but approaches you direct to ascertain what assistance could be made available if that approval were forthcoming. Ends.

868.

DEA/3251-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie*

*Secretary of State for External Affairs
to High Commissioner in Australia*

TELEGRAM 21

Ottawa, January 29, 1942

MOST SECRET. Reference your telegram No. 20 of January 24th. War Committee of Cabinet and Chiefs of Staff have been examining suggestions transmitted in your telegram as to form which Canadian assistance to Australia might take.

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They feel that Australian proposals for assistance could not properly be dealt with by Canada, but should be submitted to the Combined British-American Chiefs of Staff Committee and Munitions Assignments Board, which have been set up to direct and coordinate the war effort of the United Nations. Disposition of military forces and allocation of equipment in the light of the world situation viewed as a whole are functions of the Combined Chiefs of Staff and Munitions Assignments Board, and their advice should be sought before any decisions were taken by Canada.

Examination of the naval features of the Australian request indicates that torpedoes could not be spared from Canadian supplies, nor would it be possible for Canada to man vessels for Australian local defence. The only ships in Canada which could possibly be spared would be six mine-sweepers now under construction for Admiralty account on the Pacific Coast. Their transfer would require the consent of the United Kingdom Government.

Because of deficiencies in estimated minimum requirements for defence of Canada, Government cannot now spare aircraft for Australia. Same is true of R.D.F. and other equipment. It would, however, be possible to provide trained air crew if these are needed.

869.

DEA/4393-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie*

*Secretary of State for External Affairs
to High Commissioner in Australia*

TELEGRAM 35

Ottawa, February 19, 1942

SECRET. You may wish to let the Commonwealth Government know that the Canadian Government have agreed to the diversion to Australia of nine Catalina flying boats which had been ordered for Canadian coast defence requirements and made available to the United Kingdom for use in the western approaches under an arrangement by which they could be returned to Canadian operations if the situation in the opinion of the Canadian Chiefs of Staff warranted. At the time when the United Kingdom Government approached our Government for their concurrence in the proposed diversion of these Catalinas, we were ourselves seriously concerned about our defence dispositions on both Atlantic and Pacific coasts, where the supply of serviceable Catalinas available for coastal patrol and defence is inadequate for present needs. In view, however, of the immediate urgency of the Australian need for additional flying boats, the Canadian Government was glad to concur in the proposed diversion.

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870. W.L.M.K./Vol. 348

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

URGENT

[Ottawa,] March 23, 1942

Sir William Glasgow called this morning to let you know that Mr. H.V. Evatt, the Australian Secretary of State for External Affairs, expected to come to Ottawa probably in about a fortnight. Sir William is leaving for Washington tomorrow morning to have a conference with Evatt there.

I gathered from Glasgow that Evatt had been rather violent over the telephone, complaining that Canada was not rallying to Australia's aid in the present crisis in the way that Australia had a right to expect. Sir William said he had remonstrated with Evatt and told him that in all his contacts with the Canadian Government, he had found them anxious to do everything they could to help Australia, as part of the total war effort. He gathered that what Evatt particularly had in mind had been requests for military assistance transmitted through General Odlum — requests about which the Australian High Commissioner's Office here have never been informed by their own Government.

When Evatt comes to Ottawa he wants to see you and the Defence Ministers, and probably the Minister of Finance. Sir William wondered if the Ministers would wish to see him separately or be willing to receive him in the War Committee. He did not wish to ask for a meeting for Evatt with the War Committee unless this would be acceptable to the Canadian Government.²³ I promised I would have a word with you and let him know your wishes before he goes to Washington tomorrow morning.

The Canadian Club are anxious to invite Evatt to speak to them when he comes to Canada. There is little doubt that he will be glad to accept, and some risk that under the present circumstances he may make a mischievous speech. I do not think we can try to head him off from making a speech when he is here. The best we can do is to arrange that he has his conferences with Ministers before his public engagements, so we can be sure that he at least understands the Canadian position before he goes on the air.

N. A. R[OBERTSON]

²³ Evatt assista à une réunion du Comité de guerre du Cabinet le 8 avril. Il fut à Ottawa du 8 au 10 avril. ²³ Evatt attended a meeting of the Cabinet War Committee on April 8. He was in Ottawa from April 8 to 10.

CONSULTER SUR PLACE

871.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 1, 1942

CANADIAN ASSISTANCE TO AUSTRALIA — MUNITIONS

5. THE MINISTER OF MUNITIONS AND SUPPLY reported that, upon instructions from the Australian Minister for External Affairs, from Washington, the Australian High Commissioner had presented an urgent appeal for the shipment of Canadian produced equipment to Australia.

In reply, it had been necessary to tell Sir William Glasgow that, beyond filling orders already placed, it was not possible for Canada to do anything, without affecting munitions for which commitments to the United Kingdom or the United States had been made.

If Australia wished to obtain a larger share of Canadian production, representations should be made to the Munitions Assignments Board. The Department of Munitions and Supply, without the United Kingdom's concurrence, could not divert equipment to meet the Australian request.

(Letter, Minister of Munitions and Supply to Australian High Commissioner, April 1, 1942.)[†]

872.

W.L.M.K./Vol. 331

Le secrétaire d'Etat aux Affaires extérieures
au haut commissaire en Australie
Secretary of State for External Affairs
to High Commissioner in Australia

TELEGRAM 81

Ottawa, April 9, 1942

Your telegrams 92 of March 28th,[†] and 97 of April 6th[†]. Glad to get the facts of the statement you made.²⁴ I think it wise to say as little as possible about

²⁴ Après une conférence de presse à Canberra, apparemment le 14 janvier, on rapporta que le haut commissaire avait déclaré que le Canada était très soucieux de la défense de la région du Pacifique et surtout de la défense de l'Australie et voulait fournir, de l'aide à celle-ci. Voir Canada, Chambre des Communes, *Débats*, 1942, volume 2, pp. 1703-4. On y indique Melbourne comme lieu de la conférence de presse mais ceci est une erreur. Le haut commissaire expliqua qu'il avait été cité inexactement.

²⁴ After a press conference in Canberra, apparently on January 14, it was reported that the High Commissioner had stated that Canada's immediate concern was the defence of the Pacific area, especially Australia, and the supply of assistance to that country. See Canada, House of Commons, *Debates*, 1942, Volume 2, pp. 1644-5. Melbourne is erroneously identified as the site of the press conference. The High Commissioner's explanation was that he had been misquoted.

NON-PROLIFERATION
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Canadian aid to Australia owing to the probability of any statements being misinterpreted. In our talks yesterday and today with Dr. Evatt, which are of course strictly confidential, it was made clear to him, and he appreciated the point, that the commitments undertaken by Canada overseas in respect of men and munitions, which occupy Canadian capacity to the full at the sacrifice of home defence needs, cannot be altered by Canada alone, or by Canada in consultation with Australia, but only as a result of decisions of the Combined Staffs on highest strategic grounds. Indeed Dr. Evatt argued this thesis himself and stated that the Canadian position in this regard was fully appreciated by the Australian Government.

Dr. Evatt also stated that his Government were not satisfied that the existing machinery for the conduct of the war was entirely satisfactory; he disliked present parallelism between London and Washington, and felt that some sort of supreme war council in one place would have to be set up. He emphasized that munitions should be allocated not to governments but to theatres of war on the basis solely of strategic needs determined by supreme strategic authority.

Dr. Evatt also reviewed the present strategic position in the South-Western Pacific, reading an appreciation furnished by the Australian Chiefs of Staff and concurred in by General McArthur. He stated that the position in respect of equipment, aircraft and naval strength was causing grave concern, and that their immediate and urgent requirements in this regard have been brought to the attention of the President and the United States authorities.

Dr. Evatt is making a very good impression in Ottawa and has been most friendly and understanding.

873.

W.L.M.K./Vol. 322

Le Premier ministre au Premier ministre d'Australie
Prime Minister to Prime Minister of Australia

TELEGRAM

Ottawa, April 10, 1942

PERSONAL AND CONFIDENTIAL. I should like you to know how much my colleagues and I have appreciated Dr. Evatt's visit to Ottawa. We were all deeply impressed by his presentation of Australian situation before War Committee of Cabinet, and public equally impressed by his admirable address delivered yesterday at large public luncheon and broadcast by Canadian Broadcasting Corporation. I feel Dr. Evatt has complete understanding of Canada's position vis-à-vis Australia, just as we have gained from him a very full appreciation of Australia's present very pressing needs. We shall gladly co-operate with Dr. Evatt in his efforts to see that the whole Pacific position is brought into its true perspective. I am looking forward to being present with him at Washington at next meeting of Pacific Council on the fifteenth instant. Kindest regards.

MACKENZIE KING

874.

W.L.M.K./Vol. 325

Le ministre des Munitions et des Approvisionnements au Premier ministre
Minister of Munitions and Supply to Prime Minister

Ottawa, April 13, 1942

My dear Prime Minister,

On Saturday evening, the Minister of External Affairs, Dr. H. V. Evatt with his Assistant, Mr. W. S. Robinson, dined with me in Montreal. The subject of our conversation was of course the urgent need by Australia of munitions.

I pointed out that, while Canada is manufacturing large quantities of munitions of the type required, our entire output is committed to certain allied countries, and that diversion could only be made with the consent of our allies; in fact, consent of United Kingdom is required in practically every instance.

Following is a list of equipment represented as urgently required, and the numbers asked for:

Bren machine guns, 6,600
 Browning machine guns, aeroplane type, 1,000
 Bofors anti-aircraft guns, unlimited numbers
 25-pdr field artillery, 200
 6-pdr anti-tank equipments, 500
 RDF equipments, 600
 GLM - K2 equipments, 100
 GLM - K3 equipments 125
 SL3 equipments 200
 A - 271 equipments 20
 2" field mortars 1,000
 Anti-aircraft searchlights, 1,000

While the above represents a very large order, Canada is capable of filling all orders within a month or two by diversion of orders from United Kingdom and United States. Allocations, however, must be made by the Allocations Board in Washington or in London before any shipment can be made. I have definitely determined that we have no free capacity that can be offered at this time.

I will be glad if you will explain the situation to Dr. Evatt. Personally, I have the greatest sympathy with the position of Australia, and would like to help. No doubt your support at the Pacific conference table²⁵ will assist toward larger allocations for Australia.

Yours faithfully,

C. D. HOWE

²⁵ Voir le document 876.

²⁵ See Document 876.

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875.

W.L.M.K./Vol. 323

*Le ministre aux Affaires extérieures d'Australie au Premier ministre*²⁶
*Minister for External Affairs of Australia to Prime Minister*²⁶

TELEGRAM

Washington, April 14, 1942

I am very distressed to hear that there is some danger of withdrawal of generous offer made by Howe on Saturday night at Montreal after you had telephoned him. In circumstances I was overjoyed and was bound to report facts to my principals. I sincerely hope that you will intervene here and save situation both general and particular.

EVATT

876.

DEA/23-As

*Extrait d'un mémorandum du Premier ministre*²⁷
*Extract from Memorandum by Prime Minister*²⁷

[n.d.]

RE: MUNITIONS ASSIGNMENTS BOARD

The question of decisions re theatres of war and functions of a Munitions Assignments Board came up for pretty full discussion. It arose out of some reference by the President to previous discussions, and was enlarged upon by Dr. Evatt. I told the Council of the consideration we had given the matter in the War Committee in Ottawa at the time of Evatt's visit, and subsequently pointed out that we were most anxious to assist wherever we could, but made perfectly clear our present position with respect to commitments. I said we were, since Japan's entry, in much the same position with respect to planning for a world war as we had been in planning for what many thought would be mainly a European war, some four and a half months after the war itself began. At that time all plans were made largely in consultation and co-operation with London; and Britain was viewed as the centre of the Empire and the British Isles as the most important of the possible theatres of war; that Canada, Australia, New Zealand had given only secondary thought to their own defence, and had sent their forces overseas. Similarly the United States Lease-Lend policy had aimed at strengthening the position of the Allied forces in Europe, while giving some assistance to China. Today, however, in the light of Japanese occupation of

²⁶ Ce télégramme fut envoyé au train dans lequel le Premier ministre se rendait à Washington.

²⁶ This telegram was sent to the train on which the Prime Minister was travelling to Washington.

²⁷ Mémorandum sur les délibérations de la réunion du Conseil de guerre du Pacifique à Washington le 15 avril 1942.

²⁷ Memorandum on proceedings of the meeting of the Pacific War Council in Washington on April 15, 1942.

CONCILITR
 SIR PLACE

different free countries in the Orient, with the threat there was to Australia and New Zealand, the situation what it is in India, and particularly in the Indian Ocean, it was necessary from the point of view alike of strategy and allocation of supplies to have everything viewed in the light of probable and actual theatres of war.

I stressed the necessity from broad political considerations as well as strategic, of not letting situations develop which would cause alienation of feeling between different parts of the British Commonwealth and any of the free countries. I pointed out how Australia's problem had created a problem in Canada such as had scarcely been dreamt of before. Just as the feeling had grown up suddenly in Australia which was causing Australians to look more to the United States than to Britain, so to the amazement of some of us, a few British Columbians were beginning to adopt a similar attitude toward the Government of Canada, urging that we were not conscious of the dangers on the Pacific; some of them were saying they would have to look to the United States rather than to Ottawa for an understanding of their problems. The necessity of providing for Pacific coast defence had made it increasingly difficult for us to comply with requests from Australia. The only real solution was recognition that we were all equally concerned in the progress and outcome of the war, and seek so to arrange matters of allocation of supplies as to retain confidence in the purpose of each part to help the other as much as possible.

877.

DEA/3251-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-700

Ottawa, April 28, 1942

IMMEDIATE. Please convey following personal message from Prime Minister to Dr. Evatt before his departure. Message begins:

I am very sorry that it has not yet been possible to work out some form of direct and immediate assistance from Canada to Australia. As you know, I have been most anxious, particularly since our talks in Ottawa, that we should if at all possible make some definite and specific contribution to the defence of Australia over and above the flow of men and munitions of war which is being poured into the common pool for the joint use of the United Nations. Since my return from Washington the Defence Ministers and their advisers have again examined very thoroughly the possibility of diverting some supplies from our own defence requirements. Our own shortages of initial equipment quite apart from any provision for wastage make such diversions impossible.

In principle our effort to effect a diversion of supplies on a bilateral basis does not represent the right way of tackling the problem but I was prepared to attempt it as a short cut in an emergency. Now I am more hopeful that the assignment of munitions and supplies will soon become closely integrated with

NOT REPRODUCIBLE

the strategic needs of the different theatres of war. Arrangements are nearly completed for the full participation of Canada in the Munitions Assignments Board, and I feel certain that Canadian representative on that Board will appreciate to the full the importance of doing everything that can be done to strengthen the defences against aggression of your country and New Zealand.

878.

W.L.M.K./Vol. 323

Le ministre aux Affaires extérieures d'Australie au Premier ministre

Minister for External Affairs of Australia to Prime Minister

TELEGRAM

London, May 17, 1942

Deeply appreciate your kind message. May I hope Robertson will be able to finalize munition matter with Smith who is representing my mission at Washington²⁸. Best wishes.

EVATT

879.

DEA/5870-40

Mémorandum de l'assistant, ministère des Affaires extérieures

Memorandum by Assistant, Department of External Affairs

CONFIDENTIAL

[Ottawa,] October 22, 1943

NOTES ON A SPEECH BY DR. EVATT, OCTOBER 14TH/43

Dr. Evatt's statement on international affairs in the House of Representatives at Canberra on October 14th is of particular interest. It suggests, among other things, cooperation for mutual advantage between Canada and Australia because of their common interests as members of the British Commonwealth and as small nations. This gesture, combined with Mr. Davis's recent report of a friendlier attitude towards himself by Dr. Evatt, suggests that Dr. Evatt may be giving serious consideration to the advantages of a Canberra-Ottawa axis. Although the recent Australian attitude on the Four-Power Declaration was not one which the Canadian Government wished to support, it is worth considering whether there might not be advantages for Canada in working closely with Australia both in Commonwealth and international councils.

It is worth noting that Dr. Evatt has outlined in his statement the principles of an Australian foreign policy which might very well form the basis of a Canadian policy. The main points might be summarized as follows:

1. Collaboration with other peace-loving nations, world cooperation, the four freedoms, etc.
2. Inability 'to contract out of Europe' and the consequent necessity of taking an active part in planning peace in Europe.

²⁸ Voir les documents 350, 352 et 975.

²⁸ See Documents 350, 352 and 975.

3. Belief in the Atlantic Charter.²⁹
4. Determination that the Mussolini and Hitler regimes will not be followed by fascist regimes under another guise.
5. Recognition (with emphasis) of the French National Committee of Liberation.
6. Friendly attitude towards the League of Nations.
7. Limited approval of the Three-(or Four-) Power System and desire to combine the two concepts of the equality of nations and the necessity of great power leadership "which do not seem to be in necessary conflict". (Dr. Evatt should be a ready convert to the functional principle).
8. Predominant interest in the Pacific, with a firm realization that peace and prosperity of continents is not divisible.
9. Need to make defence arrangements with neighbouring territories.
10. Close collaboration with New Zealand.
11. Close collaboration with the United States.
12. Promotion of closer relations with South America.
13. Friendly relations with China and the Soviet Union.
14. Conduct of relations with other countries either by consultation within the British Commonwealth with a view to joint action or, when appropriate, by exercise of "Australia's distinct international status".
15. Desire for a wider international agreement on civil aviation as well as an understanding between members of the Commonwealth.

The only essential alterations necessary in a Canadian statement would be due to regional differences. Canada is vitally but not "predominantly" interested in the Pacific, but Canada is interested, like Australia, in cooperation for defence purposes with countries in her own region. Nevertheless, Canada could agree that a "regional approach should not be an isolationist approach". For geographical reasons, Canada has not the same urgent necessity for cooperation with New Zealand, but she is interested in cooperating with all British nations. It is particularly Dr. Evatt's views on the role of a small power that correspond with this Government's. As for the role of Canada or Australia in the Commonwealth, Dr. Evatt's view of alternative policies is the same as ours. If we agree in principle, however, we probably disagree on balance. Canada, like Australia, seeks to make her influence felt through Commonwealth channels, but she is not committed, like the Australian Prime Minister, to the policy of seeking *joint* Commonwealth action. The Australian Government would undoubtedly like Canadian support for their thesis, but it is on this matter that there is perhaps the widest divergence of views.

Other points of interest in the statement are:

1. Dr. Evatt's reference to "Britain or the British Commonwealth" as one of the great powers may reflect the Dominions Office response to the Australian

²⁹ Voir le volume 7, document 327.

²⁹ See Volume 7, Document 327.

NON-CIRCULATING

telegram regarding the Four-Power Declaration.³⁰

2. The extensive references to the French Committee, the role of Free French forces, the warning against substitute fascist regimes, and the statement that "special arrangements made as a result of the military exigencies do not, and cannot, prejudice a final settlement" suggest a sympathy with the views of "liberal" circles and may be intended as a protest against the Italian arrangements. It would be interesting to know whether Canberra has commented to London on the D.O. telegrams dealing with these negotiations³¹. (When Dr. Evatt was in Ottawa he made in private some caustic comments about Giraud, not necessarily attributable to any pique at the attention being shown the latter in Ottawa).

3. The prominence given to relations with New Zealand may augur a more sensible recognition of mutual interests in the future.

4. The reference to South America may be an interesting result of the descent of American culture upon Australia. It might also reflect some "global" thinking about airways.

5. Of all the countries specifically mentioned as those with whom Australia must cooperate, the United States gets the least attention, a fact which may be purely accidental.

6. The tone of the statement is calculated, like other recent Australian Government statements, to correct the impression that Australia intends henceforth to interest herself solely in the Pacific and to depend primarily on the United States for help.

J. W. H[OLMES]

880.

DEA/5870-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie*

*Secretary of State for External Affairs
to High Commissioner in Australia*

DESPATCH 227

Ottawa, November 10, 1943

CONFIDENTIAL

Sir,

I have the honour to refer to your despatch No. 385 of October 16th^t with which was enclosed a statement on foreign policy by Dr. Evatt^t. In this statement Dr. Evatt refers to his intention to discuss with the accredited representatives in Australia of the various governments interested in the South-West Pacific the handling of the problems of security, post-war development, and native welfare. In view of the fact that you are already associated with the

³⁰ Voir les documents 243 et 244.

³⁰ See Documents 243 and 244.

³¹ Voir le document 521.

³¹ See Document 521.

political warfare organization to which Dr. Evatt makes reference in this connection, you have asked whether you should be prepared to engage in the proposed discussions on the South-West Pacific region.

It is true, as you say, that Canada is a Pacific country with a vital interest in the security of the whole Pacific region. Canada is interested in fighting Japan on the best vantage ground, wherever it may be. This is a world war, and because future wars are apt to be world wars Canada must remain interested in the security and prosperity of the whole world. However, Dr. Evatt's principle of regional organization within the framework of a world organization is based on a recognition of direct and indirect interests. Just as Australia's direct interest, according to this thesis, is in the South-West Pacific, so Canada's direct interest is in the North Atlantic and North Pacific regions. The welfare and security of the South-West Pacific is of importance to Canada, but no more so than the welfare and security of the Middle East or the continent of Africa. If Canada should insist on taking part in a regional organization for the South-West Pacific, Australia would be entitled to take part in a North Atlantic organization, and the regional principle would be frustrated. Dr. Evatt's thesis would allow Canada's interest in worldwide prosperity and security to be expressed at the higher level of an international organization. Our special interest in Australia because of our association in the British Commonwealth can also be expressed through the Commonwealth machinery of consultation.

In this connection Dr. Evatt's analogy with the political warfare organization is somewhat misleading. This latter is primarily an organization for cooperation on the part of those countries engaged in fighting Japan. It is because Canada is fighting Japan rather than because Canada is a country with direct interests in the South-West Pacific that she is represented on a committee of this kind which happens to be situated in the country which is the base of operations for the South-West Pacific.

As you point out, "Canada has the same interest in the Pacific as the United States of America although naturally our degree of interest must be influenced by our relative strength as a nation, in comparison with the United States". Unless Canada wishes to become involved in responsibilities which she could not properly fulfil because of her small population, we must recognize that the great powers have extensive interests and primary responsibilities for security which entitle them to be associated with virtually all regional associations.

You will, I think, realize that we must be guided in our attitude towards regional organization by principles consistent with the functional thesis of representation which we have enunciated. For your guidance, I shall be sending shortly a despatch discussing the functional thesis in the light of recent developments.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

NON-CIRCULATING

SECTION B

GUYANE BRITANNIQUE/BRITISH GUIANA

881.

DEA/2417-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 788

London, March 23, 1942

My telegram No. 714 of March 14th[†], bauxite mines at Mackenzie. United Kingdom authorities confirm that recommendation that a white company should be posted temporarily to protect the works has been taken up in Washington and that Joint Staff Mission have been asked to keep in touch with Canadian service representatives on the matter.

(2) On related question of security of bauxite ships on Demerara river, I have been asked to place following proposal before the Canadian Government. Local coloured guards are already provided on the ships, but United Kingdom authorities recognize that there would be an advantage if these guards could be strengthened by a small number of white N.C.O.'s. What is wanted are carefully selected older men not necessarily highly trained in the military sense but steady and reliable. It is considered that some 18 N.C.O.'s would be required and a suitable officer. If they can be obtained, it is contemplated that these with the coloured personnel of local militia at present providing guards on bauxite ships should be organized into a separate unit of the forces of the Colony. The unit would be under its own officer, thus freeing Commandant of local forces from day to day direction of it, though he would retain general responsibility.

(3) United Kingdom authorities state that it would be very difficult to spare suitable men from United Kingdom and would greatly appreciate it if the Canadian Government could assist by facilitating loan or recruitment of these men in Canada. If the Canadian Government agree to do so, United Kingdom hopes that Canadian security authorities might be prepared, possibly in consultation with Aluminium Company, to select suitable candidates.

(4) It is hardly practicable in London to define further their duties and conditions of service, but Sir Connop Guthrie of Security Coordination, New York, who is familiar with local security problem in all its aspects, hopes to visit Ottawa shortly where he could discuss details and, if desired, help in selection of candidates.

(5) United Kingdom authorities, in view of urgency of matter, would appreciate early reply so that if the Canadian Government agree to personnel required being drawn from Canada, suitable instructions as to details may be sent to Sir Connop Guthrie.

MASSEY

882.

DEA/2417-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 728

Ottawa, April 13, 1942

Your telegrams Nos. 714¹ and 800² of March 14th and 23rd. Protection of Bauxite ships.

Department of National Defence have agreed to send two lieutenants, two Warrant Officers, Class II, and eighteen Sergeants to strengthen coloured guards. They have been in touch with Sir Connop Guthrie in New York over details. National Defence feel that clothing, equipment, pay, allowances, etc., should be according to scales provided for by Canadian regulations. It is suggested, therefore, (1) that Canadian Government assume all responsibility for

- (i) Pay
- (ii) Dependents Allowance
- (iii) Pension claims
- (iv) Clothing and personal equipment
- (v) Rifles, Revolvers and side-arms
- (vi) Transportation to and from British Guiana for original members and reliefs;

(2) that British Guiana Government pay to Canadian Government yearly a sum computed at the rate of £408 for each Canadian Officer, £300 for each Canadian Warrant Officer and Sergeant to cover the above items; and (3) British Guiana Government also to provide free of any charge to all ranks

- (i) Quarters, including accommodation, blankets, bedding, etc.,
- (ii) Rations on a scale comparable to Canadian army in Canada,
- (iii) Medical and dental treatment.

It is also proposed that Canadian detachment be placed under command of the senior officer of British Guiana militia for all purposes except pay and allowances as set out above; that members of Canadian detachment be given commissions and rank in local British Guiana militia equal to rank that they hold in Canadian army.

¹ Télégramme 788, le document précédent.

² Telegram 788, preceding document.

NON-CIRCULATING

883.

DEA/2417-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1076

London, April 20, 1942

Your telegram No. 728 of April 13th and your telegram No. 741 of April 15th¹ concerning protection of Bauxite ships.

(1) United Kingdom authorities have informed me that suggestions in your telegram as regards the terms of service of the personnel whom Canadian authorities have agreed to lend are acceptable, and that Governor of British Guiana and the Officer Commanding troops there are being informed accordingly.

(2) As regards paragraph three of your telegram concerning accommodation, rations and medical and dental treatment, United Kingdom authorities explain that items in question will be provided by Colonial Government and suggests that details should be settled direct between Officer Commanding troops British Guiana and Department of National Defence. As regards quarters, Government of British Guiana have recently been authorized to construct additional quarters for militia. These will include accommodation for Canadians but it will probably not be possible for construction to be completed by time Canadian personnel arrives. Colonial Government are being asked to provide best possible accommodation for them in the meantime.

(3) United Kingdom agree that Canadian personnel should be placed under command of Senior Officer of British Guiana militia for all purposes except pay and allowances, and that they should be given commissions and rank in militia equal to rank that they hold in Canadian Army.

(4) Since United Kingdom made its original proposal, as contained in my telegram No. 800 of March 23rd³³, Colonel Stratton, the Security Officer who recently visited Colony, has strongly recommended that number of white sergeants should be increased to thirty and this recommendation has been endorsed by the Governor. I have been requested to communicate this recommendation to you and to ask if you would agree to provide the larger number. Sir Connop Guthrie is being informed of this request and will assist further if desired. United Kingdom Government understand that he also endorses recommendation for thirty but he no doubt felt himself precluded from discussing it with authorities until it had been put forward officially.

(5) United Kingdom authorities stated that they are very grateful for ready cooperation of the Canadian Government in this connection.

³³ Télégramme 788, document 881.

³³ Telegram 788, Document 881.

MANQUER SUR PLACE

Dominions Secretary has handed me memorandum on the subject of the local defence of Mackenzie which may be summarised as follows:

(a) When originally considered it was thought that local defence forces should prove adequate for this purpose and that there was no need to provide troops from outside the colony;

(b) Subsequently view was taken in London that as the local forces were being reorganized it was desirable to provide a company of white troops to guard the works for a temporary period. The process of reorganization is taking longer than was expected and it is unlikely that local force will reach satisfactory state of training until 1943. For the time being protection is being afforded by Colonial police except for one platoon of Militia;

(c) When the above decision was communicated to the G.O.C., he consulted the local Joint Military Defence Sub-Committee in British Guiana, a body similar to those established in other Colonies where there are United States leased bases. Sub-Committee recommended to United States Commanding General at Trinidad that a company of United States troops should be provided. The Commanding General at Trinidad referred recommendation to Washington;

(d) The view of both United States and United Kingdom staffs is that a company of troops should be sent to Mackenzie. The United States have not yet offered any troops but the United Kingdom Military Staff report that although the United States might be prepared to provide a company of coloured troops it is most unlikely that they would send white troops;

(e) The Governor of British Guiana has advised strongly against the use of coloured troops for two reasons, (1) they would not have steady effect of white troops and (2) their usefulness would in the opinion of Governor, which is shared in London, be offset by complications which may be expected to ensue from the existence of a large East Indian community in the Colony;

(f) The alternative of sending United Kingdom troops has been carefully considered but it is felt that the many calls on United Kingdom resources make it very difficult to spare any;

(g) The last paragraph of memorandum reads as follows, Begins: In these circumstances having regard to the high importance of the works and to the interest which both the Canadian Government and the Aluminium Company of Canada have taken in the question, it is desired to enquire whether Canadian Government would be so good as to provide a company of Canadian troops for Mackenzie, at any rate as a temporary measure until the local militia can take over. The provision of Canadian or United Kingdom troops was among the suggestions made by the Aluminium Company in their correspondence with the Canadian authorities forwarded from Canada House on January 30 and February 18, and an earlier approach would have been made to the Canadian Government had the matter not been referred direct from the Colony to United States authorities. The provision of the requisite troops is clearly a matter of urgency and a very early expression of the views of the Canadian Government would be welcomed.

887.

DEA/2417-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1161

Ottawa, June 15, 1942

Reference your telegrams No. 1399 of May 27th and 1577 of June 9th. Please advise United Kingdom Government of Canadian Government's regret that, after consideration by the Army Staff and the War Committee it has not been found possible to provide the Company of Canadian troops requested for the local defence of Mackenzie, British Guiana.

SECTION C

ANTILLES BRITANNIQUES

BRITISH WEST INDIES

888.

W.L.M.K./Vol. 323

*Le haut commissaire adjoint de Grande-Bretagne au
sous-secrétaire d'État aux Affaires extérieures*

*Deputy High Commissioner of Great Britain to
Under-Secretary of State for External Affairs*

SECRET AND IMMEDIATE

Ottawa, May 6, 1942

Dear Mr. Robertson,

I have been asked by the Secretary of State for Dominion Affairs to inform the Canadian Government that the Anglo-United States Caribbean Commission recently reported that the present acute shipping difficulties had resulted in a serious threat of a shortage of essential foodstuffs and other commodities in the Caribbean area, with the possibility of exhaustion of supplies in the not very distant future. The Commission have therefore given urgent consideration to the problem of "organizing essential supplies to the Caribbean on a permanent and long-term basis".

It would be impossible, in their view, for supplies to be maintained adequately by the operation of ordinary commercial procedure, and the situation calls for the establishment of improved co-ordination within the Caribbean area for the control of shipments of essentials, including foodstuffs and non-foodstuffs, on a programmed basis. With a view to determining the most suitable method of co-ordination they recommended that there should be called, under the auspices of the Commission and at the earliest possible date, a conference to be attended by representatives of supply organisations in all British and American Caribbean territories, of the joint Shipping Administrations, of the British Colonial Supply Liaison at Washington, and of any other agency in Washington which might be involved.

FORM - CIRCULATION 1

This recommendation has been approved by the United States and United Kingdom Governments and arrangements are now in hand for a conference to be held in Jamaica, with the opening date 15th May. The United States and United Kingdom Governments feel that it would be of great assistance if the Canadian Government were willing to appoint a representative to the conference, and in informing the Canadian Government of the arrangements for the holding of the conference I have been asked to extend to them a cordial invitation to be represented at it. The short notice is greatly regretted, but in view of the strong recommendations of the Commission it has been felt necessary to summon the conference with a minimum delay. It is understood that the State Department at Washington will be very willing to assist with transportation arrangements.

The agenda for the conference would include the following:

- (1) Ascertainment of minimum supplies essential to maintain wartime economy.
- (2) Co-ordination of steamship services from North America, (3) Establishment of emergency stores of concentrated foods, (4) Scheme of control of local steamers, schooners etc., for inter-island distribution, (5) Feasibility of land and sea supply routes through the Greater Antilles, (6) Promotion of further production of foodstuffs locally, (7) Obtaining of priorities for equipment needed for local production, processing and preservation of foodstuffs, (8) Recommendations to the Home Governments regarding increase of inter-Caribbean trade.

I understand that further details if needed can be obtained from the British Colonial Supply Liaison, Washington.

Yours sincerely,

PATRICK DUFF

889.

DEA/1997-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

IMPORTANT

[Ottawa,] May 11, 1942

I believe Mr. MacKinnon is bringing up in Council today the question of Canadian representation at the Conference to be held in Jamaica on May 15th to consider what measures should be taken to deal with the threatened shortage of essential foodstuffs and other commodities in the Caribbean area as a result of acute shipping difficulties due to enemy action. In view of Canada's close shipping and trade connection with the British West Indies and their dependence on this country for most of their staple foodstuffs it is, I think, important that Canada should be adequately represented in the discussions in Jamaica, which are likely to determine not only the immediate emergency arrangements for provisioning the Islands but also affect their post war relations with the

United States and Canada. I would suggest that Mr. Wilgress and Mr. J.S. Macdonald of this Department, who are both very familiar with West Indian trade and shipping questions, should represent Canada. They would have to leave tomorrow to join the American Delegation at Miami and thence proceed to Jamaica by plane, which the United States State Department is reserving.

The Agenda for the Conference includes:

- (1) Ascertainment of minimum supplies essential to maintain wartime economy.
- (2) Co-ordination of steamship services from North America.
- (3) Establishment of emergency stores of concentrated foods.
- (4) Scheme of control of local steamers, schooners etc., for inter-island distribution.
- (5) Feasibility of land and sea supply routes through the Greater Antilles.
- (6) Promotion of further production of foodstuffs locally.
- (7) Obtaining of priorities for equipment needed for local production, processing and preservation of foodstuffs.
- (8) Recommendations to the Home Governments regarding increase of inter-Caribbean trade.³⁴

890.

DEA/1997-40

*Les représentants à la Conférence pour la coordination du transport
des vivres et d'autres approvisionnements aux Antilles au
secrétaire d'État aux Affaires extérieures*

*Representatives to the Conference for Co-ordination of Shipment
of Foodstuffs and Other Supplies to Caribbean Islands to
Secretary of State for External Affairs*

Ottawa, May 26, 1942

Sir,

The undersigned, designated to represent the Canadian Government at the international Conference for the co-ordination of the shipment of foodstuffs and other essential supplies to Islands in the Caribbean area, have the honour to report that the Conference was held in the Legislative Council Chamber, Kingston, Jamaica, from May 15th to May 18th. It was attended by representatives of the Anglo-American Caribbean Commission; of Puerto Rico and the Virgin Islands; of the various British West Indian Colonies, including British Guiana and British Honduras; as well as by representatives of the Governments of the United Kingdom, the United States and Canada.

³⁴ La note suivante était écrite sur ce
mémorandum:

³⁴ The following note was written on the
memorandum:

Approved by P[ri]me M[in]ister] 11-5-42. R[OBERTSON]

NON-CIRCULATION 1

The purpose of the Conference was to examine means of maintaining supplies for these areas, nearly all of which are facing severe shortages of foodstuffs and other materials essential to the maintenance of their economic life. In recent months enemy submarines have inflicted very heavy losses on Allied and neutral shipping in Caribbean and American waters and have made it impracticable if not impossible to continue shipments of supplies at the normal volume and by the usual routes. From January 12th, when the campaign in these waters was inaugurated, to May 18th, when the Conference closed, the enemy had succeeded in sinking 113 tankers and 169 cargo steamers — in all 282 ships of an aggregate tonnage of 1,574,870 gross tons, as compared with 197,761 gross tons of shipping sunk in the Western Atlantic during the whole of 1918. Many other ships have been damaged so severely as to be unable to continue their schedules without substantial repairs.

While the amount of shipping available for the carriage of goods has thus been greatly reduced in recent months, a number of circumstances have combined to make the problem more acute on the side of supply. The establishment by the United States of naval and air bases in Jamaica, St. Lucia, Antigua, British Guiana and Trinidad (thirty thousand workers are engaged on the naval and air base in Trinidad alone) is giving rise to the influx of large numbers of troops and artisans and to the withdrawal of native workers from agriculture and fishing to work on non-productive defence projects thus necessitating the importation of increased quantities of building materials and foodstuffs. The economic structure of these Islands is based, not on subsistence cultivation, but on the production of commercial or cash crops, such as sugar, coffee or bananas, and the importation of foodstuffs, clothing and manufactured articles from abroad. The local production of foodstuffs, indeed, would be insufficient even if all available land were taken for this purpose, for all of the Islands are confronted with the problem of over-population (1160 inhabitants to the square mile in Barbados), with a high birth-rate and a rapidly increasing number of mouths to feed. Moreover, the British West Indian and other Caribbean Islands, due largely to the hot, humid climate and lack of refrigeration, maintain small stocks and, consequently, have practically no reserves to meet the emergency.

Recently, indeed, some of the Colonies have found themselves without such staples as fish or meat, with only a few days' supply of flour and, in one case, with only thirty-six hours' supply of fuel oil to maintain essential pumps in operation. It has even been necessary to resort to airplanes to meet the demand for certain commodities such as yeast. These conditions, and the fear of even more serious developments, should sinkings continue, led the Governments of the United Kingdom and the United States to approve the proposal of the Anglo-American Caribbean Commission for an immediate examination of the whole situation.

The discussions at the Conference centred around two main phases of the problem —

(1) The minimum supplies, after full development of local production, essential to the maintenance of their economic life; and

(2) The co-ordination of shipping services with a view to the full and most efficient use of all tonnage available — whether oil, steam or sail.

In its larger aspects the Conference was not an unqualified success. On the one hand the Puerto Rican authorities flatly declined to consider the question of ascertaining the minimum supplies essential to the maintenance of the economic life of the Island though this was one of the subjects the United States Government agreed in advance to place on the Agenda. On the other, the United States authorities were not prepared to put any of their ships into a pool for the supply of the Islands generally — American and British. Though they took an active part in indicating directions in which the British West Indian Colonies could cut down imports, their general idea seems to have been that the United States would assume responsibility for feeding Puerto Rico and the American Virgin Islands and that Canada would assume responsibility for feeding the British West Indian Colonies. Such, indeed, was the project they originally put forward. It was, however, withdrawn after brief discussion and eventually the United States delegates agreed to recognize that part of the problem confronting the British West Indies was caused by the increased demands on food and labour supply resulting from the establishment of United States bases in the Colonies and that, under certain conditions, imports of essential goods would be carried in boats set aside for the carriage of bauxite. It was agreed, also, that United Fruit Company vessels would call at British Honduras and occasionally at Jamaica.

The Conference did, however, accomplish a good deal in other directions. The Supply Officers of the British West Indian Colonies met together and, after careful enquiry and comparison of their respective positions and prospects, set forth their minimum requirements which amount to 52,000 short tons per month — one-half of which would be foodstuffs and one-half non-foodstuffs. These figures made allowance for the fullest development of local production through subsistence production on available lands and did not include oil, coal or cement or the importation of tools and machinery that would be necessary for the general introduction of subsistence farming if the present basic system of agriculture, i.e., the production of specialized crops for export, were to be substantially modified. While it was not found practicable to compile comparable figures for recent or pre-war imports, there was no doubt that the figure agreed upon constitutes a drastic reduction of imports over previous periods and represents the bare minimum necessary to enable the people of these areas to continue to live and produce the commodities — oil, bauxite, sugar, coffee, cocoa, etc., that they are peculiarly adapted to contribute to the war effort of the united nations.

While the Conference was concerned mainly with supply, which was not a direct responsibility of Canada, Canadian representation was warmly welcomed and was of considerable advantage from the strictly Canadian point of view. It provided evidence of Canada's interest in the welfare of the Islands and of Canada's desire to maintain close reciprocal trade relations in spite of the present difficult situation. It provided an opportunity to explain Canada's inability, in face of the submarine menace, to maintain the shipping services

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provided for in the Canada-West Indies Trade Agreement. It provided an opportunity to put forward, as Canada's contribution to the solution of the difficulties in which the Colonies find themselves, a project which had, in fact, already been tentatively arranged in agreement with the War Shipping Administration in Washington and which would be of direct interest to Canada in providing a market for Canadian goods, chiefly flour and salt fish, and in supplying a substantial proportion of Canadian requirements of sugar, coffee and cocoa. It provided, also, an excellent opportunity to consult competent local authorities on such practical questions as port facilities (now of great importance in view of the hazards involved where lighterage is necessary), cargoes available under war conditions and present possibilities of organizing connecting services by small local vessels between the Islands.

Under the Trade Agreement signed at Ottawa in 1925, and which is still in force, Canada is committed to provide five combined passenger and freight boats and six freight vessels with an aggregate carrying capacity of 62,840 tons and the British West Indies to pay annually a subsidy of 47,000 pounds sterling. The Canadian National (West Indies) Steamships, the operating Company, endeavoured to maintain this service in spite of war conditions. Three of the combined passenger and freight ships — the "Lady Boats" — have been sunk by enemy action and a fourth has been severely damaged, leaving only one vessel of this type — the *Lady Rodney* — still available for service and she is adjudged too valuable a ship to risk further in this hazardous service. Some of the freighters have had to be diverted to other routes where the need was greater. A month ago the Canadian Shipping Board, in consultation with the Wartime Shipping Administration at Washington and the Naval authorities, came to the conclusion that it was no longer practicable to maintain the direct shipping service from Canadian or United States Atlantic ports to the West Indies and that all traffic should be routed via the Gulf of Mexico where the shorter route would economize in ships and where greater protection could be accorded them against submarine attack. It had been ascertained that the Jamaican authorities were willing to allocate four small vessels of Jamaican registry, owned by the Webster Line, for operation by the Canadian National (West Indies) Steamships and investigations were undertaken by the Board and the Sugar Controller to ascertain whether suitable port and railway facilities were, or could be made, available at rates that would be acceptable.

This project was put before the Conference and met with the approval of the British West Indian Colonies who realized that, by reason of "force majeure", the steamship service provided for in the Trade Agreement could no longer be carried out and by the United States authorities who placed great emphasis on the economy in shipping that would thus be effected. The proposal as explained to the Conference was divided into two main services:—

1. A service from a Gulf port to Jamaica by three ships — the *CANATCO* (C.N.S.), the *DALWARNIC* (C.N.S.) and the *ALLISTER* (Webster Line) — with an aggregate carrying capacity of 6650 tons. It was calculated that they would be able to carry approximately 7,200 tons of freight per month. The minimum requirements to maintain the economic life of Jamaica were esti-

mated to be about 12,000 tons per month. The balance of the requirements, therefore, will have to be provided by occasional calls at Kingston of United Fruit Company vessels.

2. A service from a Gulf port to Trinidad and Barbados by five ships — the *CAVALIER* (C.N.S.), the *CATHCART* (C.N.S.), the *HUSVIK* (Webster), the *MAGISTER* (Webster) and the *ARMINDA* (Webster) — with an aggregate carrying capacity of 13,250 tons. It was calculated that these ships could carry approximately 8,820 tons per month. Trinidad would also be supplied by occasional cargoes on the boats carrying bauxite. The balance of Barbados requirements and the requirements of the Windward and Leeward Islands would be met by a service between Trinidad and St. Thomas calling at the various Islands. It would be maintained by two smaller ships — the *SOUTHERN LADY* and the *SMAALAND* of the Webster Line — with an aggregate carrying capacity of 2500 tons, enabling 7,400 tons of North American freight to be delivered to these Colonies each month.

Both of these services would be operated by the Canadian National (West Indies) Steamships.

It was also thought the above vessels might be supplemented by two vessels, of which one or both would be operated by Messrs. Pickford and Black, who have had long experience in the operation of ships in this area, in such a manner as to increase the capacity of the two services to 9,000 tons of outward cargo per month for Jamaica and 11,000 tons per month for the Colonies in the Eastern group of the British West Indies.

The Conference felt it was the best arrangement that could be made in the circumstances and recommended its immediate establishment. It was clearly understood, however, that its establishment would depend on our ability to make satisfactory port and freight arrangements, and its maintenance would depend on our ability to secure other ships if any of those mentioned should be sunk or diverted to services of even greater necessity.

The Bahamas, served by small local ships, and British Guiana, more self-contained as to foodstuffs than the other Colonies and which can secure some supplies on the bauxite boats, expressed their ability to face the emergency without special attention thus lightening the load on the shipping available.

The continued payment of subsidies by these Colonies for a service they no longer receive or do not receive in full, while outside the scope of the Conference, will, of course, require to be taken up with their Governments.

From the strictly Canadian point of view the inauguration of this new service would have the advantage of maintaining our established trade contacts and generally preferred position in the British West Indies; would enable us to continue the sale of Canadian flour for which export markets are badly needed; and enable Canada to secure its sugar, coffee, cocoa and some less important commodities from an area accepting payment in sterling.

The Conference also examined the question of utilizing fishing schooners with auxiliary engines in the carriage of salt fish to these markets. It was felt that a number of such vessels at present idle or engaged in less important work

might be available and prepared to enter the trade if the position were explained to their owners. The Conference, accordingly, decided that a survey be undertaken without delay in the United States, Canada and the various Colonies. In view of the importance to Canada of regaining this long-established market for salt fish, which trade has, since the early days of the war, been almost eliminated by reason of the lack of shipping, steps are being taken by the Shipping Board to have an official familiar with the situation visit Nova Scotia and report as soon as possible on any suitable schooners that may be available. Should it be found, as a result of this survey, that sufficient schooners are available in Canada and in the other countries cooperating, it may be practicable to organize a service of great benefit both to Puerto Rican and British West Indian consumers and to the Canadian salt fish trade.

We have etc.

L. D. WILGRESS
GREIG B. SMITH
SCOTT MACDONALD

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DEA/1997-40

*Le sous-ministre du Commerce au sous-secrétaire d'Etat
aux Affaires extérieures*

*Deputy Minister of Trade and Commerce to Under-Secretary of State
for External Affairs*

CONFIDENTIAL

Ottawa, October 28, 1942

Dear Mr. Robertson,

You will recall that under date of May 24, 1941, we were advised by the Office of the High Commissioner for the United Kingdom at Ottawa regarding the proposed establishment of the Anglo-American Caribbean Commission. It was explained, confidentially, that, while it was not intended to exclude the possibility of Canadian participation, the United Kingdom Government preferred that this possibility should not be raised at that particular stage.

Later on steps were taken to set up the Commission, consisting of three members nominated by the United Kingdom and three members nominated by the United States. The terms of reference indicated that the chief objective of the Commission was to promote the social welfare and standard of living of the inhabitants of British and United States possessions in the Caribbean area. In view of this long-run objective of the Commission and the fact that we had no possessions of our own in the Caribbean area, we could not raise any valid objection to the exclusion of Canada from representation on the Commission, in spite of our very substantial interests in the trade with the British West Indies.

It became evident as soon as the Commission commenced to operate that they were concerning themselves more with short-term objectives, such as the food supply of the different colonies. An indication of this was the Conference which was convened under the auspices of the Commission and which was held in Jamaica last May. In view of the large share of the food requirements of the

MUNICIPALITY OF OTTAWA

British West Indies supplied by Canada, arrangements were made for us to be represented at the Conference and our representatives who attended were myself, Mr. J. S. Macdonald, of your Department, and Mr. G. B. Smith, of this Department.

Apart from discussions regarding steamship services, the two points which were brought out at the Conference were the desire of the United States members of the Commission to see a curtailment in sugar production in the British West Indies, in order that the colonies might become more self-sufficient in the production of foodstuffs, and a proposal for the establishment of a stockpile at Santiago de Cuba, from which Jamaica and other islands in the Caribbean area could draw emergency supplies of foodstuffs.

The proposal for a stockpile was advanced by Mr. Charles W. Taussig, United States Co-Chairman of the Commission, but found little support among those present at the Conference, most of whom considered the proposal impracticable. It was felt, for instance, that it would be just as difficult to organize transport from Santiago de Cuba to the other islands; and there were definite limitations on the application of the stockpile idea to food products, which deteriorate rapidly in quality in a tropical climate. This is notably the case with flour and we never thought that any serious effort would be made to use the stockpile for distributing flour to the British colonies.

The United States section of the Anglo-American Caribbean Commission went ahead with arranging for the stockpile and, as a result, a fairly large quantity of food products has been assembled at Santiago de Cuba. The Food Controller of Jamaica some weeks ago obtained a small quantity of flour from this stockpile, in order to tide over a temporary shortage of supplies, but he found the quality of the flour very unsatisfactory and decided not to repeat the experiment.

The Canadian Shipping Board have been doing their best, under very difficult circumstances, to provide sufficient shipping space for the requirements of Jamaica — it having been agreed at the Jamaica Conference that we would provide shipping space for the bulk of the Jamaican requirements, leaving the Eastern Group to be supplied largely by vessels of the Alcoa Steamship Company, which have to proceed to Trinidad for bauxite, supplemented by such vessels as the Canadian Shipping Board can still arrange to be allotted to the service of the Canadian National Steamships.

At the beginning of this month Mr. F. E. V. Smith, Food Controller of Jamaica, was in Ottawa and discussed with the Canadian Shipping Board the provision of vessels for the future requirements of Jamaica. A tentative plan was worked out, which would provide sufficient space, but since that time one vessel has been lost and another has had to go in for overhaul of her engines. This leaves Jamaica, for the time being, short on shipping space; but we hope that after the close of navigation on the St. Lawrence the deficiency may be made good and sufficient space provided to enable Jamaica to obtain through the port of New York Canadian flour and the other food products which the colony requires.

After leaving Ottawa Mr. Smith went to Washington, where he met Sir

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George Gater, Under-Secretary of State for the Colonies; Mr. John Huggins, recently appointed United Kingdom member of the Anglo-American Caribbean Commission; and Mr. Sydney Caine, Economic Adviser to the Colonial Office. From what we have been able to learn, Sir George Gater indicated to Mr. Smith that he was under strong pressure from the United States members of the Anglo-American Caribbean Commission to have Jamaica make use of the stockpile. Accordingly, he agreed to take 750 tons of flour per month, along with other food products — in which we are not interested — from the stockpile, although he was told he would have to make his own arrangements for the transport of these supplies from Santiago de Cuba to Jamaica.

The quantity of flour amounts to only one-fifth of Jamaican requirements and cannot be regarded as any serious inroad on our flour trade, but the chief significance of the incident is that a joint commission, on which we are not represented, is taking steps to divert trade away from Canada.

The Canadian National Millers' Association have received inquiries from the United States Flour Millers' Export Association as to whether they would be willing to supply flour to the Santiago stockpile, but the Canadian millers are opposed to having their flour distributed through what they consider to be an agency of the United States Government.

The reason I am writing to you on this subject to-day is, chiefly, that since the end of last week Mr. H. A. Scott, the Commercial Attaché to the Canadian Legation at Washington, has been approached a number of times by the British Colonial Representatives in Washington wanting to know if I could not come to Washington to see Sir George Gater before he leaves for London on Sunday, November 1. I suspected that the reason why Sir George Gater wished to see me was to explain what had happened in regard to the supply of flour to Jamaica out of the Santiago stockpile, but I did not consider that this warranted a visit to Washington — nor did I think the circumstances would justify our making any complaint. Yesterday Mr. Scott advised me that on learning that it would be impossible for me to go to Washington Sir George Gater had wished to know if there were any Canadian representative in Washington with whom he could discuss the subject. Mr. Scott talked the matter over with Mr. Pearson, who expressed a willingness to see Sir George Gater if he could be briefed beforehand on the facts.

This morning I have received from Mr. Scott teletype message WA-3143, dated October 27,¹ in which Mr. John Huggins and Mr. Sydney Caine give a satisfactory explanation as to the supply of flour from the Santiago stockpile for the requirements of Jamaica. Mr. Caine advised Mr. Scott that the scheme is definitely to be operated on a limited scale and only to be resorted to in an emergency. The quantities involved would only be sufficient to represent an insurance of adequate supplies in case other facilities break down.

We can readily accept this explanation as satisfactory and would hardly be warranted in making an issue of the pressure brought to bear upon Jamaica to obtain flour from the Santiago stockpile. However, since Sir George Gater will probably be discussing the whole question with Mr. Pearson, I felt it desirable to outline to you the circumstances of this particular case.

It is obvious that the recent developments in connection with the Anglo-American Caribbean Commission give rise to the broader question of whether or not Canada should be represented on the Commission. Mr. Scott has told me, over the telephone, that the *Washington Post* this morning carried a report indicating that Sir George Gater and Mr. Charles Taussig had an interview yesterday with President Roosevelt, after which the President told the Press that he was convinced of the need of unifying steps to improve the welfare of the inhabitants of the Caribbean area. According to the Press report, the President specifically excluded from the scope of his remarks Cuba, Haiti and — significantly enough — Puerto Rico.

I think we are now very definitely faced with the issue as to whether or not we wish to divorce ourselves entirely from the political and economic future of the British West Indies, or to associate ourselves with the United Kingdom and the United States in order to protect the trade interests we have developed with the British colonies in the Caribbean area. I am more or less convinced that we shall not be able to hold on to the tariff preferences which we enjoy in the British West Indies in the post-war period, but I do feel that the relinquishment of these trade advantages should be used as a bargaining lever for compensation in other directions and not allowed to go by default, through possible lack of interest in the welfare of the British West Indies during the period of the present emergency.

I am sending this letter in duplicate, in case you may wish to forward a copy to Mr. L. B. Pearson, Minister-Counsellor at Washington, in time for his interview with Sir George Gater, which must take place this week as Sir George is leaving on Sunday to return to the United Kingdom.

Yours faithfully,

L. D. WILGRESS

892.

DEA/2580-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 31, 1943

MOVEMENT OF WEST INDIAN LABOUR TO CANADA

This question arose from a letter, dated September 25th, from the United Kingdom High Commissioner in Ottawa, asking:

- (1) Whether the Canadian authorities would cooperate in a joint plan as regards the enlistment of West Indians in the Canadian Forces, and
- (2) Whether they would similarly cooperate in the employment of West Indians as civilian labourers.

The letter stated that the Colonial Office was anxious to ascertain whether the Canadian Government would be prepared to cooperate, since there was, in the

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West Indies, a surplus of civilian labour which was increasing as a result of the termination of employment on the construction of some of the United States bases. Furthermore, the shipping situation as between the United Kingdom and the West Indies precluded other schemes for utilizing West Indian manpower which had been considered in London.

The first question was taken up with the military authorities and is still under advisement; a number of West Indians, however, have already joined the Canadian forces, coming to Canada either in groups of volunteers or as individuals. The second point was referred to the Immigration Branch and to National Selective Service, which were chiefly concerned.

On October 26th, the Director of Immigration reported that his Department would not encourage any movement of West Indians for civilian labour. This decision was duly communicated to the Department of Labour. The Department of Labour, in an interim reply on October 31st^t suggested that the final decision should be left to the Immigration authorities. Further particulars were requested about the number of labourers involved, the kind of work to which they were accustomed, etc. The answers were obtained from the United Kingdom authorities who pointed out, in supplying the additional information, that there were at the time between 1,000 and 1,500 motor transport drivers available in Jamaica and that the Governor of the Leeward Islands had recently reported that between 400 and 500 unemployed stevedores might if required be available for work in Canadian ports. These particulars were passed on to the Department of Labour with the advice that they request reconsideration by the Immigration Branch if they were prepared to take action.

On December 8th, 1942, the Department of Labour answered as follows:

"We have examined this matter further and find that there is a possibility of being able to use a considerable number for work in agriculture in Southern Ontario, particularly in the sugar-beet fields. If you think it advisable, we could discuss the Immigration problems directly with the Immigration Branch. We should like also to explore the question with the Province of Ontario and consider with them, the desirability of sending someone down to the West Indies to report on the kind of labour that would be available and the specific arrangements that would have to be made."

On the following day, this Department approved of these suggestions, requesting to be kept informed of further developments.

The matter was subsequently discussed between the Department of Labour and the Immigration Branch direct. The decision was reached that, provided a plan could be shown to the Immigration authorities, indicating the number of persons that would be coming to Canada, what they would be doing in this country, and giving satisfactory guarantees in regard to their repatriation after the war, there would be no objection on their part. The next step then was for the Labour authorities to investigate conditions in the West Indies and ascertain whether such a plan would be feasible and under what conditions. Hence the recommendation submitted to Council by the Minister of Labour.

Unless Council, for social considerations or reasons of general policy, is opposed to the employment of coloured persons in Canada, even temporarily for

COUNCIL
MINISTER
SIR
PLACE

emergency purposes, further enquiries into the possibility of using West Indian agricultural labour are desirable. Another aspect is the concern of the British authorities over economic conditions in the West Indies and their desire to find new outlets for employment. It does not appear from our records, however, whether the West Indians now unemployed are suitable for work in the sugar-beet industry in sufficient number to warrant the institution of a special scheme. It might be best, therefore, to secure the opinion of the British Colonial Office on this point before proceeding further. If an affirmative answer is received, the delegation recommended by the Minister of Labour might be despatched to the West Indies for an investigation on the spot and to complete the practical arrangements.

893.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, February 4, 1943

MOVEMENT OF WEST INDIAN LABOUR TO CANADA

33. THE SECRETARY reported that the Minister of Labour had submitted a recommendation to Council for authority to send a delegation to the West Indies to investigate the possibility of importing labourers to assist Ontario sugar-beet producers. This had been referred to External Affairs for report.

An explanatory document had been circulated.

(Secretary's memorandum, February 3, 1943 — C.W.C. document 401[†]; also submission to Council, P.C. 659[†]).

34. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS said that, unless on grounds of policy the government were not prepared to consider the introduction of coloured labour, it was suggested that the British Colonial Office be consulted before any steps were taken as proposed by the Labour Department.

35. THE WAR COMMITTEE, after discussion, agreed that, inasmuch as the government were not prepared, on grounds of general policy, to permit the entry into Canada of coloured labour, the proposal of the Minister of Labour for sending a delegation to the West Indies should not be approved.

NON-CIRCULATING

894.

DEA/2580-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au sous-secrétaire d'État adjoint aux Affaires extérieures³⁵*

*Memorandum from Under-Secretary of State for External Affairs
to Assistant Under-Secretary of State for External Affairs³⁵*

[Ottawa,] February 5, 1943

At the Cabinet War Committee yesterday, it was decided not to proceed with the Minister of Labour's recommendation that a delegation should be sent to the B.W.I. to explore the feasibility of importing coloured labour to work in Ontario sugar-beet fields. Mr. Heeney is advising the Minister of Labour of this decision, and we should, I think, let the United Kingdom High Commissioner know that the Canadian Government is not in a position to take up the suggestion put forward in September last that idle West Indian labour might be utilized in Canadian industry.

The decision of War Committee, determined largely by social and demographic considerations, was undoubtedly strengthened by the fact that there is at the moment a good deal of seasonal and local unemployment in Canada. The Prime Minister was inclined to think that we might make a more serious effort to use the Japanese population, which is only partially employed at present, instead of adding a new complication in the shape of imported coloured labour.

N. A. R[OBERTSON]

895.

DEA/2580-40

*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire adjoint de Grande-Bretagne*

*Under-Secretary of State for External Affairs
to Deputy High Commissioner of Great Britain*

Ottawa, February 8, 1943

Dear Sir Patrick [Duff],

I have not been able to give you an earlier answer to the last part of your letter of September 25th last¹ (your File 510B/16) which referred to the prospects of employing civilian labour from the West Indies in Canada. The reason for the delay has been the necessity of examining the suggestions of the Colonial Office with care in relation to the nature and extent of our own labour shortages and the social and economic implications of a temporary movement of coloured labour to Canada.

The question has been studied by the Department of Labour and the Immigration Branch and has been considered by the Cabinet. It has now been de-

³⁵H. Wrong.

cided that it is not desirable to permit the utilization in Canada of idle West Indian labour since the economic benefits are not likely to counter-balance the difficulties inherent in such a movement.

Yours sincerely,

N. A. ROBERTSON

896.

DEA/1997-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

[Ottawa,] June 22, 1943

RE CANADIAN PARTICIPATION IN DISCUSSIONS
CONCERNING THE CARIBBEAN

1. The importance of this question lies in its being the first test of Canada's willingness to take part in dealing with the world problem of backward areas and colonial economies.
2. Canada has already been a party to broad declarations on this subject by approving the Atlantic Charter³⁶ and may become a party to more if the recommendations of the United Nations Conference on Food and Agriculture are accepted.
3. In respect of colonial areas two principles are important: (a) The dominant consideration in all cases should be the long-term interests of the peoples of those areas and (b) until they can make all decisions for themselves those who make them should not seek advantages for themselves at the expense of the inhabitants of the area or of third parties.
4. Canada's major interest lies in promoting not only the verbal acceptance of these principles but the honouring of them in practice. It is not dominantly a *direct* interest in the sense of there being a danger of Canada's exclusion from trade with these areas. It is a broad interest in assuring a world economic structure favourable to the peace and prosperity of all peoples.
5. In the Caribbean the presence of Canadian representatives in discussion should make it easier to keep the interested motives of other countries in the background. Canada, for instance, can do more than Great Britain to make it difficult for the United States to fight for United States immediate interests; and easier for United States representatives to resist political pressures. In this and in other ways it may be easier for Great Britain and the United States to cooperate if Canada is present too.
6. To put it somewhat differently Canada's presence would be useful because Canadian interests are broad enough to coincide with world interests as set out in paragraph 3 above.

³⁶ Voir le volume 7, document 327.

³⁶ See Volume 7, Document 327.

FROM SECRETARIAT

7. In other areas other countries with no vital interests at stake may play the rôle which Canada can fill in the Caribbean. Canada's presence there will make it easier to include such countries elsewhere. For this reason I think it unfortunate if we make our decision appear to turn solely on evidence that Canada has *direct* interests in the West Indies.

H. L. KEENLEYSIDE

H. F. ANGUS

F. H. SOWARD

897.

DEA/1997-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] June 22, 1943

About two years ago the United States and the United Kingdom set up a Joint Caribbean Commission to advise them on questions of social and economic policy relating to British and American colonies in the West Indies. Its duties were to "initiate research and to exchange information for the purpose of strengthening the economic life of the dependencies in the Bahamas and the Caribbean area". At the time that this Commission was set up, some consideration was given to the question of whether Canada should participate in it. The United Kingdom took the view that the Commission should consist of representatives of the United States and the United Kingdom, but "did not desire to exclude the possibility of Canadian participation, though the United Kingdom would prefer that this possibility should not be raised at this stage". The Caribbean Commission is now proposing that a regular system of West Indian Conferences should be inaugurated to deal with questions of common concern to the West Indian colonies and has suggested that the first of such Conferences could profitably be held at an early date to consider the general question of obtaining supplies from the United States for development purposes and to discuss the stabilization of food prices in the West Indies and the means by which food production can be maintained after the war.

We are asked whether Canada would wish to be represented at such a Conference. The Department of Trade and Commerce and the Wartime Prices and Trade Board, who have been consulted, favour Canadian participation in any such Conferences dealing with questions in which we are directly interested, such as shipping communications, West Indian import policy or agricultural production programmes which would affect Canadian sources of supply. Against our participation it has to be remembered that the Caribbean Commission is a body set up to advise the parent states and the Colonial Governments primarily on questions of administration, with which we have no connection or interest. Our long established connection with the West Indies has been con-

cerned solely with matters of trade and, since the war, of defence. At an inter-departmental meeting held on June 21st, at which representatives of the Department of Trade and Commerce and the Canadian Shipping Board were present, it was suggested that we inform the British Government that Canada is definitely interested in the plans for a Conference but would prefer to receive further information about the type of problem to be discussed and the nature of the representations at the deliberations before giving a definite reply to the invitation. If the topics to be discussed involve such matters as trade, tariff policy, and communications of direct interest to Canada, the Government will then give the question of representation further careful consideration.

N. A. R[OBERTSON]

898.

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*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire adjoint de Grande-Bretagne*

*Under-Secretary of State for External Affairs
to Deputy High Commissioner of Great Britain*

Ottawa, June 23, 1943

My dear Sir Patrick [Duff],

I have noted with interest the information given in your letter of May 22nd¹ regarding the proposed inauguration of a system of technical conferences in the West Indian area to be held under the auspices of the Caribbean Commission. The question of Canadian participation in these conferences has been given preliminary consideration by the Departments chiefly concerned.

All that I can say on this aspect at the moment is that we are interested in the project and anxious that we should be kept informed of its development. We should like to keep open for later determination the question of direct Canadian representation at the conferences when we have received further information on the organization of the conferences, the territories to be covered during the discussions, the nature of representation and related matters. On receipt of this information prompt consideration will be given to the question of representation.

N. A. ROBERTSON

899.

DEA/1997-40

*Mémorandum de l'assistant au sous-secrétaire d'État adjoint
aux Affaires extérieures³⁷*

*Memorandum from Assistant to Assistant Under-Secretary of State
for External Affairs³⁷*

SECRET

[Ottawa,] June 25, 1943

The suggestions from Mr. Eden and *The Times* that Canada and other adult nations of the Commonwealth might assume some responsibility for the colo-

³⁷ J.W. Holmes à H. Wrong.

³⁷ J.W. Holmes to H. Wrong.

NON-REGISTRATION

nial areas involves a major question of Canadian post-war policy. These suggestions have appeared before from sources less authoritative. General Smuts, during the exchange of views on the proposed British-United States declaration on colonial policy, suggested that South Africa might assume obligations towards the African colonies, that Australia and New Zealand might do the same for the Oceanic and South-East Asian colonies, and that Canada might help with the West Indies. (It will be recalled that the question of political union of Canada and the West Indies has been raised at intervals in the past and that at the Paris Peace Conference, while other Dominions were assuming mandatory obligations towards former German colonies, Lloyd George suggested to Sir Robert Borden that Canada might "take over" the West Indies.)

Although there has been some loose talk recently about Canada's "taking over" the British West Indies, it is doubtful if Canadian (or West Indian) opinion would approve of political suzerainty on the part of Canada. Our strategic interests are undoubtedly guaranteed by the presence of both British and United States bases on the Islands. Our trading interests should not require any closer political tie than at present exists. Furthermore, we could not hope to provide enough persons trained in colonial administration. Union could not be on a basis of equality; and the future of a white country and of a black country might far better be worked out independently. It is important also that Canada should take no step which would provoke hostile elements in the United States into accusing her of seeking territorial aggrandizement out of the war.

If the entry of the West Indies into the Canadian confederation is not advisable, and if Canadians would be unwilling to assume and West Indians indisposed to accept the substitution of rule from the East Block for rule from Downing Street, it need not be assumed that Canada ought not to take some special interest in this area. It will no doubt be argued that Canada is under no obligation to take over British imperial responsibilities and that Canada has colonial problems in her own vast territories. But the question of our responsibility towards backward peoples will not be put to us in this way. Other countries will note that Canada has subscribed to the Atlantic Charter, that the Prime Minister has said that prosperity is indivisible, and that other Canadians have proclaimed benevolent intentions to their less fortunate brethren. They will note that Canada is one of the wealthiest countries in the world and therefore in a most favourable position to assist in bringing about freedom from want and self-government in all parts of the world. Canada will have to decide, therefore, whether the protestations of her good intentions are more than parrot cries and wartime cajoleries. If Canada refuses invitations to help in the work of improving the conditions of backward peoples and helping them along towards that self-government she herself has already achieved, it may be assumed that Canada is no more interested in carrying out the terms of the Atlantic Charter than is Senator Wheeler. It may be assumed, furthermore, that Canada is not really interested in assuming world interests as a world power but prefers to remain herself in a colonial position.

It might be argued that Canada should wait until she is doled out certain specific jobs at a peace conference. There would be an advantage, however, in

our making certain definite commitments now. Widespread cynicism undoubtedly exists concerning the willingness of the more favoured nations to carry out their promises to colonial peoples. A Canadian example at this time might have useful repercussions. This example might take the form of specific commitments for the assistance of the West Indies, both in their efforts to achieve self-government and to improve their economic position.

Canada's particular contribution might be in the provision of technical assistance. We could provide particularly doctors, nurses, public health officers, and we could do a great deal more to educate West Indians for work of this kind. Dr. Frigon's³⁸ recent mission to Jamaica to advise on the establishment of a broadcasting system is indicative of the services Canada might offer. The new Jamaican government will probably need financial advice of a kind Canadians would be well equipped to give. By interchanges of visits and in other ways Canadian parliamentarians might help to advise and encourage the Jamaicans in their significant new experiment. If the project of a West Indian University materializes, Canadian advice and assistance would be helpful. Agricultural specialists and engineers will also be needed.

There are many reasons why Canadians are especially equipped to give assistance in the West Indies. Canadians may not be able to take on full responsibility for this area. But it should be realized that the United Kingdom will be unable to provide all the personnel needed if extensive schemes for raising the standards of living of backward peoples are put into practice. The United States can play a large part and is already committed by the Anglo-[American] Caribbean Commission to an interest in the West Indies. But the United States will have vast obligations throughout the world, especially in Asia and Africa. United States assistance will be limited to some extent by the existence of a colour problem in that country. West Indians would suffer less social exclusion in Canadian universities; and Canadians who might go to the West Indies to render advice would be less handicapped by racial prejudices. Furthermore, the parliamentary system of government which is being evolved in Jamaica and other colonies more closely approximates the Canadian system, and Canadian precedents will be more useful. Canadian parliamentary government can be not only a model but an inspiration to the West Indians. Mr. Morrison and other British spokesmen are continually describing the Colonies as regions in a process of development towards Dominion status. If at least one non-white colony can achieve and maintain self-government, a significant milestone will have been passed not just in the development of the British Empire but in the solution of a major problem which faces all the world.

There is no reason why our philanthropic endeavours need be directed exclusively to the British West Indies, but on the other hand there is something to be said for concentration of effort. Canadians could thereby take pride in their contribution to the development of one colonial region. A useful outlet would be provided for Canadians seeking careers, and a fund of goodwill might be built up which would result in commercial advantages. (This latter argument is in-

³⁸ Directeur général par intérim, Radio-Canada.

³⁸ Acting General Manager, Canadian Broadcasting Corporation.

served for those who do not believe there is any inherent advantage in goodwill).

Such assistance could be offered without the assumption of any political obligations. Most proposals for post-war colonial development have made provision for the establishment of supervisory bodies in various regions, on which would be represented at least those countries with special interests in the area. The nucleus of such a body for the West Indies already exists in the Anglo-[American] Caribbean Commission. It is on this level that Canadian interest should be expressed. The rehabilitation of the West Indies is dependent upon fundamental decisions concerning the economy of the region. Canada has a vital interest in such decisions, as they affect our economy. But Canada cannot demand a voice on any body established to supervise West Indian interests simply to protect her own interests. She must be prepared to make contributions.

If prosperity is indeed indivisible, Canada cannot disclaim responsibility for dependent areas simply on the ground that she has never been a colonial power and desires no "territorial aggrandizement." The problem of backward peoples is not the result of the selfish exploitation by "imperialist" powers; it is inherent in the nature of things. (Whether "imperialist" powers have contributed on the whole to the solving or to the complication of the problem is a properly debatable point.) Doing something about this problem may prove to be the most healthy preoccupation of the post-war world, and one in which all countries which aspire to a role on world affairs must take part.

If it should be decided that a policy similar to that suggested could be pursued the following specific steps might be considered:

1. Mr. Malcolm MacDonald or Mr. Attlee might be informed that, in view of Mr. Eden's suggestions, Canada would be interested in discussing with the Colonial Office the contribution which could be made to the development of the West Indies. Conversations with the Colonial Office to discover what sort of help is needed might well be supplemented by on-the-spot investigations and discussions with West Indians. It would, of course, be essential not to act independently of the Colonial Office, but at the same time to preserve the right to make suggestions and not simply to carry out assigned jobs.
2. Canada should indicate to the United Kingdom and United States governments that she is willing and anxious to take a part in the activities of the Anglo-[American] Caribbean Commission. (This matter is under consideration.)
3. The Prime Minister should seek an opportunity for a declaration of Canada's intentions to make some concrete contribution to the colonial problem. Such a declaration should, of course, wait until the ground has been explored.
4. The Prime Minister should seek an opportunity to refer in the House of Commons to the new Jamaican constitution and to make to the Jamaicans some gesture of encouragement and an offer of assistance. Several leading Jamaican political leaders might be invited to Ottawa to discuss constitutional problems with Canadian leaders.

5. Consideration might be given to the appointment of a Canadian High Commissioner to the West Indies. It is recognized that this problem is difficult in view of the fact that the West Indies are not a political entity, but the possibilities might be studied.

6. An appropriation might be made to provide funds with which to bring West Indians to Canada to study medicine, public health, engineering, public administration, agriculture, etc. Facilities might also be provided for apprenticing West Indians in Canada just as Great Britain is training East Indian apprentices. Such possibilities are of course limited by the dissimilarity between Canadian and West Indian industries, but they might be developed more in the field of commerce, banking, agriculture, and public administration.³⁹

900.

DEA/1997-40

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa,] September 1, 1943

A discussion on the Anglo-American Caribbean Commission took place in my office yesterday between Sir Arthur Richards, who has been Governor of Jamaica for the last five years and who is about to become Governor of Nigeria, Mr. Smith of Jamaica and Messrs. Master, Angus and Croft⁴⁰ and myself. Sir Arthur said that he would express his personal views on the understanding that these were to be treated in strict confidence. Officially he was bound to defend the work of the Commission but personally he had grave doubts about its ability and present activities.

The dominating personality on the Commission is Mr. Taussig and the criticisms made by Sir Arthur related mainly to Mr. Taussig's activities. Behind them, however, was the belief that the American attitude towards the British colonies, Haiti and the Dominican Republic, was shaped by the desire to establish the economic supremacy of the United States in the Caribbean area.

Sir Arthur said that the Commission had done very little to fulfil its ostensible purpose and he doubted that it could do much unless it had the direction of the

³⁹ La note suivante était annexée à ce mémorandum:

Mr. Wrong.

This seems to me an excellent memo, but not an entirely convincing one. For Canada to be a sort of elder brother to a colony in transition does involve very delicate political problems. These are not avoided by assuming no formal commitments and there may be room for a new concept: shall we call it "satellite dominions" for Newfoundland, British West Indies, and eventually many other communities.

³⁹ The following note was attached to this memorandum:

H. F. A[NGUS]

⁴⁰ Directeur par intérim, service des renseignements commerciaux, ministère du Commerce.

⁴⁰ Acting Director, Commercial Intelligence Service, Department of Trade and Commerce.

expenditure of substantial sums for development and social welfare. The commission had turned into an agency for considering supply problems during the war but it had not been effective in this. Mr. Smith remarked that American undertakings had not been fulfilled and without the cooperation of Canada, Jamaica would have gone short of absolutely essential supplies. Sir Arthur said that Mr. Taussig was devoting his energy to matters foreign to the purpose of the commission and was taking a great interest in the politics of Jamaica. He had a "spy" there attached to the United States Consulate who maintained contact with local politicians.

He commented that the United States had received a negligible return for the expenditure of some \$120,000,000 in Puerto Rico where he regards their colonial administration as ineffective and wasteful. He said that there were American efforts to get control of the communications systems (railways, telegraphs, telephones, etc.) in the British Colonies, and that Pan-American Airways, who certainly provided efficient service, was very strongly entrenched. He spoke well of Mr. Yerex⁴¹ and hoped that he would be given encouragement from Canada.

With regard to Canadian association with the Caribbean Commission, I think that Sir Arthur would personally welcome our active participation but he said frankly, with support from Mr. Smith, that from the Canadian point of view he felt we had little to gain so long as the Commission was composed as at present. The suggestion was made that we should seek to improve our contacts with the Commission by arranging to secure regular information of its proceedings. Sir Arthur thought that we could do this via the Colonial Office or preferably make an arrangement whereby the Washington Office maintained by the United Kingdom side of the Commission would pass on information through the Legation there. He thought that we might be well advised to participate in the technical conferences planned by the Commission but he said that our participation would be likely to result in our having to give financial assistance for the development of plans of social welfare, technical education, etc.

In general he was very anxious that the Canadian interest in the Caribbean area should be maintained and developed. He felt that otherwise the influence of the United States would in time become dominant and he was clearly alarmed lest this influence should be exercised in the interests of large American firms. He did not place stock in any suggestions for the establishment of a political connection between Canada and the Caribbean colonies.

Sir Arthur is sceptical about proposals for international commissions in Colonial areas. This is a natural attitude in a professional Colonial Administrator. I gathered that his feeling was that such commissions would possess power without responsibility and would complicate the work of Colonial government without any compensation in the way of financial assistance.

In the light of this discussion I think that our best course in respect to the Anglo-American Caribbean Commission is for us to keep alive the possibility of Canadian membership without seeking to play a direct part in its work for the present. We should probably follow up the suggestion of establishing closer

⁴¹ President, British West Indies Airways.

⁴¹ President, British West Indies Airways.

contact with the work of the Commission through Washington and we should also be ready to send well qualified people to participate in technical conferences.⁴²

H. W[RONG]

901.

DEA/1997-40

*Mémoire de l'adjoint spécial en temps de guerre du
sous-secrétaire d'État aux Affaires extérieures au
sous-secrétaire d'État adjoint aux Affaires extérieures*⁴³

*Memorandum from Special Wartime Assistant to Under-Secretary
of State for External Affairs to Assistant Under-Secretary
of State for External Affairs*⁴³

[Ottawa,] September 3, 1943

RE CONVERSATIONS ON ANGLO-AMERICAN CARIBBEAN COMMISSION

I share your opinion that our division should have had representation at this meeting held on August 31st.⁴⁴ The information given seems to substantiate the argument that we should be cautious on our approach towards membership in the Commission. However, before I fully accept British criticisms of the American delegation, I should like to hear the American version of the case, which, under the circumstances, is not likely. I suspect that the sensitivity of the West Indian officials concerned and the obvious deficiency in administration there make them unduly suspicious of United States observations and actions. I am not quite clear what Sir Arthur means by international commissions in Colonial areas. If he means administration by international commissions, I quite agree. If he objects to supervision and investigation by an international commission, I cannot share his opinions. The suggestions contained in Mr. Wrong's closing paragraph seem to meet the situation and I feel that our Legation in Washington, which has already expressed interest in this matter, should be approached to see what can be done in creating closer contact with the work of the commission.

F. H. SOWARD

⁴² La note suivante était écrite sur ce mémorandum:

⁴² The following note was written on the memorandum:

I agree. R[OBERTSON]

⁴³ H.L. Keenleyside. Ce mémorandum fut ensuite envoyé à N.A. Robertson.

⁴³ H.L. Keenleyside. This memorandum was later sent to N.A. Robertson.

⁴⁴ La note suivante était dans l'original:

⁴⁴ The following footnote was in the original:

Mr. Angus tells me the meeting was called by Trade and Commerce to discuss trade conditions as the other matter was raised by Sir Andrew Richards. Mr. Reid might be interested in the references to airways. F. H. SOWARD

902.

DEA/1997-40

*Mémorandum du conseiller commercial, la légation aux États-Unis,
au ministre-conseiller, la légation aux États-Unis*
*Memorandum from Commercial Counsellor, Legation in United States,
to Minister-Counsellor, Legation in United States*

Washington, September 6, 1943

ANGLO-AMERICAN CARIBBEAN COMMISSION

With reference to the attached correspondence¹, the following points may be of some assistance in any views you wish to express on the matter to Ottawa:

(1) Since our joint meeting with Sir George Gater⁴⁵ last November, the Legation has, as far as I am aware, had no subsequent contacts with the Commission, except for the periodical meetings of the informal Caribbean Shipping Review Committee, which I have attended along with Leslie Lawes at the invitation of Sir John Huggins who presided usually, with Taussig and De la Rue of OLLA⁴⁶ present. The discussions at such meetings were invariably confined to potential shipping space and in particular the relationship of such space to the movement of sugar from the Caribbean areas, notably Puerto Rico; and I might add that usually a representative of the Department of Interior, one Mr. Thoron, was present to give advice on the Puerto Rican situation.

(2) Although you and I have both apparently discussed Canadian representation at different times when in Ottawa, I am unaware of any expression of Canadian Government policy which would encourage the Legation to take the initiative suggested in Mr. Wrong's letter to you⁴⁷. Certainly Ottawa has not so far seen fit to commit itself either with respect to representation or even attendance at the projected conference, which I believe was originally planned for some time in October in the West Indies. In other words, if we attempted to foster closer relations, what would be our terms of reference and what specific problems have we to take up now that shipping is easier and no longer presents an acute problem in that area?

(3) In considering Smith's views, Ottawa should keep in mind that while reputedly an able administrator well experienced in the affairs of Jamaica, he is nevertheless at odds with practically the whole personnel of the British Colonies Supply Mission in Washington, by reason of his consistent refusal to place orders for North American account through the Mission, and in general, he maintains a hostile attitude toward the Mission as such. He has advanced, from his standpoint, some sound views for this attitude.

⁴⁵ Sous-secrétaire d'État permanent pour les Colonies de Grande-Bretagne.

⁴⁵ Permanent Under-Secretary of State for the Colonies of Great Britain.

⁴⁶ Office of Lend-Lease Administration.

⁴⁷ Une copie du document 900 fut envoyée avec cette lettre. L'initiative dont il est question était d'assurer la liaison canadienne avec la Commission anglo-américaine des Caraïbes par l'entremise du bureau britannique à Washington.

⁴⁷ A copy of Document 900 was forwarded with this letter. The initiative referred to was for Canadian liaison with the Anglo-American Caribbean Commission through the British office in Washington.

CONSEILLER SIR PLAGE

(4) It must be remembered that Sir John Huggins, who has been heading the Mission, is now to become Smith's superior, and somewhat to my surprise, when talking to Smith himself in the past two weeks when he was en route to Canada, in the face of these circumstances he still seems very anti-Huggins.

Smith is known to have the ear of Sir Arthur Richards, who has the greatest confidence in him and they can therefore be expected to speak with one voice. It happens that Sir John Huggins, through us, has undertaken to pay a call on the Minister of Trade and Commerce on September 17 in Ottawa. He will be accompanied by Thomson, one of the supply officers of the Mission here, and it is expected that some informal discussions will take place with individual officials of Trade and Commerce in regard to specific trade problems.

(5) I have long since warned Croft in the course of making these preparations to see that External was kept informed in case it is desired to discuss with Huggins any matters affecting Canadian Government policy, and I know that Croft has this in hand. The point is that Huggins himself is visiting Canada primarily in an unofficial capacity on vacation, and specifically requested that his visit be treated as strictly informal. In spite of this, I have felt, right from the outset, that Huggins should call on someone in External and perhaps you would like to refer to this in your reply to Hume. I have been asked to stand in readiness on September 17 in my own department for these discussions, and if you would like to leave it to me, I will raise the issue with External early in the week, in order to ensure that he meets whomever you think he should see, presumably Hume himself.

(6) As Huggins has just returned from England, perhaps the most important point to clear with him, while he is in Ottawa, is precisely what his own attitude is toward Canadian representation on the Commission, in view of his changed status from the Head of the B.C.S.M. to that of Governor of one of the territories concerned.

(7) It would also be interesting to ascertain his views as to what Jamaica's relationship is going to be under his direction with the B.C.S.M., as compared with Sir Arthur Richards', who apparently encouraged Smith to ignore it.

(8) Finally, I might just mention that there is no feeling of personal hostility between myself and Smith. We have enjoyed the most cordial relations ever since he started coming to Washington, and knowing something of the background from his point of view, I have always recognized that there were two sides to this dispute and all I have ever tried to do was to meet Smith's wishes when I could, and avoid getting into the dispute between the rival factions. The most amazing part of the whole thing is how the Colonial Office has allowed such conditions to carry on over the past two years, as I have good reason to believe that they are fully aware of the situation.

H. A. S[COTT]

903.

W.L.M.K./Vol. 232

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] September 15, 1943

I am attaching copy of a telegram which Lord Halifax sent to the United Kingdom Foreign Secretary on August 9th[†] about the exploitation of certain bauxite (the raw material from which aluminum is made) deposits in Jamaica. You might wish to note particularly paragraphs 4, 6 and 8, from which the impression could be drawn that the Canadian Government was pressing for a "common raw materials development and exploitation policy", by which the international bargaining power of the "Commonwealth and Empire" could be increased. We have all subscribed to the objective of freedom of access to raw materials laid down in the Atlantic Charter, and we are also committed to the goal of eliminating discriminatory practices in international commerce.

We have a definite interest in maintaining adequate post-war sources of supply for the enormous Canadian aluminum capacity. I do not think, however, that such special interests should be generalized into an exclusive policy, which would put us at odds with the United States.

In the circumstances, I think, if you approve, that we might send instructions along the lines of the attached despatch to our High Commissioner in London, dissociating the Canadian Government from support of the attitudes attributed to it in Lord Halifax's telegram.

N. A. R[OBERTSON]

904.

W.L.M.K./Vol. 232

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

DESPATCH 1091

Ottawa, October 26, 1943

Sir,

I have the honour to draw your attention to the enclosed copy of telegram No. 3817 of August 9, 1943[†] from Viscount Halifax to the Foreign Office on the subject of Jamaican bauxite. This telegram has been referred to the Department of External Affairs by the Metals Controller who received it from the United Kingdom representatives in Washington. I also enclose a copy of a letter from the Metals Controller to the Under-Secretary of State for External Affairs, dated September 11,[†] which summarizes the discussions on the subject of Jamaican bauxite which preceded the drafting of this telegram at the British Embassy.

2. The Department of Munitions and Supply has taken the position that as bauxite from Jamaica is not to be treated as a war material of importance in the present war the Department is no longer concerned with the matter.

3. As the question of Jamaican bauxite has now become entirely a matter of post-war policy, it is important that there should be no possible misunderstanding in the minds of the United Kingdom authorities as to the position of Canada in relation to the general questions of post-war policy raised in the telegram of August 9. This telegram has been brought officially to the attention of the Department of External Affairs and it follows that unless some steps are taken at once to explain that the Canadian views have been misunderstood by Lord Halifax we should be tacitly accepting as correct his interpretation of Canada's position.

4. The references to Canadian policy appear in paragraphs 6 and 8 of the telegram. If these are read together with paragraph 4 there may even be a suggestion that Canada would welcome the development by the Empire of "a common raw materials development and exploitation policy" by which the bargaining power of the Commonwealth would be increased.

5. It is not entirely clear to what the "Canadian argument" mentioned in the first line of paragraph 8 refers, and this very vagueness is itself a possible source of misunderstanding.

6. It would, therefore, be appreciated if you would take whatever steps are appropriate to counteract at the Foreign Office what may perhaps be called the overtones in the telegram of Lord Halifax.

7. For your confidential information, it is the view of the Minister of Munitions and Supply that if Canada takes no steps whatever the interests of Canada would be sufficiently protected provided Britain does not yield to pressure from the United States State Department for nationalization of the deposits and for a concession from government to government. It appears that the Aluminum Company is acquiring holdings of bauxite deposits by private purchases and that, therefore, the Department of Munitions and Supply would no longer favour the policy of nationalization of these deposits, which was suggested by the Metals Controller to Lord Halifax in the earlier discussions.

I have etc.

[N. A. ROBERTSON]
for the Secretary of State
for External Affairs

*Mémoire de l'adjoint spécial en temps de guerre du
sous-secrétaire d'Etat aux Affaires extérieures au
sous-secrétaire d'Etat adjoint aux Affaires extérieures*⁴⁸

*Memorandum from Special Wartime Assistant to Under-Secretary
of State for External Affairs to Assistant Under-Secretary
of State for External Affairs*⁴⁸

[Ottawa,] December 31, 1943

ANGLO-[AMERICAN] CARIBBEAN COMMISSION

In accordance with your suggestion I have discussed with Mr. Wrong and Mr. Macdonald, the letter from Mr. Malcolm MacDonald of December 30¹ offering us an opportunity of attending the first of a proposed new series of West Indies Conferences under the auspices of the Anglo-[American] Caribbean Commission.

Mr. Wrong is of the opinion that it might be well for us to attend this conference, although he points out that it may be difficult to get senior expert officers at the time proposed because of the pressure of parliamentary business. This will be especially true of an individual such as Mr. Bryce. He informs me that the Mutual Aid Board, with the approval of the United Kingdom, has recently agreed to mutual aid to the British West Indies in the form of flour granted directly to them and not through the United Kingdom as in the past. The basis of the award is flour to the value of one dollar per head of the population or approximately three million dollars.

Mr. Macdonald is opposed to attending the conference on the ground that it would be the first step in involving us in West Indies problems for which we are not directly responsible. He points out that the suggestion in Mr. MacDonald's letter varies from that discussed with us by Sir Frank Stockdale⁴⁹, in that it contemplates a conference under Anglo-Caribbean auspices, including United States representation, whereas Sir Frank had discussed with us a purely British West Indies Conference which we might attend. He feels that the two great empires that are responsible for colonies in that area may launch ambitious projects in the economic and social field for the well-being of these peoples in which we might become involved once we undertook representation at such conferences.

I also discussed this question with Mr. Angus. He made the interesting point that, when the problem of providing supplies for the West Indies colonies first came up, Canada argued there was a special Canadian interest in the West

⁴⁸ H.L. Keenleyside.

⁴⁹ Président conjoint britannique, Commission anglo-américaine des Caraïbes.

⁴⁹ British Co-Chairman, Anglo-American Caribbean Commission.

Indies, and that therefore Canada was prepared to find food for these islands without any reference to the Combined Food Board in Washington. If this contention of special interest was brought up for that purpose, Mr. Angus feels that it equally applies to this conference where some of the topics [to be] discussed include food problems.

I would suggest that before further action be taken this letter also be circulated to Messrs. Bryce and Master, and the Chairmen of the Canadian Shipping Board and Wartime Prices and Trade Board.⁵⁰

F. H. SOWARD

SECTION D
INDE/INDIA

906.

DEA/5550-40

*Mémorandum de l'adjoit spécial en temps de guerre du sous-secrétaire
d'État aux Affaires extérieures⁵¹ au Premier ministre*

*Memorandum from Special Wartime Assistant to Under-Secretary
of State for External Affairs⁵¹ to Prime Minister*

[Ottawa,] December 27, 1941

MEMORANDUM FOR THE PRIME MINISTER CONCERNING
THE EAST INDIANS IN BRITISH COLUMBIA⁵²

1. There is a very strong feeling in India that the East Indians in all parts of the Empire should have full political rights. The situation in British Columbia is therefore considered a political grievance and the importance of this grievance has become grossly exaggerated in the course of political controversy.
2. This view of the matter is sentimental rather than rational. As the East Indian community in British Columbia has not been assimilated there and, as there is no adult Canadian-born group of East Indian race, no strong case can be made on practical grounds for enfranchisement.
3. On the other hand, as the East Indians in British Columbia are very few in number and as there is never likely to be an East Indian minority of any significant size, their enfranchisement would occasion no appreciable change in the electoral fortunes of any political party. It would be a graceful gesture on our part, which while it would not really benefit anyone could not conceivably cause direct injury to anyone.

⁵⁰ Notes marginales:

⁵⁰ Marginal notes:

Please do this. H. L. K[EELEYSIDE]
Also Barton? F. H. S[OWARD]

⁵¹ H.F. Angus.

⁵² Voir le document 47.

⁵² See Document 47.

4. There is even some sentiment in British Columbia itself in favour of the enfranchisement of East Indians. The difficulty lies in the fact that it would be extremely hard to rationalize their enfranchisement without at the same time admitting the claims of Canadian-born Chinese and Japanese. These groups, particularly the latter, are numerically significant and are likely to increase in numbers. Like the Indians they can rank as "Natural-born British subjects". They are also much more assimilated in culture than are the East Indians.

5. Perhaps at the present time the war with Japan might make it possible to justify an extension of the franchise to the East Indians alone. However, it must be recognized that if this [is] done it will become increasingly difficult to deny a similar concession to Canadians of Japanese and Chinese race. In the long view this does not matter in the least because the denial of the franchise on grounds of race is contrary to the policy of the whole of North America and is bound in any event to become increasingly difficult. In practice some people would see that the enfranchisement of East Indians made the continued disfranchisement of Chinese and Japanese Canadians difficult and would not see that the difficulty would be almost equally great in any case.

6. Mr. Polak's proposal that the Federal franchise should be given to East Indians in British Columbia without waiting for action by the Provincial Legislature is open to the objection already mentioned in the case of the Provincial franchise namely that it is almost impossible to justify a distinction between East Indians and Canadian-born Japanese and Chinese. To adopt Mr. Polak's proposal would have the further disadvantage of creating a conflict between Federal and Provincial politics.

7. On balance, as it is understood that Mr. Polak has already approached Mr. Hart⁵³ and Mr. Maitland⁵⁴, it is recommended that the Government of British Columbia should be asked whether it can see its way to making this gesture⁵⁵, which would unquestionably be of great value during and after the war in promoting cordial relations between India and Canada and indeed between India and other nations in the British Commonwealth.

8. The question of franchise is not connected with that of sending a High Commissioner to India which is discussed in an accompanying memorandum except that such an official would obviously find his path smoother if he did not have to defend racial discrimination in Canada.

⁵³ Premier ministre de Colombie britannique.

⁵³ Premier of British Columbia.

⁵⁴ Procureur général de Colombie britannique.

⁵⁴ Attorney General of British Columbia.

⁵⁵ Note marginale:

⁵⁵ Marginal note:

CONSULTER SUR PLACE

907.

DEA/5550-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au secrétaire honoraire, Indians Overseas Association*

*Assistant Under-Secretary of State for External Affairs
to Honorary Secretary, Indians Overseas Association*

Ottawa, February 21, 1942

Dear Mr. Polak,

Thanks for your letter from Seattle¹.

I am sorry to say that the Prime Minister has decided not to send the proposed personal communication to Mr. Hart. Recent developments in the general Oriental position on the Pacific Coast have brought Mr. King to the conclusion that it would be inadvisable at this time to intervene in regard to the position of the East Indians there. Under the circumstances I am afraid there is nothing very much that we can do except to endeavour to obtain a favourable decision in regard to the proposed appointment of a Canadian High Commissioner to India.

Yours sincerely,

H. L. KEENLEYSIDE

908.

DEA/5550-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

DESPATCH 42

London, April 13, 1942

Sir,

I have the honour to state that the Government of India have enquired whether His Majesty's Government in Canada would be prepared to take action with a view to the conferment of the Dominion, Provincial and Municipal franchise on Indians domiciled in British Columbia.

2. It will be recalled that, after the statement made by the Prime Minister of Canada at the Imperial Conference in 1923,⁵⁶ the Government of India enquired in 1925 what was the position with regard to the suggested revision of the Dominion Franchise Law,⁵⁷ but that when the Dominion of Canada Elections Act came under revision by Parliament in the same year, the Committee on Privileges at Elections after careful consideration, came to the conclusion that no changes in the existing law could be made, and that the position of Indians in British Columbia could not therefore be modified.

3. The Government of India now point out that about 1,300 out of the 1,500 Indians resident in Canada are domiciled in British Columbia and that they do not enjoy franchise rights while in other Provinces of Canada Indian residents

⁵⁶ Voir le volume 3, document 234.

⁵⁶ See Volume 3, Document 234.

⁵⁷ Voir le volume 3, documents 668 et 670.

⁵⁷ See Volume 3, Documents 668 and 670.

1942 APR 13 11 10 AM

are not subjected to any legal or political disability. Indians in British Columbia are, by virtue of section 5 of the British Columbia Provincial Elections Act, disqualified from voting at elections and debarred from having their names inserted in any list of voters. The Government of India further state that by the operation of section 30 (1) (g) of the Dominion Elections Act, which lays down that "persons who by the laws of any Province in Canada are disqualified from voting for a member of the Legislative Assembly of such Province in respect of race, shall not be qualified to vote", they are also denied the federal franchise. They consider that the lack of franchise rights constitutes a grievance among Indians in British Columbia and is regarded as a humiliation in India.

4. The Government of India observe that, since the outbreak of the present war, public feeling in India against the discrimination to which Indians in other parts of the British Commonwealth are exposed has been increasingly evident. They are also of the view that, bearing in mind the paramount need for Commonwealth solidarity and the general recognition of the valuable contribution made by India towards the common war effort, another effort should now be made to obtain the enfranchisement of Indians living in British Columbia. The Indian population of the Province is in itself very small and it appears that there is no danger of any appreciable increase in the future, as the immigration of Indians into Canada for permanent settlement has now virtually ceased. The Indians in British Columbia are, moreover, practically all engaged as farmers, stock-raisers, gardeners and farm labourers and as unskilled workers, and should not, in the opinion of the Government of India, present any serious economic menace to the white population. Nor in their view could the grant of franchise to the Indians give rise to any complications with similar Japanese and Chinese claims, as Indians can, by reason of their common allegiance to the Crown, claim preference over persons of alien origin. Moreover, the Government of India Act, 1935, has now enfranchised persons of lower economic status in India so that it can no longer be said that Indians of similar status do not enjoy the privilege to vote in their own country.

5. His Majesty's Government in the United Kingdom would be grateful if the question could be considered in the light of the above representations and they would be glad to receive an expression of the views of His Majesty's Government in Canada.

I have etc.

[C. R. ATTLEE]

909.

PCO

*Mémoire du secrétaire, le Comité de guerre du Cabinet,
au Comité de guerre du Cabinet*

*Memorandum from Secretary, Cabinet War Committee,
to Cabinet War Committee*

SECRET

Ottawa, May 26, 1942

EXTERNAL AFFAIRS REPORTS: RE: FRANCHISE
FOR EAST INDIANS IN BRITISH COLUMBIA

1. A formal enquiry from the Government of India has been transmitted by the Dominions Office asking if the Canadian government "would be prepared

to take action with a view to the conferment of the Dominion, Provincial and Municipal franchise on Indians domiciled in British Columbia". A copy of this despatch is attached.

2. There are very strong reasons for doing whatever may be possible to meet this request.

(a) The political status of East Indians in various parts of the British Dominions has been bitterly resented by Indian opinion and is one of the serious barriers to whole-hearted cooperation within the British Empire.

(b) Canada has recently decided that a High Commissioner may be sent to India. The position of such a commissioner would be greatly strengthened if he could bring with him the assurance that a long-standing Indian grievance had been removed.

(c) It is important to conciliate Asiatic opinion during the war by making it impossible for Japan to represent the English-speaking countries as insisting on racial discrimination against Asiatics in general.

(d) In any peace settlement racial discriminations in democratic countries against the citizens of friendly democratic countries will be most undesirable.

3. The Provincial and Municipal franchises in British Columbia are governed by provincial legislation. They do not extend to aliens and they exclude British subjects of Chinese, Japanese, East Indian and other Asiatic races and also North American Indians. An exception is made for British subjects of Japanese race who served in the last war. The Dominion Elections Act excluded from the Federal franchise in any province persons excluded on racial grounds from the Provincial franchise in that province.

4. Any change which British Columbia might make in its franchise policy would, therefore, automatically affect the Federal franchise in British Columbia. On the other hand, while it would be possible for the Parliament of Canada to amend the Dominion Elections Act so as to confer the Dominion franchise on East Indians in British Columbia, such an action would be regarded in that province as an interference with its recognized rights and it might prejudice rather than improve the position of East Indians in British Columbia.

5. The East Indian population of British Columbia is very small and the request of the Government of India could be met by adding less than one thousand to the number of qualified voters. Immigration has been effectively stopped and numbers are decreasing.

6. Although the East Indians as a group are probably less Canadianized than the two other Asiatic groups and would therefore have the weakest case for enfranchisement on grounds of internal policy, there would probably be no great opposition to their enfranchisement at the present time if this could be done without affecting the position of Canadians of Chinese and Japanese racial origin.

7. The war with Japan makes it easy to exclude Canadians of Japanese racial origin from consideration. There are, therefore, two alternative courses open to the Government of British Columbia if it is willing to meet the request made by the Government of India.

1917-1918-1919-1920-1921-1922-1923-1924-1925-1926-1927-1928-1929-1930-1931-1932-1933-1934-1935-1936-1937-1938-1939-1940-1941-1942-1943-1944-1945-1946-1947-1948-1949-1950-1951-1952-1953-1954-1955-1956-1957-1958-1959-1960-1961-1962-1963-1964-1965-1966-1967-1968-1969-1970-1971-1972-1973-1974-1975-1976-1977-1978-1979-1980-1981-1982-1983-1984-1985-1986-1987-1988-1989-1990-1991-1992-1993-1994-1995-1996-1997-1998-1999-2000-2001-2002-2003-2004-2005-2006-2007-2008-2009-2010-2011-2012-2013-2014-2015-2016-2017-2018-2019-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100

(a) To remove East Indians from the list of Asiatic races excluded from the franchise. This policy would be explained as a recognition of imperial solidarity and as a friendly gesture to a nation recognized as about to become a sister dominion.

(b) To make an exception to the exclusion of Asiatics from the franchise for natural-born British subjects of other than Japanese race. This exception would include all East Indians and Canadian-born Chinese who are not numerous. It would not include naturalized Chinese. It would be explained as a gesture of comradeship with nations associated with Canada in the battle for civilization against aggressors.

8. It is recommended that the request of the Government of India should be transmitted to the Government of British Columbia with the endorsement of the War Committee of the Cabinet. The Government of British Columbia would be asked to give an assurance that it would introduce legislation to extend the Provincial and Municipal franchise to persons of East Indian race. This assurance would be transmitted to the Government of India and in order to produce the hoped for effect on Indian opinion and on political developments in India it would have to be made public.

9. It is also recommended that the Dominions Office, which has asked for an expression of the views of His Majesty's Government in Canada, should be informed both of the difficulties of the situation and of the action taken by the Canadian Government.

A. D. P. HEENEY

910.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, June 4, 1942

FRANCHISE OF EAST INDIANS IN BRITISH COLUMBIA

9. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that a formal enquiry had been received from the government of India, asking if Canada would be prepared to take action with a view to the conferment of the Dominion, Provincial and Municipal franchise on Indians domiciled in British Columbia.

The question was a complicated one and involved important considerations. An explanatory note had been circulated.

(External Affairs report, May 26, 1942 — C.W.C. document 173).

10. The War Committee, after discussion, agreed that the request of the Government of India be referred to the Government of British Columbia for consideration.

911.

DEA/5550-40

*Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions**Secretary of State for External Affairs to Dominions Secretary*

DESPATCH 69

Ottawa, August 15, 1942

Sir,

I have the honour to refer to your note No. 42 of April 13, 1942, transmitting an inquiry from the Government of India as to whether His Majesty's Government in Canada would be prepared to take action with a view to the conferment of the Dominion, Provincial and Municipal franchise on Indians domiciled in British Columbia. This inquiry has received careful consideration and has been transmitted to the Government of the Province of British Columbia which is primarily concerned, since the conferment of the Provincial franchise by that Government would automatically confer the Dominion franchise for elections within the Province and the Municipal franchise within the Province. The Government of British Columbia has now replied that, after a very thorough review of the subject, it is of the opinion that the present is not an opportune time to discuss the conferment of the franchise on East Indians domiciled in British Columbia.

2. In the final paragraph of your note you asked for an expression of the views of His Majesty's Government in Canada. His Majesty's Government in Canada regret that any sense of humiliation should be felt in India concerning the policy followed in British Columbia with regard to the franchise. It may help in an understanding of the complexities of the situation to point out that it is a misapprehension on the part of the Government of India that the grant of the franchise to East Indians in British Columbia could not give rise to any complications with similar Japanese and Chinese claims, since Indians can, by reason of their common allegiance to the Crown, claim preference over persons of alien origin. Neither the Government of Canada nor the Government of British Columbia could be expected to take the view that persons of Japanese or Chinese race, born in Canada, do not owe the same allegiance to the Crown as East Indians, and it would be extremely difficult to take this view with regard to persons of Chinese or Japanese race who have been naturalised in Canada. In view of these circumstances, the grant of the franchise to East Indians would inevitably be the occasion for a demand for the franchise by Canadians of Chinese race and would be considered as a tacit promise of the franchise to Canadians of Japanese race after the conclusion of hostilities with Japan. In these circumstances His Majesty's Government in Canada hopes that the difficulties of the situation will be appreciated by the Government of India and that a full understanding of the position in British Columbia at a time when Canada is at war with Japan will help to mitigate the sense of humiliation which is not unnaturally felt by East Indians.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

100-100000-1000

912.

DEA/72-T-38

*Le haut commissaire adjoint de Grande-Bretagne au
sous-secrétaire d'État aux Affaires extérieures*
*Deputy High Commissioner of Great Britain to
Under-Secretary of State for External Affairs*

516X/470

Ottawa, September 26, 1942

Dear Mr. Robertson,

From a telegram which we have received from the Dominions Office we understand that the Air Ministry consulted the Minister of National Defence (Air) during the latter's recent visit to the United Kingdom about the proposal made as a result of a request from the Government of India to train in R.A.F. schools in Canada 50 Indian pupils as pilots every three months. Subject to I.T.W. Training being undertaken in India prior to embarkation these Indians would be counted against the United Kingdom quota of pupils under the B.C.A.T.P.⁵⁸ agreement of June, 1942 and on graduation would be employed in R.A.F. Fighter Squadrons in the United Kingdom.

I should be very grateful if you would let me know as soon as possible whether it will be in order for the United Kingdom Air Liaison Mission now to approach the Department of National Defence for Air with a view to making the necessary arrangements for the training of these Indian pupils in Canada.

In this connection I might, perhaps, invite attention to a letter (a copy of which is, no doubt, available to you) of the 8th January last¹ from Canada House to the Dominions Office in which it is stated that the Department of National Defence for Air had reacted favourably to an earlier unofficial suggestion that certain Indian air crews might be trained in Canada. Unfortunately it was not, in the situation existing, possible for the Government of India to pursue the matter at that time.

The letter from Canada House to which I have referred raised the question of whether any dietetic difficulties or special treatment would be involved in the training of Indians in Canada. I might mention here that the India Office have been asked to confirm that no special arrangements would in fact be required in regard to diet or accommodation of Indian pupils here.

Yours sincerely,

PATRICK DUFF

⁵⁸ British Commonwealth Air Training Plan.

913.

DEA/72-T-38

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au haut commissaire adjoint de Grande-Bretagne*
*Assistant Under-Secretary of State for External Affairs
to Deputy High Commissioner of Great Britain*

Ottawa, October 7, 1942

Dear Sir Patrick [Duff],

With reference to your letter No. 516X/470 of September 26th, 1942, concerning the admission of Indian pupils to R.A.F. schools in Canada as part of the United Kingdom quota of pupils, there is no objection on the part of the Canadian authorities to the arrangements proposed in your letter and it is in order for the United Kingdom Air Liaison Mission to approach the Department of National Defence for Air on this question.

Yours sincerely,

H. H. WRONG

914.

W.L.M.K./Vol. 329

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*
*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 2557

London, October 20, 1942

One of the two representatives of India at War Cabinet here, His Highness the Jam Sahib of Nawanager, is leaving shortly for a visit to North America and wishes to spend three or four weeks in Canada before going to the United States. His Highness represents that part of India governed by the Princes. He was educated in England and speaks English perfectly. Mr. Amery tells me that he has good judgment and common sense and would make useful speeches while in Canada. His Highness was for over twelve years a professional soldier before succeeding and is very anxious to see what he can of military activity in Canada. I should be grateful for a telegram to the effect that his visit would be welcome and that suitable arrangements would be made for him to see something of Canada's war effort.

MASSEY

915.

W.L.M.K./Vol. 323

*Le haut commissaire adjoint de Grande-Bretagne
au secrétaire d'État aux Affaires extérieures*

*Deputy High Commissioner of Great Britain
to Secretary of State for External Affairs*

537/229

Ottawa, October 22, 1942

My dear Prime Minister,

I have just had a telegram from the Secretary of State for the Dominions in which I am asked to transmit to you the following personal message from the Secretary of State for India on the subject of His Highness the Jam Sahib of Nawanagar.

"I understand that your Government feel somewhat doubtful about the advisability of the Jam Sahib making any speeches while in Canada. I cannot help feeling that this must be due to some misapprehension as to the kind of subject he would talk about or the kind of speech he would make. He has been a serving soldier and would naturally talk primarily about India's war effort in the field and in raising and equipping forces while as a capable administrator of his own state and Chancellor of the Chamber of Princes he can also speak interestingly about the administration of Indian states and dispel some ideas as to their backwardness and administrative inefficiency. He would certainly not raise uncomfortable controversial issues about British India. He has great personal charm, speaks in a breezy attractive fashion and answers questions frankly and readily. He has made the very best impression here in all quarters and on all political parties and it seems to me it would be a great pity if the Canadian public did not have some opportunity of coming into contact with the personality of the best kind of Indian soldier statesman. Kindest regards. Amery."

Yours sincerely,

PATRICK DUFF

916.

DEA/5s

*Le secrétaire d'État aux Affaires extérieures au
haut commissaire adjoint de Grande-Bretagne*

*Secretary of State for External Affairs to
Deputy High Commissioner of Great Britain*

Ottawa, October 23, 1942

Dear Sir Patrick [Duff],

I received last night your letter of yesterday transmitting a personal message to me from the Secretary of State for India. I shall be obliged if you will kindly forward to Mr. Amery the following personal message in reply:

"I have received your personal message on the subject of the proposed visit to Canada of His Highness the Jam Sahib of Nawanagar.

The doubts which my colleagues and I entertain about the advisability of his

visit do not arise so much from fears of what the Jam Sahib may say in the course of his speeches — as for that, we realize that you would not think of having him visit Canada unless you were fully satisfied as to his judgment and discretion in matters of the kind. Our concern is with the wisdom of the visit at all, as certain to give rise to public controversy on the Indian question.

Thus far, there has been little public discussion in Canada on matters relating to India. Our people are prepared to accept the view that the question of the future status of India will be settled immediately after the war in accordance with undertakings already given, and that the matter should be left over until that time. The presence in Canada of an Indian prince, seeking to explain the Indian situation, would almost certainly be regarded in some quarters as propaganda at the instance of the British government, and discussion of the right of India to immediate self-government might well set the heather on fire. Moreover, every time a representative of India has travelled through Canada the visit has provoked anew an agitation in the province of British Columbia to give the franchise to natives of India resident there. In the province the problem would almost certainly be bound up at the present time with a similar claim for the Chinese who have been lifelong residents of the province. It would be most embarrassing to the government of British Columbia and our own government to have this issue reopened at this time.

It is not, of course, for me to say anything about the wisdom of a visit of an Indian prince and ruler to the United States. You no doubt already have Lord Halifax's views as to the wisdom of a visit there by the Jam Sahib of Nawangar, and no doubt Lord Halifax has given you the President's reaction to the possible effects of such a visit. Granting all you say of the personality of the Jam Sahib, and what he stands for as an Indian soldier statesman, I am sure, in the position which he holds in India, his visiting the United States would in itself be misunderstood, and might make the situation there more difficult than it already is. This is, of course, only a personal view. I should feel, however, that I had not been true to Britain's interest vis-à-vis the feeling in America on the Indian question, or to the interests of our own war effort if I did not express to you unreservedly my own strong conviction in this matter.

W. L. M[ACKENZIE] K[ING]

917.

W.L.M.K./Vol. 323

*Le haut commissaire adjoint de Grande-Bretagne
au secrétaire d'État aux Affaires extérieures*

*Deputy High Commissioner of Great Britain
to Secretary of State for External Affairs*

537/229

Ottawa, October 27, 1942

SECRET AND PERSONAL

My dear Prime Minister,

I telegraphed without delay to London the personal message to Mr. Amery contained in your letter to me of the 23rd October, and I have now been asked to give you the following message from Mr. Amery in reply:

"I quite appreciate the considerations in your mind in connection with the Jam Sahib's suggested visit and it will be best to postpone things until Malcolm MacDonald can have a chance of discussing the matter with you personally".

Yours sincerely,

PATRICK DUFF

918.

DEA/5s

Extrait d'un mémorandum du Premier ministre

Extract from Memorandum by Prime Minister

SECRET

Ottawa, November 7, 1942

MEMORANDUM OF A CONVERSATION BETWEEN THE PRIME MINISTER
OF CANADA AND THE HIGH COMMISSIONER FOR GREAT BRITAIN,
AT LAURIER HOUSE, NOVEMBER 6, 1942, 5 P.M.

RE: VISIT OF THE JAM SAHIB OF NAWANAGAR

Malcolm MacDonald returned from England yesterday. In conversation with him at Laurier House, he told me that the Indian Prince, Jam Sahib of Nawanganar, was coming out to see something of the war effort of Canada and the United States and that it was embarrassing to the British Government not to have him come.

MacDonald said that when Amery received my letter he called him in and told him quite frankly what the difficulties were that we foresaw in the letter. The Prince had said that he would not attempt much in the way of speaking but would make broadcast which would deal mostly with the war effort of India. If I wished it, he would be glad to submit the plans to me in advance. I said to MacDonald that I would not wish to take any responsibility with respect to the broadcast. That he himself would be quite as good a judge as I would be as to what should or should not be said. The difficulty that I saw was in the visit at all and the controversy to which the presence of a native Indian ruler on this continent would be certain to give rise with respect to self-government in India. That if some poor Hindu had been sent out to tell the story of how the British were helping to improve the conditions of the Indians, someone of that type might have a story to which the people on this continent would be inclined to listen sympathetically.

The presence of an Indian Prince would only cause them to view the whole business in a satirical way. The Prince would find himself the subject of ridicule in some of the American papers.

MacDonald said that what he was most afraid of was the interviews — the questions that might be asked, and the possible slips that might be made in reply. I told him it was inevitable that embarrassing questions would be asked and that of course that was at the foundation of my view that the visit should not be made at all.

MacDonald spoke of the two Indians who were coming out to the Canadian Pacific Conference⁵⁹ and said that he thought there was a danger in their presence though they were highly intelligent men. I said my whole point of view was that of allowing sleeping dogs lie.

I then spoke to him of what Willkie had said in his speech reflecting on the English rule in India and read to him the letter[†] which Coldwell had sent me on the day following, the essence of which I had sent on to Amery. He would see there how ready the C.C.F. would be to make an issue of the Indian situation. Clearly, both the C.C.F. and Willkie were ready to further their own political popularity at the expense of others, in this case the British Empire at a time of war.

I said I thought the whole business was full of dangerous possibilities and that I would not agree to alter in any particular the views I had expressed as to the unwisdom of having Prince Jam Sahib of Nawanagar at this time.

MacDonald told me that Lord Halifax had been a little uncertain at the start but had agreed to his coming. I said Lord Halifax, having been Viceroy of India, was in a very embarrassing position, but I did not think it was fair to place any responsibility on him. I hoped that he had sought the President's view.

I spoke to MacDonald of the fact that the British could not see the folly of sending to democratic self-governing countries like Canada a ruling Prince to discuss the Indian situation, and said that that was in itself evidence that they could not understand the feeling of the native races and the masses of the people in the Orient in their desire for complete self-government. It was ludicrous to think that you could begin to educate the masses of this continent to the intricacies of the Indian situation by any number of visitors.

W. L. M[ACKENZIE] K[ING]

919.

DEA/4929-J-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] October 14, 1943

We have been following up the suggestion you made some weeks ago that Canada might appropriately do something to help relieve the Indian famine. Angus had a preliminary talk on the subject with Sir Girja Bajpai, the Indian High Commissioner⁶⁰ in the United States, during Food Commission discus-

⁵⁹ Conférence de l'Institut des relations du Pacifique du 4 au 14 décembre 1942.

⁵⁹ Conference of the Institute of Pacific Relations, December 4-14, 1942.

⁶⁰ Le titre exact était agent général.

⁶⁰ The correct title was Agent General.

sions in Princeton last week, and Pearson had a further word with him in Washington yesterday.

Bajpai thinks that the political effect of a gift of wheat from Canada would be very great. He was obviously himself much impressed by this aspect of the gift, quite apart from its immediate value in overcoming famine conditions. He was strongly of the opinion that any gift should be made to the Government of India and not to the Governments of the Provinces. There were three or four Provinces concerned, and Bengal, where the need was greatest, had so messed up existing arrangements for relief that he thought it would be better not to send the gift directly to them.

Bajpai felt that if the Canadian Government wished to help relieve the Indian famine, a gift of wheat would be the most appropriate and effective assistance they could give. He recognized that shipping difficulties would be serious and might delay deliveries pretty materially.

Bajpai, whom you will remember meeting, is a very fair-minded and level-headed Indian, and his view that a gift of wheat from Canada at this juncture would have a real political effect, can, I think, be taken seriously. If you approve, I would be inclined to take up with the Mutual Aid Board the question of offering India up to 100,000 tons of wheat, provided shipping can be made available. India has been paying cash for all of her requirements from Canada, and is not a recipient of Mutual Aid assistance. India could pay for the wheat, but in sterling, of which we have no present need. Apparently the Mayor of Calcutta has appealed by cable to President Roosevelt for wheat supplies, but the United States had to reply that their wheat commitments were so numerous that they were not in a position at that time to meet the Calcutta request. We would have difficulty shipping wheat from eastern Canadian ports because of transportation difficulties, but I think we should look into the possibility of shipping wheat from West Coast ports in vessels which have to be sent out to India to pick up essential supplies for Canada.

The round figure of 100,000 tons, which would be the equivalent of about 3,000,000 bushels and would represent a market value of about \$4,000,000, would seem to be a fair one, having in mind the scale of our Mutual Aid assistance to China.⁶¹

N. A. R[OBERTSON]

920.

DEA/4929-J-40

*Le secrétaire d'État aux Affaires extérieures
au secrétaire du gouvernement de l'Inde*

*Secretary of State for External Affairs
to Secretary to the Government of India*

TELEGRAM 44

Ottawa, October 24, 1943

SECRET AND PERSONAL. Following for the Viceroy from the Prime Minister of Canada, Begins: The Government and people of Canada desire to do what they

⁶¹ La note suivante était écrite sur ce memorandum:

⁶¹ The following note was written on the memorandum:

I heartily approve. W. L. M[ACKENZIE] K[ING]

2. Your offer is contingent, however, on shipment from the Pacific coast which I regret is impracticable. The only ships available to us on the Pacific coast are the Canadian new buildings which you place at our disposal. These are already proving inadequate to fulfil our existing high priority commitments from that area which include important timber requirements for aeroplane manufacture in the United Kingdom and quantities of nitrate from Chile to the Middle East which we are under obligation to supply to the Egyptian Government in return for foodstuffs for our forces and for export to neighboring territories including Ceylon.

3. Even if you could make the wheat available in eastern Canada I should still be faced with a serious shipping question. If our strategic plans are not to suffer undue interference, we must continue to scrutinise all demands for shipping with the utmost rigour. India's need for imported wheat must be met from the nearest source i.e. from Australia. Wheat from Canada would take at least two months to reach India whereas it could be carried from Australia in 3 to 4 weeks. Thus, apart from the delay in arrival, the cost in shipping is more than doubled by shipment from Canada instead of from Australia. In existing circumstances this uneconomical use of shipping would be indefensible.

4. Publication of your offer would, in these circumstances, create a difficult position. We should have to say that no shipping was available. This would cause disappointment in India and such an announcement might be bad on general grounds. Much therefore as I should like Canada's gesture of sympathy to be made known to the world, I would earnestly beg you to let the matter rest, at any rate for the present, and defer any publication of Canada's most generous offer. Ends.

923.

DEA/4929-J-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 176

Ottawa, November 5, 1943

MOST IMMEDIATE. SECRET AND PERSONAL. Following from Prime Minister for the Prime Minister, Begins: Your message No. 164 of November 4th, wheat for India. On receipt of your message we decided to defer making any announcement about proposed gift of wheat to India and assumed that you had sent a similar communication to the Viceroy. Press despatches this morning report that offer of wheat has been made public by the Indian Government who had expected an announcement to be made in Canada today. I fully appreciate the cogency of the economic arguments put forward in your message, but in the circumstances I have no choice but to proceed with the release of the press statement, text of which you will have received from our High Commissioner. I am however substituting for the last sentence in the draft, which referred to shipping, the following sentence:

The question of finding shipping for the wheat presents considerable difficulties which are now under examination. Ends.

924.

DEA/4929-J-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 171

London, November 11, 1943

MOST IMMEDIATE. SECRET AND PERSONAL. Following from the Prime Minister for the Prime Minister, Begins:

1. I see from your telegram No. 49 to the Government of India[†] that you propose to load a Canadian ship on November 12th with wheat for India. I understand this ship has been withdrawn from the Canada/Australia service with no prospect of early replacement. I gathered from the last sentence of your No. 176 that it was not intended to make any immediate shipping arrangements, at any rate without further consultation.

2. The War Cabinet has again considered the question of further shipments of Australian wheat and has decided to ship up to another 100,000 tons, part of which will arrive earlier than the proposed cargo from Canada.

3. I feel, therefore, that I must press you to cancel the proposed shipment from Canada, partly because of the alternative arrangements we have been able to make for India, and partly because the withdrawal of the ship from the Canada/Australia trade would create a serious gap in a service of vital importance to the war effort and one which we are being strongly pressed by Evatt to increase. Ends.

925.

DEA/4929-J-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 182

Ottawa, November 13, 1943

IMPORTANT. SECRET AND PERSONAL. Following from Prime Minister for Prime Minister, Begins: Your telegram No. 171. The offer of Canadian wheat was addressed to the Viceroy of India on October 24th and was promptly accepted by him. Amery was simultaneously informed through Massey. I was ready reluctantly to comply with request to defer publicity made in your telegram No. 164 of November 4th but publication of announcement in India made it necessary to issue statement here.

2. The situation thus is that the Canadian Government has offered and the Indian Government has accepted a substantial gift to relieve urgent famine conditions. The United Kingdom Government has been kept fully informed. In making the gift we had in mind, in addition to the humanitarian aspects, that it would have valuable results from the standpoint of intra-imperial relations. These might well outbalance a slight delay in the movement of Canadian supplies to Australia. If our action is to be more than an empty gesture, it is essential that at least some wheat from Canada should reach India as soon as possible.

FROM - ORGANIZATION 1

3. I am glad to note that you have reached a decision greatly to increase wheat shipments from Australia to India and I hope that these will arrive in time to save lives and alleviate distress. In view of this action on your part I am issuing instructions that the ship due to load today should be restored to the Australian run. We feel, however, that tangible evidence of the Canadian desire to help India in her present tribulations should be furnished by an early actual shipment of wheat from Canada. We shall soon be putting additional ships into the Australian run and hope you will agree that at least one of these ships should be used for at least a single voyage to India. Ends.

926.

DEA/4929-J-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2261

Ottawa, December 15, 1943

SECRET. Your telegram No. 3085 of December 8th.[†] Wheat for India. We assume United Kingdom authorities are aware that failure to arrange any shipments is being laid at door of British Government by Indian Nationalist elements in United States. In response to press enquiries we have confined ourselves to saying that our announcement of the gift on November 5th included statement that the question of finding shipping presented considerable difficulties and that wheat would move as soon as shipping could be found. Yesterday New York *PM* published long feature article under heading "No Ships for Starving India, but We Bring In Unneeded Bauxite". This was mainly an attack on War Production Board and Aluminum Company for using bauxite from Guiana while reducing production in Arkansas. It ended with paragraph quoted in my immediately succeeding telegram.[†]

Please inform United Kingdom authorities that we hope to ship consignment of war supplies for China to India during first half of January and are prepared to load them on two Canadian ships with part cargoes of wheat for India. This would be an economical method of using tonnage and we wish to complete shipping arrangements very shortly. We still have not received Indian Government's application for wheat mentioned in my telegram No. 2115 of November 22nd[†] and we assume its transmission has been blocked in London.

927.

DEA/4929-J-40

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 185

London, December 18, 1943

IMPORTANT. SECRET AND PERSONAL. Following for the Prime Minister, Begins: In the Prime Minister's absence I am replying to your telegram to him, No. 182,

as regards wheat for India. In view of acute need for husbanding our shipping resources we have felt it essential that supplies for India should continue to be drawn from Australia rather than Canada and I know you will understand this. At the same time we, for our part, fully appreciate your desire that at least one shipment should be made from Canada in pursuance of your generous offer of aid to India and we have been considering how this could best be arranged without exposing us to charge of uneconomic use of shipping. Massey has explained very fully to us your difficulties and he has now passed on to us new suggestion from your government. Namely that two Canadian ships, which will be available in January to carry war supplies for China to India, should each be loaded with a part cargo of wheat for India. We welcome this helpful suggestion and quite agree that this would afford best solution of the difficulty. Government of India are being informed accordingly and formal application for this assistance from Canada will now be set in train. Ends.

928.

DEA/4929-J-40

*Le haut commissaire de Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner of Great Britain to
Secretary of State for External Affairs*

No. 100

Ottawa, December 30, 1943

I have the honour to refer to the recent offer of the Canadian Government to despatch a shipment of 100,000 tons of Canadian wheat to India as a contribution to the alleviation of famine conditions in that country. I am informed that in order to set in motion the necessary financial machinery a formal requisition should be made on behalf of the Government of India under the War Appropriation (United Nations Mutual Aid) Act, 1943.

2. The Government of India have asked that the United Kingdom Government should now put forward this requisition on their behalf and I now write to request that shipment of wheat be made to India under the above Act in such quantities as it may be possible to load in the ships that are to be designated for that purpose.

I have etc.

MALCOLM MACDONALD

929.

DEA/4929-J-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire de Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner of Great Britain*

No. 65

Ottawa, December 31, 1943

Sir,

I have the honour to acknowledge the receipt of your note No. 100 of December 30th making a formal request on behalf of the Government of India for the

FROM - 603015 1

shipment of 100,000 tons of wheat to India under the War Appropriation (United Nations Mutual Aid) Act, 1943, as a contribution to the alleviation of famine conditions in that country.

2. I am informing the Canadian Mutual Aid Board of the contents of your note. I can assure you that every effort will be made to ship the wheat to India as shipping space may become available.

I have etc.

H. H. WRONG
for the Secretary of State
for External Affairs

SECTION E
IRLANDE/IRELAND

930.

DEA/715-F-2-40

Mémorandum du troisième secrétaire⁶² au conseiller juridique
Memorandum from Third Secretary⁶² to Legal Adviser

[Ottawa,] October 3, 1942

RE: APPLICATION OF RECRUITS REGULATIONS TO NATIONALS OF EIRE

I think that the Department of External Affairs should now decide what steps, if any, ought to be taken to settle the position of nationals of Eire under the new Recruits Regulations⁶³. Before suggesting what courses are open to us I should like to summarize the relevant correspondence.

Oct. 3, 1941

We wrote National War Services, on file 715-40, that in our opinion any person born in what is now called Eire is a natural-born British subject under Canadian law.

1942

March 12 (715-F-2-40)

We sent the following telegram to the Canadian High Commissioner in Dublin:

"Existing Canadian law relating to compulsory calling up of men for military training and service applies only to every male British subject who is or has been at any time subsequent to September 1, 1939, 'ordinarily resident in Canada.'

2. The phrase "ordinarily resident" is lacking in precision. Many British subjects "belonging to" other parts of the British Commonwealth but who have been in Canada for a substantial time, have not been touched by the existing law.

⁶² Max Wershof.

⁶³ Voir le document 262.

⁶³ See Document 262.

3. Canadian Government therefore proposes to amend the law to make it apply to all persons born or naturalized in any other part of the British Commonwealth who have been in Canada for one year.

4. Please ascertain as soon as possible and telegraph whether Government of Ireland has any objection to this proposal. Canadian Government is of course willing that Canadian nationals should be subject to similar laws in other parts of the Commonwealth."

Similar telegrams were sent to our other High Commissioners.

March 31 (715-F-2-40)

Our High Commissioner in Dublin cabled that he had received a letter from the Irish Department of External Affairs which read in part as follows:

"Irish citizens are not British subjects. That position is made finally clear in Article No. 33, Irish Nationality and Citizenship Act, 1935. It would therefore, not be right for the Canadian Government to include Irish citizens in general category of British subjects.

The Irish Government could not and would not dispute justice of a proposal to make all male citizens whatsoever, including Irish citizens, who have entered Canada for the purpose of permanent residence there amenable to Compulsory Service Law. But they would find it very difficult to understand why certain national groups only — of whom Irish citizens would be one — should be brought within the law."

March 31 (688-34)

A United Kingdom court decided that a person born in what is now Eire was a British subject under United Kingdom law and was therefore liable to conscription in the United Kingdom as he was residing in the United Kingdom.

April 1 (715-F-2-40)

Mr. de Valera issued a statement to the press regarding the judgment of the United Kingdom court, in which he said:

"A law which purports still to provide that every man who is born in Ireland becomes automatically, and precisely by reason of that fact, a citizen of another State, is contrary to all reason and common sense."

April 3 (715-F-40)

We sent a despatch[†] to our High Commissioner in Ireland and to all our other High Commissioners giving them, for their own confidential information, a full statement of our plans regarding conscription of various classes of aliens in Canada.

June 2 (715-F-40)

Our High Commissioner in Ireland cabled that the Irish Department of External Affairs was considering the documents which we had sent him on April 3.

June 10 (715-F-40)

We cabled the High Commissioner that the documents we sent on April 3 were not intended for anyone except himself.

June 12 (715-F-40)

RECEIVED
1940

Our High Commissioner cabled expressing regret for having, in error, given the Irish Government the documents we sent him on April 3. He added that the Department of External Affairs had told him orally that "if the Canadian Government ultimately decides to adopt course outlined, Irish Government would place no obstacles in the way."

June 23 (501-33C)

We sent to the Irish High Commissioner in Ottawa, for the information of his Government, a copy of a draft Order in Council¹ to change the naturalization law. Similar communications were sent to our High Commissioners in other parts of the Commonwealth. A copy of our note¹ to the Irish High Commissioner in Ottawa was referred to our High Commissioner in Dublin. Our note to the Irish High Commissioner in Ottawa said that two of the proposed changes in the naturalization law were part of a proposed programme concerning Canada's compulsory military service laws. The note said in part:

"At present Canada's compulsory military service laws apply only to British subjects. It is intended to change the laws to apply to neutral aliens. They will have the right, as citizens of another country, to claim exemption, but those who do so will be barred from naturalization and will be deportable. The Order in Council makes provision for Declarations of Intention or "first paper procedure" similar to that in force in the United States. First paper aliens will then be drafted as if they were British subjects."

June 24 (715-F-2-40)

Our High Commissioner in Ireland sent us a copy of a letter¹ from the Irish Department of External Affairs setting forth their attitude towards the proposed changes in Canada's conscription laws. This reply completely ignored the only question we had ever authorized our High Commissioner to put to the Irish Government, namely, whether they would object to our draft law being amended to cover all persons born or naturalized in any other part of the British Commonwealth who have been in Canada for one year. The letter concludes with this paragraph:

"If, however, your Government's plan will be capable of being applied to Irish citizens as citizens of a neutral country that should render it less difficult for our Government to explain it both at home and to our nationals in Canada. Clearly, it would ease the position if, (as is apparently being done in the United States) the classification of Irish citizens as citizens of a neutral State were to proceed from an official source, rather than have to be acknowledged by the Canadian authorities *ad hoc* in each individual case, after an individual claim had been made. But that may, of course, be the Canadian Government's intention. The difficulty, if any, in deciding who are Irish citizens (as distinct from persons of Irish origin claiming either Irish or some other nationality) could always be resolved by reference to our High Commissioner at Ottawa whom we would suitably instruct."

July 16

The Irish High Commissioner in Ottawa answered our note of June 23. He said in part:

"I beg to add that I understand that the High Commissioner for Canada in Ireland has had informal conversations with the Department of External Affairs, Dublin, as a result of which it has been assumed that, for the purposes of the Order in Council, etc., Irish citizens will be regarded as neutral aliens."

Looking back on this comedy of errors, it seems clear that it would have been better if we had never said anything to the Irish Government regarding the proposed changes in our draft law and regarding the proposed changes in our naturalization law. There was no chance of the Irish Government concurring in our treating their people as British subjects, and it is equally clear under our law that any person born in what is now Eire is a British subject.

The question is now whether we should give any advice to the authorities administering the Recruits Regulations as to how they should treat persons born in Eire claiming to be citizens of Eire, and whether we should say anything further to our High Commissioner in Dublin or the Irish High Commissioner in Ottawa.

Our High Commissioner in Dublin, without any authority from us, has apparently let the Irish Government get the idea that we would treat citizens of Eire as neutral aliens. Should we now tell the Irish Government that we will treat their people as British subjects or should we wait until a particular case arises?⁶⁴

931.

DEA/715-F-6-40

*Mé morandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] August 13, 1943

The position of Irish nationals under N.R.M.A. regulations presents a number of difficulties, which have been the subject of consideration by the Departments concerned for some months past. Aliens, resident in Canada, who are nationals of neutral countries, are allowed to claim exemption from military service on the ground of their nationality. If they do so they become liable to deportation and are permanently disqualified from naturalization in Canada. Irish nationals are in an anomalous position. Under the laws of Canada they are regarded as British subjects as well as citizens of Eire, and do not legally come within the scope of the regulation excepting nationals of neutral countries from military service.

⁶⁴ Les notes suivantes étaient écrites sur ce mémorandum:

⁶⁴ The following notes were written on the memorandum:

Note: I think that Nat[ional] War Services should be directed to instruct all registrars to refer all cases in which a conscript claimed Irish nationality to External Affairs. (There won't be any.) We can then tell the Irish that we will treat any person *whom we regard as entitled to claim Irish Nationality* as if he was a friendly neutral alien. We should not use the language underlined.⁶⁵ We should beg the question as to *who is* to decide.

J. E. R[ead]

I agree with Mr. Read's recommendation. N. A. R[OBERTSON]

⁶⁵ Les mots sont en italiques ici.

⁶⁵ The words are in italics here.

After consultation with the Departments of Justice, Immigration and National War Services, we prepared a Recommendation to Council[†] amending the Mobilization Regulations so that Irish nationals resident in Canada, who are not also nationals of some other part of the British Commonwealth, would be entitled to claim exemption under substantially the same conditions as neutral aliens, i.e., by becoming liable to summary deportation. This concession to the Irish position would only apply to Irishmen who had come to Canada within the last five years. If they have been here longer than that they automatically become Canadian nationals under the provisions of our law and are, therefore, ineligible for separate treatment.

An amendment of our regulations in this sense would not dispose of a majority of the 'Irish cases' now pending under the Mobilization Regulations. It would not go very far to meet the Irish request for recognition of their fully neutral status and it would almost certainly provoke a very sharp and unpleasant debate in the House and in the press about the Irish position in the war and status in the Commonwealth.

All things considered, I think the least objectionable course is to apply the law as it now stands, without amendment. This would mean that Irish nationals, ordinarily resident in Canada, would be liable to call up for military service in the same way as other British subjects. Their position in Canada would be substantially the same as it is in the United Kingdom. We would undoubtedly receive representations from the Irish Government, which we would have to resist. I think it would be very foolish for the Irish Government to try to make an issue out of the question at this time, and I should hope that Mr. Kearney would be able to convince Mr. de Valera that no good purpose would be served by Irish insistence on the ultimate implications of recognition of their neutral status.

If you agree, I shall advise the Departments in Ottawa accordingly. They are pressing us for a decision on this matter.⁶⁶

932.

DEA/715-F-6-40

*Mémorandum de l'assistant, la direction juridique*⁶⁷*Memorandum by Assistant, Legal Division*⁶⁷.

[Ottawa,] September 3, 1943

At an informal meeting on September 2nd in the Deputy's Office, the Deputy, Mr. Read and Miss Bingay discussed with Mr. Hearne, the Irish High Commissioner in Canada, the decision of the Prime Minister (see 715-F-6-40, August 13, 1943) to enforce the N.S.S. Regulations as they now stand with regard to Irish nationals. Application of this decision would have meant that Irish nation-

⁶⁶ La note suivante était écrite sur ce mémorandum:

Mr. Wrong: This note has been approved by Prime Minister. N. A. R[OBERTSON]

⁶⁷ K.B. Bingay.

⁶⁶ The following note was written on the memorandum:

als would be called up as British subjects, and that there would be no recognition of Ireland's neutral status.

Mr. Hearne pointed out that the correspondence between our High Commissioner in Ireland and the Irish Government had led the Irish to believe that we would treat Irish nationals as neutral aliens, and no subsequent correspondence between Mr. Hearne and External Affairs had led him to believe otherwise. Mr. Hearne felt that if the present policy were carried out, it would fundamentally raise the issue of Ireland's position as a neutral state.

Mr. Hearne suggested that it might be possible to revise the wording of Section 3(2)(j), changing the words "a non-declarant alien who is a national of any country not specified", to "citizens of neutral countries who are not also nationals of belligerent countries."

Without promising a change in policy, the Deputy agreed to review this suggestion, and to submit it to the Ministers concerned.

933.

DEA/715-F-6-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre du Travail*

*Under-Secretary of State for External Affairs
to Deputy Minister of Labour*

Ottawa, September 8, 1943

RE: POSITION OF IRISH CITIZENS WITH RESPECT
TO MOBILIZATION REGULATIONS

In our letter dated August 24, 1943[†], we communicated the decision taken after discussion of this question by the Ministers with regard to the Irish position under the Mobilization Regulations.

The High Commissioner for Ireland, after being informed, discussed this question with the Department and pointed out that the Irish Government was very much disturbed about this situation. He expressed the hope that the matter might be reconsidered by the Government. In view of the position taken by Mr. Hearne, I told him that I would discuss the matter again with the Prime Minister and see whether there would be any possibility of the adoption of a course of action which would to some extent at any rate meet the Irish position. He suggested that it might be possible to make a revision in the regulations which would overcome some at any rate of the objections which have been taken.

It is thought that the special position of Irish citizens might be met by the addition of a new paragraph (k) as a part of Regulation No. 3, Subsection (2). The paragraph might read as follows:

(k) A citizen of a neutral country, other than one who comes within the provisions of paragraph (j) of this subsection, provided that he does not belong to or is not a national of a belligerent country, if he has completed a statutory declaration in the form set out in Schedule (C), and has filed the same with the Registrar.

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Before submitting a suggestion along these lines to the Prime Minister, I should be grateful if you would let me have your views. Possibly Mr. Henry might be able to discuss the matter with the Legal Division of the Department upon his return.

N. A. ROBERTSON

934.

DEA/836-BK-39

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Irlande*

*Secretary of State for External Affairs
to High Commissioner in Ireland*

DESPATCH 76

Ottawa, September 22, 1943

CONFIDENTIAL

Sir,

I have the honour to bring to your attention some requests which have been received from the High Commissioner for Ireland concerning proposed exports from Canada to Ireland. The basic facts governing an export trade of this character are peculiar and are not generally appreciated. It may, therefore, be useful for you to have them clearly before you.

2. At the present time Canada's foreign exchange position is of such a character that additional exports which result in payment in funds other than Canadian dollars are of negligible importance. For instance, if exports to Ireland were paid for in sterling the result would be to increase Canadian balances of sterling which are already adequate if not excessive. They would also decrease Irish balances of sterling which are at present very large. If, as is probable, the relations between Canada and the United Kingdom resulted in transactions of one sort or another designed to reduce Canada's sterling balances, the net result of an export to Ireland would be to benefit the tax-payer in the United Kingdom by reducing his liabilities to Ireland and to impose the cost of the transaction on the tax-payer in Canada who would be acquiring a sterling credit and then renouncing it. The gift which the Canadian tax-payer would make would arouse no gratitude in Ireland because the Irish would pay for the goods which they had imported, and it would arouse no gratitude in the United Kingdom because it would not be known there.

3. Insofar as questions of supply are concerned, exports to Ireland are competitive with home consumption and with exports to other destinations. If supply is short, essential home consumption must take first place; next in priority will come the essential requirements of countries which are actively carrying on the war with the Axis; after these will come areas which are recognized as, more or less, an obligation for Canada. These include Empire countries in the Western Hemisphere. In this sequence of priorities, Ireland will obviously occupy a very low position unless a case could be made out for supplying Ireland on one or other of the following grounds:

a. An indirect contribution to the war potential of the United Kingdom by enabling the Irish to supply goods which but for the proposed export from Canada they could not supply. This argument may have had some weight in the case of agricultural machinery;

b. On humanitarian grounds to prevent extreme hardship in a friendly country.

4. It may at times appear unreasonable to apply these broad considerations of policy to proposed transactions which are concerned with very small quantities of goods. For instance, a request for the release of 101/2 tons of boots and shoes for Ireland concerns a quantity of the order of magnitude of 1% of Canada's annual exports to the other British Empire countries in the Western Hemisphere. In cases in which real hardship in Ireland may be obviated by small exports of this character, there may well be a reason for departing from the order of priorities dictated by general policy.

5. It is, however, highly desirable that the real facts of the situation should be thoroughly understood in Ireland before requests are made, and that the requests should be made in a way which takes account of the realities of the situation. It will, therefore, be appreciated if you can avail yourself of some opportunity of discussing these issues with the Irish authorities so that they will understand that any refusal to release commodities in short supply in Canada is based on obvious consideration of policy, and does not show any callous disregard of Irish needs. It should, of course, be equally clear that Ireland in remaining neutral in the present war has completely disintitiled itself from advancing any claim on the basis of common effort in the present emergency.

6. It would also be appreciated if you could keep the Canadian Government informed as to the actual conditions in Ireland insofar as shortages of consumers' goods are concerned. It is very difficult for us to decide how far a request for the release of 101/2 tons of boots and shoes is based on shortages of such a character that we should be lacking in humanity if we did not respond to the request. You can readily appreciate our difficulty in asking for information on such a point from the High Commissioner for Ireland in this country, and also his difficulty in answering such a question if we were to ask it. His instructions would be to make the best possible case for Ireland and this might very well conflict with his wish to give us a completely frank statement of the supply position in that country, and of the sufferings, if any, which its citizens are undergoing as a result of being improperly shod. The case of the boots and shoes is advanced merely by way of an illustration, and while I should appreciate a reply on this point, I hope it will also be possible for you to keep the Canadian authorities informed, from time to time, as to the Irish supply position in general and as to the hardships, if any, which are being suffered in Ireland as a result of shortages.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

935. DEA/836-BK-39

*Le haut commissaire en Irlande au secrétaire d'État
aux Affaires extérieures*

*High Commissioner in Ireland to Secretary of State
for External Affairs*

TELEGRAM 53 Dublin, October 8, 1943

CONFIDENTIAL. Your despatch of September 22nd concerning Irish request for Canadian commodities.

Preliminary investigation does not reveal an acute shortage of boots and shoes, further enquiries are being made.

Irish ships make regular trips to Canada and/or the United States for purpose of bringing back commodities. It seems to me, under the circumstances, that you will have frequent (word omitted) in some form or other for supplies. Have you considered advisability of requiring repatriation of Canadian securities held by citizens of Eire instead of accepting sterling as at present? Am I correct in assuming that Canada would not have serious objection if Irish ships took Canadian wheat? Please name a few other commodities, if any, which fall within same category.

I am leaving for London immediately and on my return will discuss contents of your despatch with appropriate authorities.

936. DEA/715-F-6-40

*Le sous-ministre du Travail au sous-secrétaire d'État
aux Affaires extérieures*

*Deputy Minister of Labour to Under-Secretary of State
for External Affairs*

Ottawa, October 14, 1943

RE: POSITION OF IRISH CITIZENS WITH RESPECT
TO MOBILIZATION REGULATIONS

I have your letter of September 8th on the above matter in which you suggest the incorporation of a new paragraph (k) as part of Regulation No. 3, Subsection (2) of the Mobilization Regulations, and ask whether the suggested clause is acceptable.

I am advised that the clause in the form put forward would give immunity not only to citizens of Eire but also to declarant neutral aliens such as Swiss, Swedish, Spanish, Portuguese, etc. I believe that you will agree that this is not desirable. In our judgment, if the Government, as a matter of policy, want to provide exemption for citizens of Eire from the operation of the Regulations, the amendment should so provide and should be so limited.

I would appreciate it if you would obtain an early decision on this point as there are a number of cases of Irish citizens now before the Boards.

A. MACNAMARA

CONFIDENTIAL

937.

DEA/836-BK-40

*Le président suppléant, la Commission de contrôle du change étranger,
à l'adjoint spécial en temps de guerre du sous-secrétaire d'Etat
aux Affaires extérieures.*

*Alternate Chairman, Foreign Exchange Control Board,
to Special Wartime Assistant to Under-Secretary
of State for External Affairs*

Ottawa, October 15, 1943

Dear Mr. Angus,

I have today received your letter of October 13th in which you were good enough to enclose copy of Confidential Despatch No. 76 of September 22nd to the High Commissioner for Canada in Ireland. The Board has also received copy of the High Commissioner's reply, confidential telegram No. 53 of October 8th.

We are quite disturbed by the instructions given to the High Commissioner to explain to the Irish Government that a main reason for Canada's unwillingness to export to Ireland is that payment in sterling is unacceptable to us.

The Irish Free State is a part of the sterling area and since the outbreak of war the policy of the Board has been to regard sterling and Canadian dollars derived from authorized sterling area sources as good payment for exports to the sterling area. It is quite true that under present conditions any export to any part of the sterling area increases the sterling area's deficit of Canadian dollars which is being largely financed by the Canadian Government. It is our view, however, that if it is the desire of the Government to reduce our exports of any particular class of goods to any part of the sterling area, this should be done on grounds of shortage of supply and by refusing to grant export permits and that the decision should not be based on the statement that payment in sterling is unacceptable.

The latter statement cannot fail to create the impression that the Canadian Government regards sterling as a bad currency which is not worth having. We have been very careful to avoid creating such an impression and have given the United Kingdom exchange control authorities an undertaking to purchase any sterling the transfer of which to Canada is authorized by any sterling area control, and to claim from the British reimbursement in United States dollars for any sterling transferred to Canada for purpose not falling within an agreed list of types of payment which we are prepared to have enter the sterling area's deficit of Canadian dollars. This agreed list comprises normal current account transactions, including exports to the sterling area.

It would, we feel, be particularly unfortunate if the Irish Government were given any reason for believing that we regard sterling as an unacceptable currency. They have, as is pointed out in the Department's despatch, large sterling balances and no doubt there are elements in Ireland who would welcome an opportunity to cause the British some embarrassment. Our information is that the Irish authorities have cooperated very well with the British in exchange

control matters and it would be a pity if this cooperation were in any way jeopardized as a result of any action of ours.

You will note that I am not questioning the validity of your analysis of the financial implications of exporting to Ireland for sterling, but merely raising the question of the political wisdom of basing our explanation on the unacceptability of sterling payment. This argument applies equally to exports to any part of the sterling area; if Ireland is singled out for special treatment it can only be by reason of her neutrality and I suggest it would be more expedient to base an explanation on that fact combined with the shortage of goods, as you have done in the later paragraphs of your despatch.

The same considerations apply, I believe, to the High Commissioner's suggestion that we might try to arrange for a vesting of Irish-held Canadian securities. We have no information regarding the amounts of such securities owned by Irish residents. In any case, the amounts of our exports to Ireland are so small under present conditions that it would not be worth-while, in our view, to suggest a major financial operation of this sort. So far as the Irish are concerned, they are covering their requirements of Canadian dollars in the same way as they have always done, namely, through London. This has some disadvantages for us at the moment, but the amounts involved are so small that it does not appear to us worth taking any step which could be interpreted as interfering with the internal cohesion of the sterling area. I think it quite likely that if the matter were put up to them, the British would prefer to reimburse us in United States dollars for sterling we accepted for our exports to Ireland. At the moment this suits us no better than sterling payment and I would not recommend that this suggestion be made unless the Government wishes to have Ireland treated in a different manner, with regard to exchange transactions, than the rest of the sterling area.

Yours sincerely,

L. RASMINSKY

938.

DEA/836-BK-39

Le secrétaire d'Etat aux Affaires extérieures
au haut commissaire en Irlande

Secretary of State for External Affairs
to High Commissioner in Ireland

TELEGRAM 44

Ottawa, October 15, 1943

IMMEDIATE. Your telegram No. 53 of October 8, Irish requests for Canadian Commodities.

On reconsideration it has been decided that it is not expedient to discuss the question of currency of payment with the Irish authorities as this might seem to throw some doubt on the value of sterling. For the same reason we are not considering raising the question of the repatriation of Canadian securities held in Ireland. In discussion with the Irish authorities our explanation should be

based entirely on shortages and on the necessity of rationing these in a suitable order of priority among Allied and friendly countries.

It is hoped that this telegram will be in time to forestall any discussion of the currency with the Irish authorities.

939.

DEA/715-F-6-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre du Travail*

*Under-Secretary of State for External Affairs
to Deputy Minister of Labour*

Ottawa, October 22, 1943

RE: POSITION OF IRISH CITIZENS WITH RESPECT
TO THE MOBILIZATION REGULATIONS

I should like to refer to your letter of October 14 in which you commented on the suggestion I made in my letter of September 8 as to the desirability of incorporating a new paragraph (k) as part of Regulation No. 3, Subsection (2) of the Mobilization Regulations in order to provide exemption from military service under certain circumstances for Irish citizens.

I do not think that it would be desirable for the Government to provide exemption in specific terms for Irish citizens. What is desired as a matter of principle is to make exemption possible for the citizens of, or persons belonging to, any part of the British Commonwealth which may be neutral. It was with this consideration in mind that the amendment I suggested was drafted.

On further examination of the amendment as put forward in my letter of September 8, I have noted the validity of your criticism. As drafted, the amendment would, it is true, give an undesirable exemption to declarant neutral aliens who are at present liable for compulsory service. This difficulty could, however, be circumvented quite simply by inserting the words "non-declarant" before the word "citizen" in the proposed amendment. It would then read "a non-declarant citizen of a neutral country, other than one who comes within the provisions of paragraph (j)"

While the above amendment would, I think, achieve the object desired, I think it would be very much preferable if you could see your way clear to have the problem presented by the position of Irish citizens treated now and in future as it was early in 1942 by means of administrative arrangement. It seems to me that this should be as feasible and workable as the administrative arrangement that is made without specific legal basis in order to provide exemption from military call for Canadian nationals of Chinese and Japanese race and for Bulgarian nationals who are treated in the same manner as enemy aliens although, in fact, there has been no declaration of war between Canada and Bulgaria.

I should appreciate it if you would inform me as to the action you think

should be taken after you have had an opportunity to examine the points I have raised in the present letter.

J. E. READ
for the Under-Secretary of State
for External Affairs

940.

DEA/836-BK-39

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Irlande*
*Secretary of State for External Affairs
to High Commissioner in Ireland*

DESPATCH 102

Ottawa, December 15, 1943

Sir,

I have the honour to refer to your conversations with Mr. Angus of this Department⁶⁸ concerning Canadian exports to Ireland. In view of your opinion that it would be desirable to have a very frank talk with the Irish authorities concerning the reasons which may lead to some limitations on the exports which they might wish to obtain from Canada, the whole question has been discussed very thoroughly with the Department of Trade and Commerce, the Department of Finance and the Foreign Exchange Control Board. The upshot of these discussions is that we consider that a frank and useful explanation, such as you have in mind, can be given without saying anything to disparage the position of sterling as a currency of payment.

2. Your discussion with the Irish authorities might well be along the following lines:

In considering its export policy at the present time Canada is faced with three major difficulties:

a. Supplies of many things are short. Labour in general is scarce and must be applied where it is most needed. It follows that it is not desirable to push the exports of commodities indiscriminately even when there is no scarcity of basic materials;

b. There are difficulties in providing transportation. Indeed, even if the Irish are in a position to supply their own shipping, the Canadian authorities might find it difficult to make exports available at eastern ports during the winter. This is particularly true at the present time in the case of wheat;

c. Canada is faced with the problem of financing its surplus of exports over imports, and this burden of financing is added to that of financing the war itself. The Canadian authorities are naturally anxious not to increase this burden unnecessarily and are, therefore, reluctant for this reason also to push exports

⁶⁸ Cet entretien avait eu lieu lors d'une visite du haut commissaire à Ottawa.

⁶⁸ The conversations took place during a visit to Ottawa by the High Commissioner.

unless there is good reason for doing so. By way of illustration but without confining the observation to Ireland, you might go on to point out that an increase in Canada's exports to the Sterling Area would eventually result in a greater call for mutual aid from the United Kingdom. This consideration may be of importance even when supplies are adequate and shipping is available, i.e. when difficulties (a) and (b) do not exist.

3. None of the explanations mentioned in the preceding paragraph applies to Ireland more than to any other country and these explanations, therefore, merely form a background for consideration of Ireland's special position. This position is that of a friendly country, an Empire country, a neutral country and, in some cases, that of an old-established customer. Canada is at war and, therefore, places its own domestic requirements for civilian goods behind immediate military requirements. Inevitably, in establishing priorities for exports, Canada ranks military requirements first and the civilian requirements of our Allies ahead of those of friendly, neutral countries. We do, however, make a special effort to furnish supplies that are necessary on humanitarian grounds or for the maintenance of the economy of friendly countries. In addition we are anxious to do what is in our power to safeguard the interests of old customers who naturally look to us as their principal source of supply. As opportunity offers and if it can be done without prejudice to ourselves or our Allies, we are anxious to build up post-war markets that are likely to have a long-term value and we are likely to place the demands of these potential markets higher in the scheme of priorities than the demands of markets which are admittedly of a temporary character.

4. The demands of neutrals, of whom Ireland is one, have to be scrutinized with particular care because neutrals have not the same incentive as belligerents to eliminate imports which are not strictly essential. The tenor of recent despatches from Dublin appears, however, to indicate that the economic situation in Ireland and the scarcity of shipping are resulting in care being taken there to avoid calling for imports that are not strictly essential. We hope that you will continue to keep us advised on this point.

5. It will be of great assistance to the Canadian authorities in meeting Irish requirements if they may have a list or program of these requirements in advance of the time at which tentative allocations must be made for the coming year. The importance of this has already been mentioned in our correspondence.

6. Finally it might be worth-while to remind the Irish authorities that, if they can push their exports to Canada, the surplus of Canadian exports over Canadian imports which Canada has to finance will be correspondingly reduced and the position correspondingly eased. This argument, however, should not be carried to the point of suggesting specific barter trade.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

SECTION F

NOUVELLE-ZÉLANDE/NEW ZEALAND

941.

DEA/4229-40

*Le haut commissaire en Nouvelle-Zélande au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in New Zealand to
Secretary of State for External Affairs*

DESPATCH 221

Wellington, August 6, 1942

Sir,

I have the honour to inform you that the Associated Chambers of Commerce of New Zealand have requested me to bring to your attention the matter of securing an arrangement between the New Zealand and Canadian Governments concerning double taxation. A similar arrangement was concluded recently between the Governments of New Zealand and the United Kingdom, copies¹ of which are enclosed, together with copies of the Income Tax (United Kingdom Traders) Exemption Order 1942¹.

2. The Associated Chambers of Commerce have already made representations to the Acting Minister of Finance on behalf of certain Canadian nationals carrying on business in New Zealand and a copy of this communication,¹ together with the Minister's reply,¹ is also enclosed. From these communications you will observe that the Acting Minister of Finance has stated that the Government of New Zealand is prepared to give consideration to the negotiation of an agreement with Canada under Section 11 of the New Zealand Land and Income Tax Amendment Act, 1935 (a copy¹ of which was sent with my despatch No. 179 of June 12th, 1942¹). Section 11 reads as follows:

"The Governor General may by Order in Council exempt in whole or in part from their liability to pay income tax in New Zealand as non-resident traders any persons being residents or nationals of a country specified in the Order (whether a country within His Majesty's dominions or elsewhere) if he is satisfied that residents of New Zealand who are carrying on business as non-resident traders in that country are exempt therein (whether by agreement with the Government of that country or otherwise) from income tax on profits derived from their business as non-resident traders."

3. "Non-resident trader" is defined in Section 2 of the Land and Income Tax Act, 1923, as "any person (or company) who, being in New Zealand, carries on business there without having any fixed and permanent place of business or abode there."

4. The Associated Chambers of Commerce point out that they consider the time opportune for some move to be made in the direction of bringing about a reciprocal taxation arrangement between Canada and New Zealand. Similar representations have been made, they point out, to the United States Minister in New Zealand.

5. I have discussed the matter with the Deputy Commissioner of Taxes who has informed me that the New Zealand Government would welcome any initiative in this matter which the Canadian Government might care to take.

I have etc,

W. A. RIDDELL

942.

DEA/4229-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Nouvelle-Zélande*

*Secretary of State for External Affairs
to High Commissioner in New Zealand*

DESPATCH 7

Ottawa, January 22, 1943

Sir,

I have the honour to refer to your Despatch No. 221 of August 6th concerning the possibility of negotiating an agreement between the New Zealand and Canadian Governments concerning double taxation. It has taken some time to discuss this matter thoroughly with the Canadian Income Tax authorities but I am now in a position to request you to take the initiative in approaching the New Zealand Government with a proposal for a tax convention with Canada along the lines of the enclosed draft.

Of necessity Article 1 of this draft has been very roughly constructed because it contains the undertaking to be made by the Government of New Zealand, and it is, of course, not known here how far that Government is prepared to go. It will remain for you, after consultation with the New Zealand authorities, to complete this Article by reciting the various acts and sections thereof under which exemptions will be allowed.

The date as from which the convention should take effect is probably not of great importance under existing conditions, but it is suggested that the agreement should have effect for the 1942 taxation year and subsequently.

The draft which I am enclosing follows very closely the lines of the agreement between Canada and the United Kingdom, which was signed at Ottawa on October 3rd, 1935,⁶⁹ and which has been in force retroactively from April 6th, 1930.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

⁶⁹ Voir Canada, *Recueil des traités*, 1935, N° 1.

⁶⁹ See Canada, *Treaty Series*, 1935, No. 1.

943. DE A/4229-40

*Le haut commissaire en Nouvelle-Zélande au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in New Zealand to
Secretary of State for External Affairs*

DESPATCH 199

Wellington, August 19, 1943

Sir,

I have the honour to refer to your despatch No. 7 of January 22nd, 1943, concerning the possibility of negotiating an agreement between the New Zealand and Canadian Governments concerning double taxation. Immediately on receipt of your despatch I initiated negotiations with the New Zealand authorities, and after repeated delays have now received an official reply from the New Zealand Government.

2. I have now been informed that the New Zealand Government is prepared to enter into an arrangement with the Canadian Government for the granting of reciprocal exemption from income tax along the lines of the draft Agreement submitted, subject to certain modifications which are underlined in red⁷⁰ in the amended draft Agreement which I am forwarding herewith in duplicate, together with an explanatory memorandum[†] in duplicate.

3. I am further informed that the New Zealand Government prefers that the commencing date of the Agreement shall be April 1st, 1943.

4. The New Zealand Government would be glad to receive any comments of the Canadian Government with regard to the amended draft Agreement.

5. I also enclose for your information two copies of a memorandum[†] indicating the liability of non-resident traders to income tax in New Zealand, with a request that a similar memorandum be furnished by the Canadian Government indicating the nature and extent of the liability of non-resident traders to income tax in Canada. The Government of New Zealand further desires to confirm that profits which are exempted under the Agreement from New Zealand income tax will also be exempt from all New Zealand taxes on income, that is to say, from income tax, social security charge, national security tax and excess profits tax, and would appreciate confirmation by the Canadian Government that profits which are exempted under the Agreement from Canadian Income Tax will similarly be exempt from all Canadian taxes:

I have etc.

W. A. RIDDELL

[PIÈCE JOINTE/ENCLOSURE]

*Projet amendé d'un accord pour l'exemption réciproque
de certains profits d'agences de l'impôt sur le revenu*

*Amended Draft of Agreement for Reciprocal Exemption
of Certain Agency Profits from Income Tax*

⁷⁰ Ces amendements sont en italiques ici.⁷⁰ These amendments are in italics here.

His Majesty's Government in Canada and His Majesty's Government in New Zealand, being desirous of concluding an agreement for reciprocal exemption from income tax in certain cases of profits or gains arising through an agency, have agreed as follows:

ARTICLE 1

His Majesty's Government in New Zealand undertake that the profits or gains to which this Article relates shall, so long as the exemption specified in Article 2 hereof remains effective, be exempted from income tax chargeable in New Zealand for the year of assessment commencing on the first day of *April*, nineteen hundred and forty-three, and for every subsequent year of assessment, and will take the necessary action *under Section eleven of the Act of Parliament of New Zealand known as the Land and Income Tax Amendment Act, 1935, with a view to giving the force of law to the exemption aforesaid.*

The profits or gains to which this Article relates are any profits or gains from the sale of goods, other than things in action and money, arising, whether directly or indirectly, through an agency in New Zealand to a person who is resident in Canada and is not resident in New Zealand, unless the profits or gains either —

- (1) arise from the sale of goods from a stock in New Zealand, or
- (2) accrue directly or indirectly through any branch or management in New Zealand where the agent has and habitually exercises a general authority to negotiate and conclude contracts.

ARTICLE 2

His Majesty's Government in Canada undertake that the profits or gains to which this Article relates shall, so long as the exemption specified in Article 1 hereof remains effective, be exempted from income tax chargeable in the Dominion of Canada in respect of the 1944 taxation period and fiscal periods ending therein, and thereafter, and will take the necessary action under subsection 3 of section 27A of the Income War Tax Act as enacted by Section 14 of Chapter 55 of the Statutes of 1934 with a view to giving the force of law to the exemption aforesaid.

The profits or gains to which this Article relates are any profits or gains from the sale of goods, other than things in action and money, arising, whether directly or indirectly, through an agency in Canada to a person who is resident in New Zealand and is not resident in Canada, unless the profits or gains either

- (1) arise from the sale of goods from a stock in Canada, or
- (2) accrue directly or indirectly through any branch or management in Canada, or through an agency in Canada where the agent has and habitually exercises a general authority to negotiate and conclude contracts.

ARTICLE 3

His Majesty's Government in New Zealand further undertake that for the year of assessment commencing on the first day of April nineteen hundred and forty-three, and for every subsequent year of assessment, so long as the exemption specified in Article 4 hereof remains effective, profits or gains accruing to a person

resident in Canada and not resident in New Zealand from sales under contracts entered into in Canada (that is to say, where the acceptance of the offer of purchase is effected in Canada) of goods stocked in a warehouse in New Zealand for convenience of delivery and not for the purposes of display, shall be exempted from income tax in New Zealand, even though the offers of purchase have been obtained by an agent in New Zealand of the principal in Canada and transmitted by him to the principal for acceptance, and His Majesty's Government in New Zealand will take the necessary action under Section eleven aforementioned with a view to giving the force of law to the exemption aforesaid.

ARTICLE 4

His Majesty's Government in Canada further undertake that in respect of the 1944 taxation period and fiscal periods ending therein, and thereafter, so long as the exemption specified in Article 3 hereof remains effective, profits or gains accruing to a person resident in New Zealand and not resident in Canada from sales under contracts entered into in New Zealand (that is to say, where the acceptance of the offer of purchase is effected in New Zealand) of goods stocked in a warehouse in Canada for convenience of delivery and not for the purposes of display, shall be exempted from income tax chargeable in the Dominion of Canada, even though the offers of purchase have been obtained by an agent in Canada of the principal in New Zealand and transmitted by him to the principal for acceptance, and His Majesty's Government in Canada will take the necessary action under subsection 3 of section 27A aforementioned with a view to giving the force of law to the exemption aforesaid.

ARTICLE 5

For the purposes of this Agreement the word "person" includes any body of persons, corporate or not corporate, and a body corporate shall be regarded as resident in New Zealand and not resident in Canada if its business is managed and controlled in New Zealand, and shall be regarded as resident in Canada and not resident in New Zealand if its business is managed and controlled in Canada.

ARTICLE 6

The Agreement may be denounced at any time upon six months' notice being given by one Government to the other.

SECTION G

AFRIQUE DU SUD/SOUTH AFRICA

944.

W.L.M.K./Vol. 335

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 20, 1941

The South African Government is examining the possibility of negotiating a reciprocal trade agreement with the United States. From preliminary discus-

sions, it is clear that the Canadian-South African Trade Agreement of 1932⁷¹ would have to be modified before a mutually satisfactory trade agreement could be concluded between the Union and the United States. Dr. Viljoen, who has been in Washington conducting the preliminary negotiations for the Union Government, was in Ottawa some weeks ago, and discussed with Mr. Wilgress certain modifications in preferences now granted Canada to which the Union Government would like us to consent in order to facilitate their agreement with the United States.

During the 1938 trade negotiations between Canada and the United States, South Africa was quite forthcoming in consenting to modifications of its preferences in Canada to facilitate our reaching an agreement with the United States. We are, therefore, under a certain obligation to help them to reach a similar agreement themselves.

As you will have seen from Mr. Moffat's memorandum of November 15th,[†] he is hopeful that Canada will help to facilitate projected trade agreements between the United States and other parts of the Commonwealth by consenting to certain modifications in preferences guaranteed to us under earlier Empire trade agreements.

In the circumstances, I think we should indicate to the South African Government that the Canadian Government would be prepared to release South Africa from her obligations to maintain preferences in favour of Canada to the extent indicated in Mr. Wilgress' attached memorandum.[†] It may be that we should go a little further than this memorandum suggests with regard to the margin of preference on fresh apples, particularly if there are any reasons for believing that a concession on this commodity in the South African market might help us to retain a preference on apples in the vastly more important United Kingdom market.

As you will see from the attached letter[†] from the South African Accredited Representative, his Government would be grateful for an early indication of the Canadian attitude toward the United States request for tariff modifications in the Union.⁷²

N. A. R[OBERTSON]

⁷¹ Voir Canada, *Recueil des traités*, 1933, No 4.

⁷¹ See Canada, *Treaty Series*, 1933, No. 4.

⁷² La note suivante était écrite sur ce mémorandum:

⁷² The following note was written on the memorandum:

Copies of this memo with an indication of the P[rime] M[inister]'s views regarding its disposition have been sent to the Ministers of Finance and Trade and Commerce. R[OBERTSON]

945.

DEA/3008-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre du Commerce*

*Under-Secretary of State for External Affairs
to Deputy Minister of Trade and Commerce*

Ottawa, March 12, 1942

Dear Mr. Wilgress,

With reference to my letter of January 5th[†] regarding the South African request for Canadian concurrence in certain modifications of guaranteed margins of preference which stand in the way of the conclusion of a trade agreement between the Union of South Africa and the United States, I am enclosing copy of a further letter of March 11th[†], from the Accredited Representative of the Union Government, enquiring on instructions from his Government, when they can expect a definite Canadian reply to their requests.

My own feeling is that, in welcoming the Lease-Lend Consideration Agreement between the United Kingdom and the United States which fixed the progressive removal of discriminatory tariffs as one of the objectives of post-war international economic policy⁷³, we cannot with a very good grace turn down the first request we have received for Canadian cooperation in moving toward this objective.

You will recall that the Prime Minister was prepared to approve our meeting the South African request if your Minister and the Minister of Finance concurred. He thought the question could be initiated in Council by them.

I am sending a similar letter to Dr. Clark.

Yours sincerely,

N. A. ROBERTSON

946.

DEA/3008-40

*Le sous-ministre des Finances au sous-secrétaire d'État
aux Affaires extérieures*

*Deputy Minister of Finance to Under-Secretary of State
for External Affairs*

Ottawa, March 18, 1942

Dear Mr. Robertson,

I have your letter of March 12th asking for immediate consideration of the request of the Union of South Africa for concurrence in certain modifications of guaranteed margins of preference which stand in the way of the conclusion of a Trade Agreement between the Union of South Africa and the United States.

⁷³ Voir le document 561.⁷³ See Document 561.

I have discussed the question with my Minister and am now able to set out his views as follows:

(1) He would concur in a policy of going as far as possible in contributing to the conclusion of this trade agreement even though it means giving up valuable trade preferences.

(2) The precise extent to which we can afford to go on individual items and the extent to which concessions are necessary in order to make the agreement possible, are matters on which he would be prepared to follow the advice of the Department of Trade and Commerce.

(3) He thinks that it should be pointed out to the governments negotiating this trade agreement that, in the view of the Canadian Government, the progressive removal of discriminatory tariffs should proceed by way of tariff reductions and not of tariff increases. Of the four items on which Canada is asked to release the bound margins, the proposals would increase the duties against Canadian goods in three cases and reduce them in one. On two items, the United States would obtain a reduction in duty and on the other two is satisfied with ensuring that the duty against Canada is raised. Our willingness to cooperate in facilitating trade agreements and in the progressive removal of discriminatory tariffs should not be capable of being interpreted as concurrence in arrangements which will restrict rather than facilitate trade.

Yours very truly,

W. C. CLARK

947.

DEA/3008-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre du Commerce*

*Under-Secretary of State for External Affairs
to Deputy Minister of Trade and Commerce*

Ottawa, March 25, 1942

Dear Mr. Wilgress,

With reference to our telephone conversation the other day about the South African request for Canadian concurrence in the modification of certain margins of preference which appear to stand in the way of the conclusion of a trade agreement between the Union of South Africa and the United States, I am enclosing copy of a letter of March 18th from the Deputy Minister of Finance giving his Minister's views on the matter. I know you see some difficulty in pressing his third point on the South Africans at this juncture, but I am inclined to think that it is such an important question of policy in the realization of the general trade programme which our Governments have agreed to pursue, that we should assert it in our reply to South Africa. It is true that the South African duties on the particular products on which we are asked to consent to modification of our margins of preference are low and that their incidence is not protective. There is also force in your argument that if we agree to the South African requests, subject to the conditions outlined in Dr. Clark's letter, we would, in

effect, be asking for conventionalized tariff treatment in return for the relinquishment of preferential margins and that the pattern of the present Canadian-South African Trade Agreement does not give us any conventionalized rates. I do not think, however, that we are necessarily tied to the form of trade agreement negotiated with South Africa in 1932. If we had ever got around to negotiating a new trade agreement with them we would almost certainly have endeavoured to work out an agreement paralleling our 1937 Agreement with the United Kingdom, in which both countries agreed to modifications of margins of preference in return for conventionalizing of substantive tariff rates. There is no present prospect or occasion for negotiating a new agreement between Canada and South Africa, but I do not see why we should not effect an instalment of revision of the present Agreement by substituting conventionalized tariff rates in favour of Canada on those items in which we are relinquishing bound margins of preference to facilitate a trade agreement between the Union and the United States.

With reference to your enquiry as to whether or not an Order-in-Council is needed at this stage to authorize our concurrence in the modification of margins of preference guaranteed under the Canada-South Africa Trade Agreement, I wish to confirm my view which is that all that is now needed is Cabinet approval in principle of the matters of policy involved. I am not sure that a formal Order-in-Council is needed at any stage — certainly not until definite agreement has been worked out between the United States and the Union, in which case formal approval might be sought for the necessary Exchange of Notes with South Africa modifying the Canada-South Africa Trade Agreement.

Yours sincerely,

N. A. ROBERTSON

948.

DEA/3008-40

*Le sous-ministre du Commerce au sous-secrétaire d'État
aux Affaires extérieures*

*Deputy Minister of Trade and Commerce to Under-Secretary of State
for External Affairs*

Ottawa, March 26, 1942

Dear Mr. Robertson,

I have received your letter of March 25 and thank you for enclosing copy of the letter, dated March 18, which you received from Dr. W. C. Clark, Deputy Minister of Finance, giving the views of his Minister on the subject of the South African request for Canadian concurrence in the modification of certain margins of preference which appear to stand in the way of the conclusion of a trade agreement between the Union of South Africa and the United States.

Since my telephone conversation with you, I have had the opportunity of discussing with Dr. W. A. Mackintosh, Special Assistant to the Deputy Minister

of Finance, the third point in Dr. Clark's letter. He told me that it was not their view that we should make a condition of our concurrence in the modification of preferences that the South African Government should not increase the rates of duty against Canada, but rather that we should point out to the Government of the Union of South Africa our view that the progressive removal of discriminatory tariffs should proceed by way of tariff reductions and not of tariff increases.

I might state that when Dr. P. R. Viljoen, Head of the South African Trade Delegation in Washington, discussed this question with me on his visit to Ottawa last November, I pointed out to him the reluctance of the Canadian Government to agree to modifications of preferences which involved increases in the rates of duty on the Canadian products concerned. Dr. Viljoen said that he appreciated our position, but that it would be quite impossible for the South African Government to forego the revenue which would be involved in decreasing the duties on United States goods, in order to apply to them the same rates as are now applicable to Canadian goods. He pointed out that, while it was possible for the South African Treasury to forego the revenue involved in according Canadian goods rates of duty below those of the Minimum Tariff, it would be quite another thing to extend these reductions below the Minimum Tariff to a country such as the United States and perhaps later on to other friendly countries with which South Africa might negotiate similar trade agreements. I fear, therefore, that if we make it a condition that South Africa should not increase the rates against Canada they will come back to us and say that this makes it impossible for them to grant the modifications in preferences necessary to conclude the trade agreement with the United States. I feel that we would make our point if we could content ourselves to pointing out the views of the Canadian Government as set forth under the third of the three points mentioned in Dr. Clark's letter, as representing the views of the Minister of Finance.

Yours faithfully,

L. D. WILGRESS

949.

DEA/3008-40

*Le secrétaire d'État aux Affaires extérieures au
représentant accrédité de l'Union sud-africaine*

*Secretary of State for External Affairs to Accredited
Representative of Union of South Africa*

No. 8

Ottawa, April 15, 1942

Sir,

I have the honour to acknowledge the receipt of your letter of March 11th¹ respecting the verbal representations made by Mr. Viljoen, Head of the South African Trade Delegation to the United States, on certain requests which it is expected the United States may put forward to share in preferences that are now granted by the Union of South Africa to Canada under the provisions of the Trade Agreement of 1932.

In reply I may say that the Canadian Government, in accordance with its general policy of favouring the progressive reduction of tariff barriers and its desire to facilitate in every practicable way South Africa's trade negotiations with the United States, has given careful and sympathetic consideration to these representations. As they cover a good many commodities and involve a number of Canadian interests it has not been practicable to write you earlier with respect to them. In view, however, of the desire you have expressed for an early reply I have asked the Departments concerned to expedite their enquiries and desire to set forth, for your information, the conclusions they have reached.

On tinned salmon, the first of the commodities mentioned by Mr. Viljoen, the United States negotiators are asking for the abolition of the preference of 11/2d. per pound granted to Canada under the Trade Agreement and that tinned salmon from Canada and the United States be made dutiable at a rate of 2d. per pound as compared with a rate under the Maximum Tariff of 4d. per pound which would be applicable to competing countries. The Canadian Government would be prepared to accede to this request if your trade delegation, in completing their negotiations with the United States, find it necessary to the conclusion of a satisfactory Trade Agreement.

On fresh apples, on which Canada is guaranteed under the Trade Agreement a margin of preference of 5% *ad valorem* during the period October 1st to December 31st, it is understood the United States negotiators are asking for the abolition of the preference and that your Government would propose to accede to their request by introducing a flat rate of 5% throughout the year. It is further understood that the United States attach considerable importance to a modification of the preference on apples. In these circumstances the Canadian Government would be prepared to accede to the request.

The Canadian Government would also be prepared to concur in the proposals put forward with respect to the tariff reclassification of plywood and unmanufactured wood.

Concessions on the remaining two items — tinned fish other than salmon (including sardines, herrings and pilchards) and hosiery — would be extremely difficult to grant. It is understood, however, that neither of them is of particular importance to the United States and that their negotiators would probably not press for the rates now accorded to Canada.

We trust that the surrender by Canada of its guaranteed margins of preference on the items cited will facilitate your negotiations with the United States and that a mutually satisfactory Agreement will shortly be concluded. While we would not desire to make it a condition of concurrence in the abolition of the preferences on the commodities mentioned, we feel it would be desirable that the abrogation of fixed margins of preference on agreed commodities should proceed on the principle of tariff reductions and not of tariff increases. Of the four items on which Canada is asked to release the bound margins, the United States proposals would increase the duties against Canadian goods in three cases and reduce them in one. On two items the United States would obtain a reduction in duty and on the other two would be satisfied with ensuring that the duty against Canada be raised. In our trade negotiations in recent years the

practice has been followed as far as practicable of conventionalizing preferential rates rather than the opposite process of eliminating margins of preference by increasing duties and we trust that this principle will be given the widest practicable application in negotiations for the progressive removal of restrictive tariff barriers during the war and in the post-war period.

I have etc.

LAURENT BEAUDRY
for the Secretary of State
for External Affairs

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COPIES OF THIS BOOK

CHAPITRE VII/CHAPTER VII

RELATIONS AVEC LES ÉTATS-UNIS
RELATIONS WITH THE UNITED STATES

PARTIE I/PART I
GÉNÉRALITÉS
GENERAL

950.

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*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 22, 1941

Attached is a rather discursive personal note on some aspects of our representation in the United States, which may be useful as part of the background in considering the question of where Canada should stand in relation to projected plans for establishing a supreme political and strategic direction of the war effort in Washington.

In this memorandum I have taken the liberty of making some rather radical suggestions regarding our general representation in Washington, which you may not think timely or sound.

N. A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
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SECRET

[Ottawa,] December 22, 1941

1. In recent years Canadians have tended to take it for granted that the United States will continue to follow a friendly, cooperative and unassuming policy toward Canada. Our general relations with the United States are all based on this assumption which is, I think, a fundamentally correct one. There have been a number of warning developments in the last year or so, however, which suggest that we should not be too cavalier in our confidence that the

United States will always regard Canadian interests as a close second to their own and appreciably ahead of those of any third country.

2. It is probably an inevitable consequence of the increasing involvement of the United States in the war and of its acceptance of leadership of the democratic cause that the President should tend more and more to deal directly with the Great Powers and find less time to spend on the specifically Canadian aspects of American international relations. Canada naturally loomed much larger in the American scheme of things when the President and both political parties in the United States were thinking primarily in terms of continental and hemispheric defence. Now that the world war is joined on both oceans, the United States is, not unnaturally, inclined to take Canadian concurrence and support entirely for granted. In terms of the evolution of United States policy over the last five or six years, the President's cultivation of Canada has probably served one of its purposes. As an American nation in the British Commonwealth, this country was, in the first years of the war, visible and important evidence of the war's nearness to America. Now that the United States is itself at war with Germany, Italy and Japan, and allied with the British Commonwealth and the U.S.S.R., this phase of Canada's historical role is completed, and Americans are once more viewing Canadian questions in a more modest and more nearly domestic perspective.

3. The consequential changes in Canadian-American relations have been proceeding pretty quickly in recent months. The transition has been rather abrupt and not too tactfully handled. Its brusqueness has been accentuated by two or three secondary causes among which may be mentioned, the scattering of responsibility for United States foreign policy among a host of new agencies and the growing pressure of service and supply considerations in favour of the unification of Allied representation in the United States.

4. In the first years of the war, the Department of State found itself sharing the conduct of United States foreign relations with other agencies of Government, improvised or expanded to meet the present emergency. Each new defence organization has tended to handle its own international contacts and, in effect, to work out its own foreign policies. In pre-war days, policies or activities of the Department of Agriculture, the Treasury and the Service Departments which were likely to affect, even indirectly, United States relations with Canada were cleared through the Department of State, where they were weighed and appraised in terms of their possible effects on general Canadian-American relations. Latterly, these agencies of the United States Government, and such additions as OPM¹, Donovan's² organization and the Office of Emergency Management, have tended to by-pass the Department of State and handle their foreign contacts direct. This process, which has its modest Canadian counterpart, was particularly easy between Canada and the United States because none of the limitations of language, distance and protocol, etc., which normally give the State Department or the Foreign Office at least a quasi monopoly of intergov-

¹ Office of Production Management.

² Général W.J. Donovan, Coordonnateur de l'Information des États-Unis.

² General W.J. Donovan, Co-ordinator of Information of United States.

ernmental communications, were really operative. The advantages of direct contacts between each of the American Government agencies and their opposite numbers in Canada were obvious and important. They were, however, in part at least, offset by the loss they entailed of the preferred position Canada had gradually consolidated through long years of close and friendly collaboration with the President and the Department of State.

5. Another development which has tended to weaken our relative position in Washington has been a consequence of the difficulty of harmonizing the requirements of the United States' own rearmament with the competing needs of the belligerent countries. Just as the United States has been compelled to centralize control of its own defence policies and to institute a single priority classification into which the competing domestic needs of the United States Army, Navy and Air Force could be met from limited supplies of equipment and material, so it has felt compelled to insist on some unification of the programmes of the countries whose war efforts the United States was helping. United States pressure was exerted to bring Canada within the scope of operations of the British Supply Council. The United States probably would have preferred to have Canada come under Lend-Lease arrangements so that the assistance given us could be fitted more neatly into the general pattern of assistance short of war which she was giving the other allied countries.

6. This pressure on Canada to come into a unified Allied and Empire supply programme was reinforced when the United States Government began to make plans for eventual military and naval collaboration with the Allies. Inevitably, plans for such collaboration, contemplating offensive air and land operations in other continents, and combined naval operations in both oceans had to be made primarily with the United Kingdom. The United States Service Departments have always been slow and reluctant to recognize the independent status of the countries of the Commonwealth. You will recall the difficulties encountered in pre-war efforts at naval disarmament when the Americans insisted on regarding the naval strength of the countries of the Commonwealth as one, despite all our efforts to establish our separate status. These difficulties, which were more or less academic in those days are, of course, vastly more important when you are planning the actual operational use of naval forces. Undoubtedly the development of staff conversations looking to the combined use of British and American naval forces has tended to make it more difficult for us to assert, or the United States to recognize, our position as an independent principal.

7. Linked with these considerations and reinforcing them has been the effect on Canadian-American relationships of the United States' new awareness of the implications of its position as a great world power. It has always been sure of its strength and confident that it could control the conditions and degree of its participation in world affairs. For a good many years the President hoped and believed that the United States could save the world by its example, by minding its own business, pursuing a fair and friendly policy towards its neighbours, encouraging and supporting other countries disposed to follow in the same path and frowning on countries who wandered from it.

8. Now that this era is over, we can see the United States turning everywhere to more direct and forceful methods of exerting its influence. The men charged with the conduct of America's foreign policies took over from the other democratic countries the handling of all negotiations with Japan. They are now assuming a parallel responsibility for our collective relations with Vichy, and they seem clearly prepared to speak to and for the Latin American countries in their major relationships with the rest of the world, witness the United States attitude towards the suggestion that Canada might be directly represented at the Rio Conference and the pressure they put on the United Kingdom to drop Argentina as protecting power in the Orient in order to prepare the way for compelling Argentina to come into the war as a belligerent. In fact, the only major diplomatic relationship which the United States is not yet managing is contact with Russia, and here it is clear that the United Kingdom cannot make further progress in the negotiations with Stalin without bringing in the United States to decide how far they should go to meet his terms.

9. These facts are bringing home to Americans a new appreciation of the enormous strategic importance and strength of the United States. They are showing a new sense of their "manifest destiny" and a corresponding disposition to take decisions and accept responsibilities. This change of attitude is very encouraging from the standpoint of the world in general, but it does imply quite an important modification of the special relationship in which Canada has hitherto stood with regard to the United States.

10. During this period when the powerful forces outlined in the preceding paragraphs were at work to modify the essential character of Canadian-American relations, and when those relations themselves were assuming an enormous variety of forms, our actual diplomatic representation in Washington has not been very strong — probably weaker than in the immediately preceding period when Parliament and the press were assailing the alleged inadequacy of our representation. Canadian press and political appreciation of our relations with the United States is, in the short run, apt to be pretty largely determined by press clippings. When, for one reason or another, Canadian news and activities get reasonably full and favourable publicity in American newspapers, all is well with the world. When the volume of applause for our efforts falls away, if there is a suggestion of criticism in United States comment, our press is inclined to conclude that Canadian-American relations are in a bad way.

11. During the past year there has been a disposition to measure the ups and downs of our relationships with the United States too largely in these terms. Meanwhile, there have been other more significant indications of a change in our relations with the United States which have been overlooked or misunderstood by Canadian opinion. I might mention:

(a) the gradual assumption by the United States of hegemony in Newfoundland, a development dating back to the Atlantic Bases Conference in London, at which Canada was only represented by observers;

(b) the negotiation of the A.B.C. plans in Washington between the United Kingdom and the United States, in which the direct Canadian and American defence plans were, for all practical purposes subordinated, and probably quite

properly subordinated, to the main strategic alignments which the United Kingdom and the United States General Staffs thought best calculated to win the war;

(c) the negotiation of the Atlantic Charter direct between the United Kingdom and the United States Governments;

(d) the discussions on post-war commercial relationships between the United States and the British Empire which have, up to now, been handled directly between London and Washington. We have been kept informed and consulted by the United Kingdom, but the field of these negotiations is one in which, up until this year, Canada had taken a much greater initiative than any other part of the British Commonwealth;

(e) the diplomatic negotiations with Japan prior to the outbreak of the war. Here, it was agreed, that the United States should conduct the negotiations single-handed, but we had to rely on information relayed from London on the course of these negotiations although we had our own separate diplomatic representation in Washington. The Netherlands, Australia and China were kept directly informed of the negotiations by the United States. The failure of the United States to keep us informed was not calculated or deliberate. It was an oversight partly due to their growing tendency to regard their special relationship with Canada as an internal domestic relationship rather than an international one. It was also partly due to lack of local initiative by our representation in Washington;

(f) the question of policy towards French Colonial possessions in this hemisphere. Here the United States have been laying down the law as to what we should and should not do with regard to St. Pierre, but told us very little about the policy they proposed to pursue in relation to Martinique, and less about the bases that policy had in United States understandings with the Vichy Government;

(g) the American attitude toward Canadian participation in the Conference of American Foreign Ministers at Rio de Janeiro.

12. The task of representing Canada in Washington has been enormously complicated in the last eighteen months by the multiplication of direct contacts between American and Canadian Governmental agencies. These contacts are not canalized at the top or policy level, but occur wherever these agencies find themselves tackling mutual or similar problems. Some of these new contacts are now stabilized and continuous, e.g., the Department of Munitions and Supply has a large and well organized office in Washington in direct touch with the appropriate divisions of OPM, and with the British Supply Council. The Shipping Board has now a man permanently stationed in Washington, in touch with the United States Maritime Commission. The coordination of Canadian and American export control policy also requires continuous liaison in Washington. Domestic price control policies in Canada and the United States impinge on each other all the time, and to minimize friction and secure an understanding of what the other country is doing, the Wartime Prices and Trade Board are going to keep a representative in Washington and the United States Office of Price Administration has already a representative in Ottawa. In addition to these

fixed contacts, a good deal of progress has been made in the last year in working out new techniques for Canadian-American collaboration. The device of the Joint Committee, developed in the Permanent Joint Board on Defence, has been used in the Materials Coordination Committee, the Canadian-American Joint Economic Committees and in the Joint War Production Committees. The question of the best machinery for the direct coordination of Canadian-American military activities policies is still under consideration with no steps yet taken to set up the proposed Military Mission.

13. The role of the Legation in relation to all these new developments is pretty hard to define. The Minister, as the general representative of Canada in the United States, should have the supervising responsibility for all Canadian activities in the United States, though the delegation of a good deal of this responsibility is an administrative necessity. He is the person who should be taking an over-all view of Canadian-American relations. The Minister's staff has been enlarged from time to time, but he has only a fraction of the staff given the British Ambassador to assist him in keeping up similar responsibilities. Since the war we have added three Service Attachés, Press, Financial and Commercial Attachés and a General Assistant to the Minister to the Legation Staff. We also have in Washington in Wrong the most competent executive officer in the External Affairs Service.

14. The present establishment, however, does not seem to meet the requirements of the new situation either with regard to

(a) supervision and coordination of Canadian activities in the United States; or

(b) the representation of Canadian national interests at the top policy level.

At a time when the gravest decisions, which may determine the whole future of this country, are being taken in Washington, the post of Canadian representative there has become as important as any post in the public service of Canada. Developments in the next weeks are likely to accentuate the concentration of the political and strategic direction of the war in Washington. If we are going to participate in any significant way in shaping decisions which may be of great moment to this country, we should have the strongest possible representation in Washington and do everything we can to help make it effective.

15. To this end, it may be worth considering whether the time has not arrived to raise our Legation to the status of an Embassy, giving our senior representative in Washington the rank of Ambassador. The United Kingdom has taken the position that it will not change the status of any of its diplomatic missions during war-time, but this policy has no real bearing on our problem, and their decision need not be a controlling precedent for Canadian action.

16. The Canadian Ambassador in Washington could be made a member of the War Committee of the Cabinet. The British Ambassador was a senior member of the War Cabinet and kept his appointment on his designation to Washington. The Australian Minister was a senior member of the Australian Cabinet. The New Zealand Minister Designate, Mr. Nash, is Minister of Finance and Deputy Prime Minister of the New Zealand Government. We cannot afford to forego any "prestige importance" which membership in the War Cabinet

might give our representative in Washington, and, at the same time, geography would make it possible for him to be, in a much more real sense, a member of the Canadian War Committee than say Lord Halifax is of the British War Cabinet.

17. The Canadian representative, given this dual status, of Ambassador and member of the War Committee could be expected to exercise a much more direct and active supervision over Canadian activities in the United States than his predecessors have been able to do. He would be able to participate on a more nearly equal footing with the United Kingdom and United States representatives in the formulation of high policy and should keep Canada a little nearer to the centre of things than it has been in recent months.

18. To make this strengthening of the top representation really effective, it would be necessary to enlarge the immediate Washington establishment, particularly on the staff side. The Minister has asked for authority to take over the premises immediately adjoining the Legation, which could house the Service Attachés, now quartered in an annex a mile away, and give some room for the accommodation of the enlarged establishment the work requires.³

19. At the same time, we should try to speed up communications with Washington. We are still carrying on with the three diplomatic bags a week which were adequate before the war. The volume and tempo of business is increasing all the time, and delays in handling mail at both ends, with inadequate staffs, are becoming increasingly serious. This situation could be improved by establishing a direct teletype connection between the Legation and the Department and by sending more frequent bags by airmail.³ In this connection, consideration might be given to the establishment of a direct, daily air connection between Ottawa and Washington, available for the carrying of official mail and for the frequent, first-hand contacts with our representative in Washington, which circumstances require.

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*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures*⁴

*Memorandum by Assistant Under-Secretary of State for External Affairs*⁴

[Ottawa,] December 27, 1941

RECENT TRENDS IN UNITED STATES-CANADA RELATIONS

I. The recent unexpected and discouraging developments in connection with the proposal that Canada should be represented at the forthcoming meeting of American Foreign Ministers have brought the general problem of our relations with the United States into momentary focus. It might be advantageous to record certain trends that have lately become apparent in that field.

³Note marginale:

³Marginal note:

O.K.

⁴H.L. Keenleyside.

Fortune Poll

II. A *Fortune* poll which was published in December disclosed that, of those expressing opinions, 71% of Americans "in all groups, all classes, all districts" today display an "unblushingly imperialist attitude" in regard to the objectives of United States foreign policy. There seems in our own experience to be some reason to believe that members of the Administration and the State Department have been affected by the influences that the *Fortune* poll records. The following incidents, unimportant in isolation and subject to modification when considered in the light of contrary experiences, do nevertheless form a pattern that could not have been discerned a year ago. In the light of this fact they deserve contemplation.

Mr. Stone's Report

III. When Mr. Stone visited Washington a month ago he was charged with the duty of consulting with the United States officials who were designing and beginning to operate regulations relating to all aspects of economic warfare. He was prepared to consult with these officials with a view to coordinating Canadian and United States policies in this field. Mr. Stone reported that his American colleagues had impressed him as being quite prepared to handle the whole problem by themselves — not only for the United States and Canada but for the remainder of the hemisphere as well. They were ready for Canadian "cooperation" so long as that meant that Canada would follow the American lead and subordinate the policies of Ottawa to those of Washington. He returned to Canada disturbed by the spirit he had found in certain administrative circles.

The U.S. Maritime Commission

IV. Additional colour was added to Mr. Stone's report by certain experiences of the Canadian Shipping Board and the Royal Canadian Navy in their dealings with the United States Maritime Commission. Without going into detail it may be said that the Maritime Commission at one stage arrogated to itself the right to decide what commodities Canada might or might not import — even in neutral or Canadian ships. It was this situation that led to the recommendation on shipping which was adopted by the Joint Economic Committees and which resulted in the establishment of the Shipping Import Priorities Committee. On another occasion the Maritime Commission held up the transfer of registry of two United States tugs which had been purchased for the Royal Canadian Navy after consultation with the United States Naval authorities. It was only by bringing State Department and Defence Board influences to bear that the Commission was forced to acquiesce in this transfer.

Canadian Military Mission

V. The United States authorities, both civil and military, have displayed a complete absence of enthusiasm in relation to the proposed establishment of a Canadian Military Mission in Washington. The arguments advanced against the use of the name have been not unreasonable, but the coldness with which the practical advantages of the establishment have been viewed is less easily explained.

Unified Command

VI. From the very first days of cooperation in military, naval and air planning the Canadian members of the Permanent Joint Board on Defence and the Canadian Chiefs of Staff have had to resist American attempts to gain unified, which means in practice United States, command. Pressure to this end has been brought to bear from many sources, and in one case the senior United States Army Officer engaged in a bitter and insulting personal attack on the Chairman of the Canadian Section of the Defence Board, because the latter would not accept the principle of United States supremacy in command. This attitude has been carried so far that on December 9th, two days after the Japanese attack in Hawaii, and when the residents of the West Coast of Canada and the United States were understandably in a state of considerable nervous tension, an "inspired" story was sent out from Washington which began:

"Japan's surprise attack on the United States Navy and the consequent weakening of the strategic position of the whole Pacific Coast . . . found arrangements for joint hemispheric defence between the United States and Canada incomplete . . .

Although the Joint Defence Board conferred regarding a joint command no single command was designated."

Apart from being completely untrue the statement that the joint defence arrangements were incomplete was obviously designed (and the authorship of the report is clear from internal evidence) to take advantage of the popular apprehension for the purpose of forcing Canada to agree to the extension of American command over Canadian forces.

Radio Detectors

VII. On December 8th the United States members of the Defence Board, against the wishes of the Chairman of the Canadian Section, cancelled a meeting which had been called for the 9th and 10th. Early on the morning of the 9th the United States Minister called on the Canadian Government with a request for approval "in principle" and permission to take immediate action, on a proposal that, if accepted, would be a contradiction of the basic assumptions on which the joint defence plans had been drawn up. It was a matter, moreover, (the installation of United States radio detectors on the British Columbia Coast) which should have been handled through the Defence Board and not through political channels in a hurried midnight decision. The whole incident may have been perfectly innocent but the sequence of events certainly created a presumption to the contrary.

St. Pierre and Miquelon

VIII. We have had more than a little reason in recent weeks to gain the impression that the United States is opposing Free French action at St. Pierre because they hope to eliminate French sovereignty there entirely. Mr. Moffat's statement that long-run considerations were more important than current convenience in leading Washington to oppose the solution of the matter through the Free French, was hardly susceptible to any other interpretation.

Final evidence of the American attitude in regard to the Islands, and the most glaring example yet of the way in which the United States has endeavoured to

use the power of the press to browbeat Canada into acquiescence in American policies, came on December the 24th and 25th. On the former date Admiral Muselier, with three corvettes and the *Surcouf*, appeared off St. Pierre and "rallied" the Islands. He was apparently received with enthusiasm by the local population, and immediately set up a new administration. Washington at once came out in print with a statement to the effect that the Free French action was "arbitrary" and "unjustified" and announced that the United States Government was asking the Canadian Government what it proposed to do to restore the *status quo ante* in the Islands. The United States Minister to Canada, during the whole of the 25th, kept in constant touch with different members and officials of the Canadian Government, using language that can only be adequately described as "threatening" in his endeavour to force the Canadian Government to take immediate action by way of despatching a naval expedition to the Islands to restore the Vichy administration. The whole attitude of the State Department and the American Minister in Ottawa was typical of that displayed by people who are not only surprised but angered by having their will thwarted. For the surprise, there is some justification; the anger might perhaps be forgiven because of a misapprehension as to the background (particularly in regard to Admiral Muselier's visit to Ottawa), but for the technique of employing the public press as a means of bringing pressure to bear upon a friendly, allied and cooperative Government there can be no excuse.

Canada & the Conference at Rio de Janeiro

IX. After Canada had taken the preliminary steps to secure an invitation to the meeting of American Foreign Ministers which is to be held in Rio de Janeiro in January, the United States administration, when we brought the matter to their attention, adopted an attitude which in effect vetoed our plans. The reason given was not impressive, namely, that legal difficulties made our representation at the Conference impossible. These difficulties could have been overcome if the desire to do so had existed. It was also suggested at Washington that our presence at the Conference would be objected to by certain Latin American states and that the U.S.A. would have to support them. We have no reason to suppose there would have been any such objection. On the contrary, it is likely that Canada's presence would have been entirely welcome to these states.

The real reason for United States opposition to our presence in Rio is obscure, but possibly arises out of our connection with Europe through Great Britain which may seem, in the eyes of certain Americans, to disqualify us from talking about hemisphere defence in present circumstances. The United States administration may feel that South American states will think that Great Britain is talking through Canada and that this would prove embarrassing.

Mr. Moffat in discussing this matter with Mr. Robertson on Friday, December 19th, supported this interpretation of the United States attitude when he referred to the fact that Canada had an East-West as well as a North-South connection.

This American argument, however, can hardly be admitted as valid, if we, in fact, wish ever to take a place in the councils of American nations.

At all events, it is clear that, in spite of United States assurances in the past that Canada would be welcome in Pan-American Councils, the United States was definitely perturbed when they heard that we were actually preparing to carry out such plans. Something must have happened recently to affect United States policy in this matter. Whatever it was, the United States attitude has put Canada in an embarrassing position. South American states will know of our initial steps to be present at Rio and our later retreat. They will also know that the reason for this retreat was advice from Washington. They may well argue, therefore, that if we are under such strong United States influence, our membership in the Pan-American Union has little value for them.

There is one concrete respect, at least, in which our absence from Rio may be unfortunate. Among other things, there will be discussed there measures for economic warfare against the Axis; supplies and control of raw materials; inter-American wartime trading and shipping arrangements, etc. There is no reason to believe that in our absence our very considerable interest in these matters will be given the same consideration as if we were present. We are having difficulty in securing adequate consultation with the United States when we are on the spot; those difficulties will increase at a Conference where we are not represented.

Washington's Failures in Consultation

X. This brings up another trend in Canadian-American relations which must cause uneasiness: the omission of Washington to consult us or even inform us in advance on matters of mutual concern.

A B C D Conference

It will be recalled that during the Far East discussions in Washington prior to the Japanese attack, Canada was not included in the A B C D group⁵ that was in such close touch with the Secretary of State.

Martinique

Further, in recent discussions over Martinique between the United States and Vichy, Canada was not informed of the United States plans, though they undoubtedly affected our policy towards St. Pierre and Miquelon.

Effects of this policy

XI. This tendency to ignore us — which is in startling contrast to our punctilious care to keep the United States informed and to secure United States approval before we take any action which might affect United States policy — may have very great and damaging results for us if it is extended into those new fields of political and strategic cooperation and consultation which are now to be developed following the entry of the United States into the war. For instance, if an inter-Allied Supreme Council is set up in Washington will Canada be invited to become a member along with other belligerent powers or are we to be asked to join in "British Empire" representation? If we wish to participate as a sepa-

⁵ Ce groupe était composé des États-Unis, de la Grande-Bretagne, de l'Australie, des Pays-Bas et de la Chine.

⁵ This group consisted of the United States, Great Britain, Australia, The Netherlands and China.

rate state with full rights and powers, we should make known our desires at once. Otherwise we may be passed over.

Likewise, in respect of inter-Allied Committees on economic and financial, political warfare and supply questions, we should also take steps now to see that we are not overlooked by those in Washington who are likely to call the tune in such matters.

The fact that Washington is likely to become the centre of all these fundamental and far-reaching activities gives us a great opportunity, but also involves elements of danger to our position as a separate nation fighting in this war as such. We may find that the Americans are not as conscious of our position and our problems in this regard as the British have become through a long period of education. So far we have not received from Washington — in matters relating to the conduct of the war — that degree of consideration which should be accorded an ally.

Conclusion

XII. Of course, the first essential is to win the war; and no consideration of prestige or constitutional sensitiveness should be allowed to interfere with that end. It is, however, not going to help, but will rather hinder our effort, which is so important to the common cause, if the authorities in Washington feel they can consider us as almost a colonial dependency.

It would hardly be a satisfactory phase of Canada's national development if, having acquired our rightful place as a free and separate nation in the British Commonwealth, we accepted something less than the equivalent of that position in our relationship with Washington.

952.

DEA/71s

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures⁶
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs⁶
to Under-Secretary of State for External Affairs*

[Ottawa,] April 14, 1942

AMERICAN IMPERIALISM AND CANADA

1. Affected by a not unnatural wartime psychosis and impatient with any restrictions or conventions that would limit even momentarily the carrying out of American plans for the prosecution of the war, the United States Government and its various more or less independent agencies have recently shown a tendency in dealing with foreign countries to act first and seek approval afterwards — if at all.

2. In the case of Canada this neo-Imperialism has been greatly modified by the existence of the Permanent Joint Board on Defence and the other joint agencies which can often foresee prospective developments and arrange for

⁶H.L. Keenleyside.

appropriate clearances and the observance of conventional forms. Even here, however, there has been a whole series of unsatisfactory episodes, for some of which informal apologies have been received but which have generally gone unrebuked and unexplained. So far no very serious damage has been done but this may not always be true. The cases which have already occurred are summarized in the following paragraphs.

3. *St. Pierre and Miquelon* — Canada was asked to keep Washington informed of all developments affecting these Islands. This was done without exception. In spite of a reciprocal undertaking by Washington the United States negotiated an agreement with Admiral Robert which the French interpreted as applying to St. Pierre and which, under any interpretation, did indirectly at least affect the situation in the Islands. There then occurred the episode of the Free French occupation and the peremptory demands by the United States Minister and the State Department that Canada announce at once what it proposed to do about restoring the position in the Islands.

4. *R.D.F. Installations on the Pacific Coast* — Without any advance warning through the agreed and available service channels the United States Minister announced to a member of the staff of External Affairs, on a Sunday afternoon, that his Government wanted immediate permission to install certain radio equipment on the Coast of Vancouver Island. He, and presumably his superiors in Washington, were very annoyed when it was insisted that the proposal be made in accordance with the accepted procedure. This would involve no delay but would require an explanation of what was proposed and why.

5. *Northwestern Airlines* — At the request of the United States Army Canada agreed that Northwestern Airlines should be employed to carry military supplies and equipment across Canadian territory to Alaska. While the discussion of this was taking place (it was all settled in two days) a Northwestern Airlines plane arrived in Canada, without warning and loaded with personnel, to make a "survey" of the route. The United States Army subsequently apologized for this invasion but the incident caused trouble for weeks in the United States press.

6. *United States Installations at Sault Ste. Marie* — At the March meeting of the Defence Board it was recommended, and this Recommendation was approved by the Governments, that additions be made to the defensive equipment at Sault Ste. Marie. Canada agreed to station one A.A. battery on the northern side of the Locks, and the United States promised to supply the guns if Canada could not obtain them immediately from her own services. A few days after the Recommendation was approved Ottawa received word from the Sault that the United States Army officer commanding in the district was asking for accommodation on the Canadian side for 600 men and was moving in anti-aircraft guns, barrage balloons, R.D.F. equipment (he had already set up a station eight miles North of the Canadian Sault) and other military supplies. This was wholly out of line with the terms of the Recommendation, and informal apologies, or rather explanations were subsequently given. But that was long after the United States units were firmly established on Canadian soil.

7. *Railway to Alaska* — Without any previous warning whatever a United States Army Officer (Engineers Corps) telephoned to the General Manager of the Canadian National Railways at Winnipeg, and asked for 60 Canadian engineers to help him "locate and construct" a 1400-mile railway from Prince George, B.C., to Fairbanks, Alaska. It was only after this matter had been taken up through Defence Board channels that it was ascertained that the United States authorities were, in fact, contemplating a request to Canada to allow a survey to be made. This request will presently come forward through diplomatic channels.

8. *Canada and the Pan-American Union* — The way in which the United States has blocked Canadian admission to the Pan-American Union against the wishes of the other members of the Union is described in another memo of this date.⁷

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DEA/71s

*Mémorandum du ministre-conseiller, la légation aux États-Unis,
au ministre aux États-Unis⁸*

*Memorandum from Minister-Counsellor, Legation in United States,
to Minister in United States⁸*

Washington, March 18, 1943

CERTAIN DEVELOPMENTS IN CANADA-UNITED STATES RELATIONS

Certain current developments in the diplomatic relations of Canada and the United States must cause some anxiety. These arise out of (1), a tendency of the United States to overlook our position, not only in matters of general interest, but even in those of direct and immediate concern between the two countries; and (2), our efforts, and the attitude of the United States thereto, to secure a proper position for Canada in Combined Boards which have been set up and in United Nations organizations which have been or which may be proposed.

As to (1), the very intimacy, informality, and friendliness of our relations with the United States, though it has great advantages in many ways, notably in the field of defence and war supplies, does in another sense constitute a difficulty. The American authorities often tend to consider us not as a foreign nation at all, but as one of themselves. This is flattering, but leads occasionally to misunderstandings. Because they take us for granted, they are perplexed when we show an impatience at being ignored and an irritation at being treated as something less than an independent State. They make sudden demands on us, for some concession or co-operation which they consider to be required by the war emergency, and they do not understand why we should not respond, as the Governor of a State would.

⁷ Voir le document 770.

⁷ See Document 770.

⁸ La note suivante était écrite sur ce mémorandum:

⁸ The following note was written on the memorandum:

Copy given P[rime] M[inister] by McCarthy March 23. R[OBERTSON]

In their occasionally careless, but seldom conscious, disregard of our recently acquired independent position, about which we are rightly sensitive, they may make demands on Canada with a casualness that they would not dream of showing towards Brazil or any other Latin American State, basking in the Pan-American sun of policy and politeness. Take the application of the U.S. Selective Service laws. These are being enforced very strictly against Canadians in this country. No real effort is made, however, to conscript Latin Americans who may be living here.

There are other and more important instances of a certain disregard by the United States of our susceptibilities, which have had, too often, the result of forcing us to complain to the State Department about such disregard. This tends, in turn, to make us somewhat suspicious of every request the American authorities make of us, and provokes a feeling of resistance which we probably would not possess if these suspicions had not been aroused. The recent demand by the United States for exclusive jurisdiction over their armed forces in Canada is a case in point.

Other illustrations of this unsatisfactory position are to be found in the recent mix-up over the proposed refugee conference in Ottawa; in the sudden decision, without consulting us, to put into effect at once the decentralized plan for controlling exports to South America; in the difficulties that we have had in securing a proper recognition of our position on Combined Boards; in our current controversy over the relationship of Canada to the proposed United Nations Relief Organizations; and in the sudden change of United States policy toward supplies for Martinique without consultation with us.

I do not wish to exaggerate the seriousness of this situation, but it is regrettable, at least, that we should be so often forced into a position where we have to complain to the State Department about slights or injuries or omissions. It weakens the complete confidence and vitiates the atmosphere of frank co-operation which is essential between two countries whose relationship is so close. It makes us over-suspicious of the Americans and the Americans impatient at what they think is over-sensitiveness on our part.

There is another danger arising out of this situation. On instructions from Ottawa, we take a firm stand in Washington in opposition to certain United States demands. But as soon as pressure is exerted by the U.S. Government, either here or in Ottawa, we give in. The jurisdiction conference is a case in point. There are others. If the value of representations made by the Legation in Washington is not to be seriously diminished, we should not be asked to take a strong line when that line is abandoned shortly afterward with scarcely a struggle. This kind of diplomacy, the strong glove over the velvet hand, has nothing to commend it. We should, I think, be particularly careful in forcing the issue with the United States on any matter unless we are willing to pursue the matter through to the end; and unless we have a good chance of emerging successful. In estimating our chances in this regard, we should never lose sight of the relative position of the two countries. It will therefore be necessary for us to have an unanswerable case, or one in which some really vital Canadian interest is at stake, if we are "to go to the mat" with Washington. Otherwise, the United

States will ignore our arguments, bring up their heavy guns, and we will make a virtue of necessity by giving in. In the end, we will be in a much worse position than if we had not taken the "firm stand" originally.

The second cloud on the U.S.-Canadian diplomatic horizon arises out of our efforts to secure a proper position for Canada in the United Nations war and post-war set-up.

These efforts are concerned with: (1) Canada's relationship to existing Combined United Kingdom and United States Boards; and (2), her relationship to United Nations organizations which may be established.

As to (1), the situation is known, even if it is not clear. The present relationship is not satisfactory and we are ourselves partly to blame. We do not always seem to know what we want. More than a year ago we asked for full representation on the C.M.A.B.⁹ and rejected the suggestion made here that it might be better if we gave this up in favour of representation on the C.P.R.B.¹⁰ Later we reversed this decision; secured representation on the latter body, and have never replied to the proposal by the United States Government giving us restricted representation on the C.M.A.B. We may not have replied to this because it has not yet been possible in Ottawa to reconcile three views on this matter: (a) that the compromise offer of the United States goes too far; (b) that it is satisfactory, and (c) that it does not go far enough. There is evidence to show that the State Department is quite well aware of the reasons for our failure to reply to their C.M.A.B. offer and that this awareness causes them to be less impressed by arguments we advance on other occasions for Canadian representation on other boards and organizations.

The Combined Food Board provides another illustration of the disadvantage of a ragged solution. We are not satisfied with the existing position of representation on Committees only. We have, however, accepted it long enough to make alteration difficult.

The other question — which promises to be even more difficult — is Canada's position in relation to proposed United Nations conferences and organizations. The disposition of this matter will, in turn, probably affect our position in the whole post-war set-up.

The matter has come to a head in the U.N.R.R.A. discussions. We have demanded — as the price of our adhesion to the Organization and a recognition of our importance thereto — full membership on its Central Committee. We have rejected the compromise which would have given us the chairmanship of the Supplies Committee and restricted membership on the Central Committee. It is a case of membership, full membership, and nothing but full membership. Our claim is based on valid reasons. Our arguments are strong. But these arguments may not prevail against the opposition of Russia, inspired primarily by political considerations remote from Canada. The U.S.A. are not going to support our claim against this opposition, especially as certain Americans are, I believe, worried about the effect on Congress of the old, but apparently not dead, "two

⁹ Combined Munitions Assignments Board.

¹⁰ Combined Production and Resources Board.

votes for the British" argument. I understand also that while certain American officials appreciate our position in this matter, others do not and are becoming impatient at what they consider to be our obstinacy; comparing us unfavourably on this score with Australia, Brazil, and other countries whose interest in Relief and Rehabilitation is also important.

The United Kingdom, originally cool to our representation on the Central Committee, have recently strongly supported it, but are not likely to continue this policy, now that we have rejected the compromise and in the face of Russian opposition.

Further efforts, however, are undoubtedly being made to solve "the Canadian difficulty". It has, for instance, been suggested that the United Kingdom might give up its place on the Central Committee to Canada. This would overcome the Russian objection, as the size of the Committee would not be increased thereby. There has been some indication, however, that if the British stand down for Canada, they would expect us to represent the whole of the Empire on the Committee. This, of course, introduces a very far-reaching and fundamental problem of intra-Commonwealth relationship, the effect of which would not be confined to this proposed Organization.

I do not myself see how we could divide ourselves up in this way; at times acting for ourselves alone, at other times "going Imperial". Furthermore, if we act for the United Kingdom on the Relief Organization, she may expect to act for us on the United Nations Council if and when one is created. In short, unless we are to reverse the course of history, and move towards a centralized British Commonwealth, we should not formally represent anyone but ourselves on the Relief Central Committee; especially as that body is to be a post-war, even more than a war, organization.

This brings up the question of the attitude likely to be adopted by the U.S. Government towards our aspirations to play an important but independent role in the post-war set-up. There are indications that we may have as much difficulty asserting our position in Washington as we ever had in London during and after the last war. United States understanding of Canada's status and stature in the world in general, and the British Empire in particular, is certainly confused, but I am not sure that this confusion will be cleared up in a way satisfactory to us.

There are four schools of opinion on this matter:

- (1) those who encourage every centripetal tendency in the Commonwealth. This is done for various reasons, one being that it will mean the increasing dependence of countries like Canada and Australia on the U.S.A.
- (2) Those, possibly the President is one, who would, for convenience sake, like the British Empire to speak with one voice. Often the reason is deeper than that of convenience. It is a desire to maintain a strong British Empire in a post-war world in which Russia and China may play such a big part that a strong British Empire could be a comfort rather than a challenge to the U.S.A.
- (3) Those who think that Canada is still a colony of Great Britain and who will suspect that any efforts of ours to assert an independent position are merely those dictated by Downing Street.

(4) Those who think that Canada's interests should be looked after by the U.S.A. and that Canadians shouldn't object to this.

Suspended, then, somewhat uneasily in the minds of so many Americans between the position of British Colony and American dependency, we are going to have a difficult time in the months ahead in maintaining our own position and in standing on our own feet.

This difficulty in merely "standing" should make us particularly careful in choosing our direction each time we start to "move". If we don't exercise such care, our role of "interpreter" will result in bringing the United States and United Kingdom together, but in such a way that we may find ourselves uncomfortably squeezed in between. In a post-war world, where power is going to count for so much and where the little nation may possibly receive less consideration than formerly, we should certainly try to avoid a squeeze play of this kind.

PARTIE 2/PART 2

DÉFENSE

DEFENCE

SECTION A

COMMANDEMENT/COMMAND RELATIONSHIPS

954.

J.L.R./Vol. 41

*Mémoire du Comité des chefs d'état-major
aux ministres de la Défense nationale*

*Memorandum from Chiefs of Staff Committee
to Ministers of National Defence*

SECRET

Ottawa, December 8, 1941

The Chiefs of Staff Committee desire to recommend that the Canadian Government should authorise the Chiefs of Staff to place in effect Joint Canadian-United States Basic Defence Plan No. 2 (Short Title ABC-22)¹¹ against Japan in accordance with Section II, Paragraph 17, which states:

"This Plan will be placed in effect by the Chiefs of Staff of Canada and the United States when so directed by the Canadian and United States Governments."

2. By a signal addressed to all U.S. men-of-war from the Secretary of the U.S. Navy, U.S. War Plan WPL-46 was put into execution against Japan at 1930 on the 7th December. Plan ABC-22 was attached to War Plan WPL-46 as an Annex and has therefore been brought into force in the United States on the authorisation of the United States Government.

3. The principal object of Plan ABC-22 is to supplement the agreements contained in the United Kingdom-United States Plan ABC-1, and to provide

¹¹ Voir le volume 8, document 160.

¹¹ See Volume 8, Document 160.

for the most effective use of Canadian and United States Forces for the protection of overseas shipping within the northern portions of the West Atlantic and Pacific areas; the protection of sea communications within the coastal zones; and the defence of Alaska, Canada, Newfoundland, Labrador and the northern portion of the United States. The Plan outlines the Joint Task of the United States and Canada and the detailed Tasks to be carried out by the Armed Forces of the two countries.¹²

PERCY W. NELLES
Vice-Admiral
Chief of the Naval Staff

K. STUART
Major-General
for Chief of the General Staff

L. S. BREADNER
Air Marshal
Chief of the Air Staff

955.

W.L.M.K./Vol. 320

*Extrait du compte rendu des débats et des décisions de la
Commission permanente canado-américaine de défense*

*Extract from Journal of Discussions and Decisions of
Permanent Joint Board on Defence*

New York, December 20, 1941

TWENTY-FOURTH MEETING OF THE BOARD,
NEW YORK, DECEMBER 20, 1941

2. There was an informal discussion of the adequacy of the measures taken in pursuance of the plan (ABC 22) which was immediately placed in operation in the two countries when the Japanese attack took place. The question of the cooperation between the armed forces of the two countries in local areas was also discussed.

¹² La note suivante était écrite sur ce mémorandum:

Place plan in effect against Japan immediately.¹³ J. L. RALSTON 8/12/41

¹³ Lorsque les États-Unis ont déclaré la guerre à l'Allemagne et à l'Italie le 11 décembre, le gouvernement des États-Unis a mis le plan en vigueur générale. Le Canada a fait de même le 22 décembre. Voir S.W. Dzuiban, *Military Relations between the United States and Canada, 1939-1945*. Washington, D.C.: U.S. Government Printing Office, 1959, p. 108.

¹² The following note was written on the memorandum:

¹³ When the United States declared war on Germany and Italy on December 11, the United States Government put the Plan into general effect. Canada followed suit on December 22. See S.W. Dzuiban, *Military Relations between the United States and Canada, 1939-1945*. Washington, D.C.: U.S. Government Printing Office, 1959, p. 108.

3. The senior United States naval member advised the Board that a report had been received from Admiral Freeman, the Commander Pacific Northern Naval Coastal Frontier, with headquarters at Seattle, to the effect that his relations with the Canadian Army, Navy and Air Force left nothing to be desired.

4. The Board discussed the measures of cooperation now in effect between the forces of the various Services present in Newfoundland. The degree of cooperation now existing was noted with gratification, but the Board considers it necessary to stress the need for decentralization of command sufficiently to permit local operational control and full cooperation between all forces assigned to the local defence of Newfoundland, and also to permit immediate local action on requests from Task Force Commanders of the United States Atlantic Fleet for support of naval operations by the forces present.

5. The Board considered the possibility that in the prosecution of the war, situations can arise suddenly, requiring immediately the further integration for joint defence of the military forces of the United States and Canada, advance preparation therefor, or the movement of military forces or equipment of one country into or through the territory of the other. The Board, therefore, approved the following as its TWENTY-SECOND RECOMMENDATION:

That the United States and Canadian Governments now authorize the Commanders named in paragraph 12 of ABC-22, or their duly authorized representatives, to effect by mutual agreement any arrangements they deem necessary for the perfection of preparation for the common defence, including but not limited to, the installations of accessory equipment in the territory of either, the transit of armed forces, equipment or defence materials into or through the territory of either, and the utilization by either nation of the base and military facilities of the other.

956.

DND/112.11 (D1A)

*Mémorandum du chef adjoint de l'état-major général
au chef de l'état-major général*

*Memorandum from Assistant Chief of the General Staff
to Chief of the General Staff*

SECRET

Ottawa, December 22, 1941

NOTE ON MEETING OF PERMANENT JOINT BOARD ON DEFENCE
HELD AT NEW YORK, 19TH-20TH DEC. 41

1. As previously arranged, a meeting of the Permanent Joint Board on Defence was duly held in New York on 19th-20th December. The first day was devoted to the exchange of information and preliminary discussion of items of new business between United States Army Members and Canadian Army and Air Members. The meeting of the full Board was held on 20th December.

2. It was, I think, a very useful meeting. The atmosphere was most cordial.

3. On Friday, 20th December, accompanied by Air Commodore Heakes and Lieut.-Col. Jenkins, I met with General Embick and Lieut.-Col. Bissell, U.S.A., and gave them both verbally, and in documentary form, a complete statement of our position on the West Coast and drew their attention to the several actions the Canadian Army had taken subsequent to the 7th December. On his part, Lieut.-Col. Bissell made a comprehensive statement of the strength and dispositions of U.S. Army forces in continental United States, including Alaska. He handed me a note giving in some detail United States Army forces in the Puget Sound Area of which the essential items are that over and above the actual coast defences, they have disposed some four regiments of Anti-Aircraft Artillery (4 x (12-3 inch, 56-37 mm. and 24-5 inch M.G.)) and two divisions, these latter consisting of approximately 35,000 officers and men. He did not have information prepared as regards Alaska but he undertook to let me have a précis of this without delay.

4. From our general discussions, I formed the impression that the United States War Department had steadied down after the shock of the events of the 7th December. While they had by no means stopped being concerned as to the requirements of continental defence, quite definitely they showed us that their minds were already ranging farther afield. General Embick did not give me to understand that he feared invasion. He did, however, say that he was of opinion that the Japanese might well undertake a carrier-borne air attack against their very important naval base at Bremerton. I think this is sound. Bremerton undoubtedly constitutes the most important military objective north of San Francisco.

5. On the conclusion of our exchange of information, General Embick suggested to me that the time had now come for both countries to decentralize authority to local commanders to the end that defence measures involving the forces of both countries might be put in hand without delay by the commanders concerned. To this general proposition, I concurred, for the reason that the Department of National Defence in Ottawa, no more than the War Department in Washington, is an operational headquarters. Our function, to use United States Service language, is to assign missions and to provide the means necessary thereto. It is for the local commanders, e.g., G.O.C.-in-C. Atlantic and Pacific Commands, to execute the missions they receive. The Department of National Defence can only exercise its true function by means of directives. Any action on its part to take charge of operations as such, would simply hamper the responsible commander in the field. As a consequence we drafted the following which on the next day was assented to by the full Board.

"The Board considered the possibility that in the prosecution of the war, situations can arise suddenly, requiring immediately the further integration for joint defense of the military forces of the United States and Canada, advance preparation therefor, or the movement of military forces or equipment of one country into or through the territory of the other. The Board, therefore, approved the following as its TWENTY-SECOND Recommendation:

"That the United States and Canadian governments now authorize the Commanders named in paragraph 12 of ABC-22, or their duly authorized represent-

atives, to effect by mutual agreement any arrangements they deem necessary for the perfection of preparations for the common defense, including but not limited to, the installations of accessory equipment in the territory of either, the transit of armed forces, equipment or defense materials into or through the territory of either, and the utilization by either nation of the base and military facilities of the other."

6. In conversation, General Embick asked me if in view of the changed circumstances in the Pacific we proposed dispatching the 4th Division to the United Kingdom. I replied that so far you had not contemplated any amendment of your plans, i.e., Army Programme, 1942. The reason for this, I added, was that the Army Programme had not yet been approved by the Government and that so far as the 4th Division was concerned, there was a very considerable interval of time yet in hand. It would take not less than four months for the 4th Division to convert itself from an ordinary division into an armoured division and that in these circumstances it did not seem to us at all likely that it could leave Canada before the month of June, that is, six months. As a consequence, it would be readily available for operations at home during all this period.

7. I also mentioned that in his recent appreciation of the situation, General Crerar had carefully stated that any serious change in the position might later require him to recommend the provision of an additional division for home defence. While I took pains to say that we did not think that such a situation had yet arisen, I pointed out to General Embick that there seemed to be plenty of time in which to avail ourselves of the qualification contained in Gen. Crerar's appreciation, should further developments cause us to believe that such a cause was indicated.

8. On 20th December the Board met in full session and carried out a good amount of useful business. Apart from the 22nd Recommendation referred to above, the main item for the Record was the question of United States nationals serving in the Canadian armed forces. This item is appended hereunder and to my mind the proposition can be stated in the following words, namely, that it is fitting and proper that the nationals of any country should serve in the armed forces of that country.

"The Board discussed the question of those citizens of the United States now serving in the Canadian military forces. It was pointed out that since the entry of the United States into the war, there have been a large number of applications from such persons for transfer to the United States forces. It was recognized that undoubtedly the most effective contribution to the war effort of the United States that those United States citizens now in training in the Canadian Air Service could make would be to complete their training in Canada. The Board was informed that steps are now under consideration to issue an agreed public statement in this sense.

"At the same time, the Board agreed that ordinarily it would be desirable from the standpoint of the morale of the individual for a person to perform his military service in the forces of his own country. The Board, therefore, suggested that it would be desirable for the appropriate authorities of the two Governments to work out, as soon as practicable, arrangements for the orderly

transfer of those Americans in the Canadian forces who desire such transfers and can be released without impairing Canadian war effort, to the military forces of their own country. Meanwhile, the Board agreed that it would be desirable for the Canadian Government to decline in general to accept applications of United States citizens for enlistment in its armed forces.

"The Board also urges that the above principles be given due consideration in the administration of the draft laws of the two countries."

9. A statement of the other business of the day will appear in the Record which will be circulated shortly.

10. As the meeting was breaking up, I had a very interesting talk with Commander Sherman of the United States Navy. We were sitting together (the Board having broken up into a number of small groups) when he suddenly asked me if, in respect of Newfoundland, I thought that a unified command was necessary and if so did I think it possible of achievement. I at once replied that I did not think it was necessary and that I was convinced it was impossible of achievement. To this Sherman replied in a friendly way, "well, then, we had better leave it at that".

11. I then said that so far as the Navies were concerned, the action of the R.C.N. in allocating an important proportion of its strength for convoy escort duty under the direct command of the United States Admiral was giving entire satisfaction to both sides. To this view Sherman agreed.

12. As respects the Air Force, I said that speaking purely for myself I thought that a similar arrangement would have been preferable but that apparently the R.C.A.F. had taken a contrary view and insisted on a method of co-operation. The effect of the 22nd Recommendation, to which the R.C.A.F. had agreed, was that the Air Force Commander in Newfoundland would now be empowered to work directly with the U.S. Naval Commander at Argentia which was a considerable step forward and should make this co-operation more effective. Again, Sherman expressed himself as being in accord with my view.

13. Turning to the Army, I said that the idea of a unified command, possibly by a United States Admiral over a Canadian infantry garrison at Botwood and Airport, fighting off a raid did not, to my mind, make good sense. He would be unable to influence the course of the action in any way. Support could not quickly be given. These were little self-contained garrisons designed to carry out their duties independently. As regards the situation of the two Armies in St. John's, I said that the position seemed all askew. We had two Army garrisons there and a mixed up, or ill defined, division of duties. Referring to his conversation of some three months ago, I said that his words on that occasion had cheered me immensely. (On this occasion Sherman said that he was of opinion the United States Army should pick itself up from St. John's and move to Argentia, handing over their accommodation at Quidi Vidi to the Canadians). He would recall, I said, that in respect of the report that we had received that the War Department were considering the idea of handing over their coast defence guns to us, I had definitely stated in one of my progress reports and should the War Department come to a decision in this sense, Canada was prepared to assume the commitment involved. We Canadians had not the slightest illusion

that we could, and certainly we did not desire to, crowd the United States in these matters and I felt, as I had always felt, that our proper course was to let them clearly understand that St. John's being a Canadian Naval Base, we were desirous and competent of ensuring its defence. The next step was up to the War Department and this we would await without impatience. I was sure that he would not resent my remark, that sometimes it seemed to me that the situation was more or less that a year ago the United States Navy desired to establish a base at St. John's; that reconnaissance however had showed that this would be quite inadequate to their needs and therefore they had gone across the Avalon Peninsula to Argentia but had omitted to inform the Army of this fact. As a consequence the Navy was at Argentia and the bulk of the Army at St. John's. Sherman good naturedly agreed and said that in his mind the Army ought to be at Argentia and he could not understand their idea of looking around for other tasks to assume in the vicinity of St. John's, namely, a certain interest they had evinced in the Torbay Airdrome. This he thought would soon solve itself as the United States were now in the war and thus would have plenty of activity in many parts of the world and they were no longer in the position of seeking outlets for their energies. I told Sherman that were it possible to get the necessary equipment from the United Kingdom, I would move at Ottawa for authority to put in a coast defence battery on the north side of St. John's Harbour and inquire of the United States War Department if such a step would be agreeable to them. Sherman said he thought this would be a good plan and he agreed with me that until we were in a position to do something more definite we were wise to leave the matter alone. It would work itself out in time.

14. In his general view, he continued, the work of the Board and more than that the work of the fighting Services of the two countries, should be based on mutual self respect and confidence. To this I heartily agreed and took advantage of the opportunity to say that while in several instances the United States with our consent had established certain stations in Canada, I felt that these feelings of mutual self respect and confidence would be enhanced if Canada made special efforts to take over these stations from the United States at the earliest possible moment, making full provision of course to ensure that all information (meteorological and R.D.F.) was made immediately available to the United States. Sherman agreed saying that it was but natural and expedient for each country to provide and operate any installation located within its own jurisdiction. I stress this point because at times it has seemed to me that the R.C.A.F. have not attached much importance to it.

15. Concluding, Sherman said that the U.S. Army should of course settle down at Argentia and jokingly remarked that before long the U.S. Navy might observe to them that they now proposed to send marines to guard the Argentia base as the Army was not providing them with adequate ground protection. This he thought would bring the War Department to with a jolt.

16. As a result of this talk, I feel confirmed in the view I have always held that our best course in respect of St. John's is to leave things alone in the expectation that the U.S. will sooner or later come to the conclusion that their base there has become meaningless and that Canada should assume at least primary responsi-

bility for its defence. It is obvious that we cannot successfully press them and as we have already intimated that "Barkis is willing", there does not seem to be anything else that we can usefully do.

MAURICE POPE
Major-General

957.

DND/112-11 (DIA)

*Le président, la section américaine, CPCAD,
au président, la section canadienne, CPCAD*

Chairman, American Section, PJBD, to Chairman, Canadian Section, PJBD

SECRET

New York, January [2], 1942

My dear Colonel Biggar,

My Government has requested me, in the interests of greater security of the Pacific Coast, to bring to the attention of the Canadian authorities the advisability of taking immediate action to effect a greater degree of integration of ground and air forces defending the Pacific Coast.¹⁴

In consequence of the current situation in the Pacific, the United States has constituted a Western Theater which comprises Western United States and Alaska, and embraces under one command all United States Army ground and air forces located therein.¹⁵ Lieut.-General John L. DeWitt has been designated as Commander of this Theater.

The Province of British Columbia is geographically an enclave within the Western Theater, is in a strategic sense an integral part thereof, and its most vital section — the area embracing Southern British Columbia and Puget Sound — cannot be most effectively defended under the control of several commanders.

We feel that the present divided responsibility constitutes a hazard not only to British Columbia but to the Northwestern United States and Alaska.¹⁶

In view of the foregoing, I have been instructed, in the interests of most effective common defense, to ask that you present to the Canadian Government the advisability of agreeing to the inclusion of British Columbia within the Western Theater to the extent of placing under the Supreme Command of General DeWitt for local defense, all Canadian Army and Air Forces assigned to the defense of British Columbia, *except Air units assigned to over-water operations.*

The agreement proposed would limit the authority of the Supreme Commander over the Canadian forces mentioned to such strategic and tactical

¹⁴ Note marginale:¹⁴ Marginal note:

why no navy

¹⁵ Note marginale:¹⁵ Marginal note:

Scales of attack

¹⁶ Note marginale:¹⁶ Marginal note:

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directives as may be found necessary to insure coordination of effort in defense of the British Columbia-Northwestern United States-Southeastern Alaska area.

The proposed agreement would impose specific limitations upon the authority of the Supreme Commander over the Canadian forces concerned, such as denying him authority to, *inter alia*: transfer Canadian forces from Canadian Territory without the consent of the Canadian Commander or the Canadian Government; alter the tactical organization of Canadian units; or interfere in their administration or discipline.

As you are aware, Plan 2 of the Joint Defense Board provides that a unified command may, if circumstances so require, be set up in any area or areas, *when agreed upon by the Chiefs of Staff concerned*¹⁷.

In this case the problem presented is one of setting up, as a wise precautionary measure, in advance of the occurrence of an actual attack, that form of basic organization that will afford the greatest measure of protection against enemy operations. It is felt, therefore, that in this instance the two Governments should reach an agreement in principle upon this question of basic organization. Thereafter the agreement can be developed in detail by the Chiefs of Staff concerned and submitted for final approval by the two Governments.

Sincerely yours,

F. H. LA GUARDIA

958.

DND/112-11 (DIA)

*Le président, la section canadienne, CPCAD,
au président, la section américaine, CPCAD*

Chairman, Canadian Section, PJBD, to Chairman, American Section, PJBD

Ottawa, January 3, 1942

Dear Mr. Mayor,

We had our meeting this afternoon and discussed at some length the subject raised by your letter. The unanimous view of the Service Members was that it would be inadvisable for this Section to make any recommendation, particularly in the absence at Washington of the Canadian Chiefs of Staff and in view of the fact that decisions on the question of unified command in any area had been expressly confided to the Chiefs of Staff concerned by the relevant plan which was concurred in by all the Service Members of both Sections.

In the circumstances, we decided that the only course open to us was to send copies of your letter to the Canadian Chiefs of Staff for consideration as soon as they return to Ottawa, no doubt with fuller information as to the situation generally than any of us have at the moment. The Canadian Chiefs of Staff will, no doubt, notify to their opposite members the conclusion to which they arrive after obtaining, if necessary, a direction from the War Cabinet.

¹⁷ Note marginale:

¹⁷ Marginal note:

Yes -- but circumstances do not require.

I hope that the views of the Canadian and United States Chiefs of Staff will be found to coincide, but if they do not the subject will, of course, be open for discussion at the next full meeting of the Board, either on the 20th instant or earlier if an earlier meeting is called for.

[O. M. BIGGAR]

959.

W.L.M.K./Vol. 321

Le président, la section canadienne, CPCAD, au Premier ministre

Chairman, Canadian Section, PJBD, to Prime Minister

Ottawa, January 13, 1942

My dear Prime Minister,

You are likely to receive a request by letter or telephone from the President of the United States that the command of the Canadian land forces (army and air) in British Columbia should be entrusted to the United States army commander at San Francisco.

The way in which such a request has been put forward and so far dealt with is outlined in the enclosed memorandum. I hope I have not incorrectly represented the way in which you would deal with it if it were made directly to you (paragraph 7) and that you will not disapprove of the course the Canadian Section of the Permanent Joint Board decided to adopt at its meeting today (paragraph 8).

Yours sincerely,

O. M. BIGGAR

[PIÈCE JOINTE/ENCLOSURE]

*Mémoire du président, la section canadienne, CPCAD,
au Premier ministre*

Memorandum from Chairman, Canadian Section, PJBD, to Prime Minister

Ottawa, January 13, 1942

1. A request from Mayor La Guardia that the command of the Canadian land forces (army and air) on the West Coast should be entrusted to Major-General DeWitt, who commands the United States army in the coastal and some interior states and in Alaska was conveyed to me in a letter sent by special army plane and received on Saturday, January 3, at 11:45 a.m. The only reason given for the request was the desirability of "integrating" the arrangements for the land defence of the whole coast.

2. The Canadian Section of the Joint Board met to consider the proposal the same afternoon, when the Service Members pointed out that the question of a unified command in any area had been expressly left to the Chiefs of Staff concerned in the two countries by the terms of the plan (Plan 2) concerted by all the Service Members of the Board and approved by the President of the United

States and by the War Cabinet on the recommendation of the Ministers of Defence. It was accordingly decided to refer the proposal to the Canadian Chiefs of Staff Committee, and I advised Mayor La Guardia by letter despatched on the same day that this had been done.

3. On the following Thursday, January 9, Mayor La Guardia telephoned me to say that the proposal was one made at the instance of the President, and was regarded as being of the utmost urgency. Consideration, he said, had been given to the question whether the President should take it up directly with you, but that the President's view was that, if the Joint Board was to be of any use, a question of this kind should be dealt with by it. The Mayor wanted me to discuss the question with you directly, but I said that on the information I had, I could not very well do this because I was myself unable to appreciate what were the practical reasons for putting forward the proposal or the practical consequences of its acceptance, and that I had already drafted but not despatched a personal letter to him expressing my difficulties in this respect. This he asked me to send forward in order that he might obtain the information necessary to deal with my difficulties.

4. I did so and the consequence was that, immediately upon receipt of my letter¹, he telephoned on Friday, January 10, asking me to come to Washington on the following Monday as the relevant considerations were too delicate to be made the subject of a written communication.

5. The Canadian Section met on Saturday, the 11th, and approved of my going to Washington as requested by the Mayor. This decision was arrived at after considering a communication from the Canadian Chiefs of Staff Committee¹ in which that Committee expressed the view that there was no need to make any new arrangements with regard to command on the West Coast. The communication stated that at the end of the previous week the Chiefs of Staff had met their United States opposite members [numbers] in Washington and had received the impression that the latter were perfectly satisfied with the arrangements now in force. They preferred, therefore, not to deal with the subject at all until it was raised by their United States opposite numbers and indicated their view that the matter was one rather for the Chiefs of Staff on both sides of the line than for the Joint Board.

6. I went to Washington accordingly, and spent some two hours yesterday afternoon discussing the subject partly with the Mayor but chiefly with Lieutenant-General Embick, whom the Mayor had asked to join him. The practical points I had raised were not satisfactorily dealt with in this conversation, but it appeared that the reason for the proposal was that a new view of possible scales of attack had been recently taken in the United States War Department. I pointed out that this was exclusively a military problem and suggested that the Board might arrange for the preparation of a third plan based upon the assumption upon which this new view was founded, and that in that third plan, which would be brought into force by agreement between the governments upon the happening of the contemplated event, there might be included such provisions with regard to the vesting of command over the forces of both countries in a single officer as the event contemplated seemed to require.

7. This suggestion was reluctantly agreed to by the Mayor and General Embick, the former particularly expressing his dissatisfaction with it, and saying that he would discuss it with the President, who would, of course, remain free to take the point up directly with you. I told the Mayor that I thought the question was not one that you would be prepared to deal with without consultation with the Ministers of Defence and that they in turn would be unlikely to overrule their respective military advisers, so that nothing was likely to be gained by the course he proposed. The Mayor said that he would communicate my expression of opinion on this point to the President when he spoke to him on the subject generally.

8. I today reported yesterday's conversations to the Canadian Section of the Board and it was then decided that I should telephone the Mayor that in the opinion of the Section the preparation of a new plan based on a new view should not be undertaken until an appreciation of the situation had been submitted by the United States Army Members of the Board for consideration by the Canadian officers concerned in order that they might be in a position to discuss the subject at the next meeting of the whole Board. Such a meeting is to be held in Montreal on the 20th instant.

960.

DND/112.11 (DIA)

*Le représentant principal de l'armée américaine, CPCAD,
au représentant principal de l'armée canadienne, CPCAD*

*Senior United States Army Member, PJBD,
to Senior Canadian Army Member, PJBD*

PDB 135-2

Washington, January 14, 1942

SECRET

My dear General Pope,

My Government is deeply concerned by the prospects that the situation in the Pacific is likely to assume more and more critical phases for some time to come. Our Pacific Fleet — which heretofore has been a protective screen for our West Coast — may have to be removed at any moment to a distant theater, relinquishing to the enemy for an indefinite period the control of the Northern Pacific. Such action would increase greatly the exposure of the West Coast.

In consequence of these prospects, my Government feels that all practicable measures should be taken immediately to increase the effectiveness of our defensive organization on the West Coast. It regards the unification of control of the local ground forces and associated air units, as one of the most important of such measures, and to that end a letter on the subject was addressed to Col. Biggar by Mayor La Guardia on January 2nd[†], a copy of which I enclose. Subsequently, the subject was discussed at a conference with Col. Biggar in this city on January 12, 1942.

The most important region with which we are mutually concerned is that embracing Southern British Columbia and Puget Sound — an indivisible mili-

tary entity. Surely a formula can be found for a unified command that will safeguard Canadian interests and yet provide for a more effective organization of the common defense.

The fundamental purpose of unified control is to secure the most effective employment of our combined forces. In view of the great preponderance of U.S. forces in the region in question, I am sure you will agree that the practical effect on Canada of the adoption of the proposal will be that of ensuring the prompt and effective reinforcement of British Columbia by U.S. forces in the event of an enemy attack. Failure to provide for the most effective control of forces subjects both British Columbia and the North West United States to an unnecessary hazard.

Looking forward to seeing you on the 20th and with kindest personal wishes,
Sincerely yours,

S. D. EMBICK
Lieutenant-General

961.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, January 14, 1942

CANADA-U.S. PERMANENT JOINT BOARD ON DEFENCE
TWENTY-SECOND RECOMMENDATION — AGREEMENT BY LOCAL
COMMANDERS RE DEFENCE ARRANGEMENTS;
TWENTY-THIRD RECOMMENDATION — CONFERENCE ON AIR
TRAINING PROGRAMMES

21. THE SECRETARY submitted the Journal of Discussions and Decisions, covering the Board's twenty-fourth meeting held in New York, December 20, 1941, and containing the Board's Twenty-second and Twenty-third Recommendations.

This report had been submitted to the Prime Minister, December 31, 1941, and copies thereof at once referred to Ministers concerned so that the Recommendations might be examined without delay.

The Twenty-second Recommendation contemplated authorization to local U.S. and Canadian commanding officers to effect, by mutual agreement, arrangements deemed necessary in the common defence. The Twenty-third Recommendation proposed that the two governments consider the advisability of arranging a meeting between British, Canadian and American representatives, with a view to the co-ordination of air training programmes in Canada and the United States.¹⁸

¹⁸ Voir le document 263.

¹⁸ See Document 263.

Both recommendations had been approved by the President of the United States, and the Board hoped that early action might be taken by the Canadian government.

(P.J.B.D. Journal, December 20, 1941; letter, Secretary, Canadian Section, to Secretary, December 30, 1941).[†]

22. MR. HEENEY reported that both of these Recommendations had now been considered by the three Services and that, at a meeting held that morning (January 14th) the Chiefs of Staff Committee had agreed to recommend their approval by the government.

With regard to the Twenty-second Recommendation, it was suggested that an amendment to provide that agreements between local commanders be "subject to confirmation by the respective Chiefs of Staff" might be thought desirable. However, if the government were prepared to direct that local commanders be instructed to refer to their respective Chiefs before concluding agreements involving questions of major importance, the Chiefs of Staff would be satisfied to recommend approval of this Recommendation as it stood.

23. The War Committee, thereupon, approved, on behalf of the government of Canada, the Twenty-second and Twenty-third Recommendations of the Canada-U.S. Permanent Joint Board on Defence; the Secretary being directed to advise the Board accordingly.

With regard to the Twenty-second Recommendation, it was agreed that appropriate directions be given by the Chiefs of Staff to local commanders affected, with a view to prior reference to the respective Chiefs of Staff of agreements of major importance.

...

962.

DND/112.11 (DIA)

*Mé morandum du sous-chef de l'état-major général
au chef de l'état-major général*

*Memorandum from Vice-Chief of the General Staff
to Chief of the General Staff*

SECRET

Ottawa, January 16, 1942

SOUTHERN BRITISH COLUMBIA-PUGET SOUND
U.S. REQUEST FOR INSTITUTION OF UNITY OF COMMAND

1. In a letter addressed to myself and dated 14 Jan. 42, several folios down, General Embick, U.S. Army, advises me that *his Government* is deeply concerned by the prospect that the situation in the Pacific is likely to assume more and more critical phases for some time to come and that, in consequence, it regards the unification of control of the local ground forces and associated air units stationed in the Southern British Columbia-Puget Sound region as one of the most important practicable measures that can immediately be taken to increase the effectiveness of the defensive organization of our two countries on the West Coast.

2. The propriety of an officer of the War Department writing *in the name of his Government* to an officer of the Department of National Defence on a matter of this kind may be open to question. In any event, the appropriateness of the form of this approach I am quite unable to see.

3. The Fighting Services of both Canada and the United States are operating under the provisions of Joint Canadian-United States Basic Defense Plan No. 2 (ABC-22) which was drawn up last year by the Service Members, P.J.B.D., and subsequently approved by the Canadian and United States Governments.

4. As provided for, ABC-22 was duly placed in effect last month by the Chiefs of Staff as directed by their respective Governments.

5. ABC-22 expressly states that the coordination of the Military effort of the United States and Canada shall be effected by mutual cooperation. Provision is also made for the institution of unity of command, when circumstances so require, by agreement between the Chiefs of Staff concerned, or in emergency by local commanders. The pertinent paragraphs of ABC-22 are appended hereunder:

"6. Coordination of the military effort of the United States and Canada shall be effected by mutual cooperation, and by assigning to the forces of each nation tasks for whose execution such forces shall be primarily responsible. These tasks may be assigned in Joint Canadian-United States Basic Defense Plans, or by agreement between the Chiefs of Staff concerned, the United States Chief of Naval Operations being considered as such.

7. In effecting mutual cooperation, as provided in paragraph 6, the forces of one nation will, to their utmost capacity, support the appropriate forces of the other nation.

8. Each nation shall retain the strategic direction and command of its own forces, except as hereinafter provided.

9. A unified command may, if circumstances so require, be established over United States and Canadian forces operating in any area or areas, or for particular United States and Canadian forces operating for a common purpose:

(a) when agreed upon by the Chiefs of Staff concerned; or

(b) when the commanders of the Canadian and United States forces concerned agree that the situation requires the exercise of unity of command, and further agree as to the Service that shall exercise such command. All such mutual agreements shall be subject to confirmation by the Chiefs of Staff concerned, but this provision shall not prevent the immediate establishment of unity of command in cases of emergency.

10. Unity of command, when established, vests in one commander the responsibility and authority to coordinate the operations of the participating forces of both nations by the setting up of task forces, the assignment of tasks, the designation of objectives, and the exercise of such coordinating control as the commander deems necessary to ensure the success of the operations. Unity of command does not authorize a commander exercising it to control the administration and discipline of the forces of the nation of which he is not an officer, nor to issue any instructions to such forces beyond those necessary for

effective coordination. In no case shall a commander of a unified force move naval forces of the other nation from the North Atlantic or the North Pacific Oceans, nor move land or air forces under his command from the adjacent land areas, without authorization by the Chief of Staff concerned."

6. As I have suggested above, the method of approach adopted by General Embick would appear to be very much open to question. It clearly ignores the channel laid down in ABC-22, namely, "when agreed upon by the Chiefs of Staff concerned." Indeed, I am of opinion that the Service Members of the P.J.B.D. having drawn up a defence plan, and that plan having been placed in effect by the Chiefs of Staff as laid down, its execution is a matter not for the P.J.B.D. but for the Chiefs of Staff. Consequently, should the United States feel that the principle of mutual cooperation leaves something to be desired, any change in our command relations should be a matter for discussion between the Chief of Staff, United States Army on the one hand, and C.A.S. and yourself on the other and not by discussion in the Board. Without a shadow of doubt, Canadian Service Members would be justified in declining to discuss this question at the P.J.B.D. meeting to be held in Montreal on 20 Jan next and I recommend that we be instructed accordingly.

7. Should, however, the Chiefs of Staff decide that the question be discussed in the Board, the Service Members will require definite instructions.

8. As you will have observed, General Embick's letter is not specific. He expresses a feeling of deep concern because a probable move of the United States fleet to a distant theatre will relinquish to the enemy control of the Northern Pacific. He refrains from stating either the form or the scale of attack he considers probable. Briefly put, his case is that all practicable measures should immediately be taken to increase the effectiveness of our defensive organization on the West Coast, of these one of the most important is the unification of control of the local ground forces and associated air units stationed in Southern British Columbia and Puget Sound which he affirms is an indivisible military entity; and that failure to provide for the most effective control of forces, subjects both British Columbia and the Northwest United States to an unnecessary hazard.

9. I suggest that although General Embick is quite clear and specific in stating what he would like us to agree to, he is extremely vague in stating the premise on which his demand is based. The position as I see it is as follows:

(a) The position in which we now find ourselves is, with one exception, the situation contemplated when ABC-22 was drawn up in the second quarter of 1941.

(b) This exception is that by reason of the losses sustained by the United States Navy at Pearl Harbour on 7 Dec 41, naval superiority in the Northern Pacific has been transferred to the Japanese.

(c) This change in the general strategic situation however, does not imply that the West Coast is liable to major land attack.

(d) Japanese aims are in the South China Sea and the East Indies and to date she has conducted her operations in accordance with these aims.

- (e) These operations are straining her resources to the utmost degree.
- (f) It is doubtful if Japan is in a position to conduct large-scale operations against our West Coast.
- (g) Even if she were, it would be irrational for her to do so.
- (i) [*sic*] Such an operation would require her to risk important fleet units and many transports to attack by shore-based aircraft.
- (j) It would also mean that Japan seriously contemplated sending an expedition across the Pacific Ocean to attack a continent against vastly superior forces.
- (k) Such a plan would be fantastic, no more so than, in similar circumstances, would be a joint Canadian-United States plan to launch an expeditionary force against the coasts of Japan, or so far as the Southern British Columbia-Puget Sound area is concerned, against some point in the Inland Sea.
- (l) In any event on 10 Dec 41 and again as recently as 15 Jan 42 the Canadian Chiefs of Staff stated that in their view major land operations (against the West Coast) were not to be considered as practicable operations of war.
- (m) Both the Commander-in-Chief and the Chief of Naval Operations, U.S.N., are of opinion that any operations on our coasts must necessarily be of the hit-and-run variety.
- (n) The British Chiefs of Staff are of a similar opinion.
- (o) Air attacks by carrier-borne aircraft against West Coast objectives are distinctly possible.
- (p) Canadian Army defences are such as to be able to deal with landing raids at vital points.
- (q) Such sporadic attacks are not such as even remotely to require the institution of unity of command.
- (r) Should the United States Army believe that our defences are in any way inadequate, they are perfectly free to bring any point of which they are in doubt to our attention and, within reasonable limits, Canada should be glad to provide such additional forces as might be found to be necessary.
- (s) The request for unified control of local ground forces and associated air units, but not of naval and other air units, is not logical.
- (t) If the forwards can work by cooperation, then assuredly unity of command of the goalers is not required.
- (u) The contention put forward by the United States Army Member cannot be admitted by the Canadian Service Members.

MAURICE POPE
Major-General

963.

DND/112.11 (DIA)

*Le représentant principal de l'armée canadienne, CPCAD,
au représentant principal de l'armée américaine, CPCAD*

*Senior Canadian Army Member, PJBD, to
Senior United States Army Member, PJBD*

SECRET

Ottawa, January 19, 1942

Dear General Embick,

Further to my brief acknowledgment[†] of your letter addressed to myself and dated 14th January, 1942, in which you advise me that your Government regards the establishment of a unification of control of the local ground forces and associated air units in the Southern British Columbia-Puget Sound region as being one of the most important of the practicable measures that can immediately be taken to increase the effectiveness of our defensive organization on the West Coast, I beg to inform you that this question has received the careful consideration of the Canadian Chiefs of Staff.

I am to say that the Canadian Chiefs of Staff are of opinion that a proposal of the nature made in your letter now under reply would only be appropriate should the method of co-operation now laid down in ABC-22 break down.

I am therefore to inquire if, from the point of view of the United States Army, the co-operation between our respective Forces on the West Coast has been in any way unsatisfactory and to advise you that in the event of this being the case, the Canadian Chiefs of Staff concerned would be anxious to take immediate corrective action.

The Canadian Army and Air Members of the Board will be prepared further to discuss this question, should you so desire, at the meeting of the Board to be held in Montreal, on the 20th of January.

Yours sincerely,

MAURICE POPE

964.

DND/112.11 (DIA)

*Mémoire du sous-chef de l'état-major général
au chef de l'état-major général¹⁹*

*Memorandum from Vice-Chief of the General Staff
to Chief of the General Staff¹⁹*

SECRET

Ottawa, January 21, 1942

P.J.B.D. MEETING, MONTREAL, 20 JAN 42

1. When the Service members of the P.J.B.D. met amongst themselves yesterday in Montreal prior to the meeting of the full Board, I handed General Em-

¹⁹ La note suivante était écrite sur ce mémorandum:

¹⁹ The following note was written on the memorandum:

As revised by VCGS but not signed.

bick my reply (copy of which appears hereunder) to his letter of the 14 Jan in which he had proposed a unification of control of the local ground forces and associated air units of the two countries serving in the southern British Columbia-Puget Sound region.

2. Gen. Embick read this letter calmly and then, supported by Col. Bissel, restated his case verbally. This he did by reiterating that the changed strategical conditions in the northern Pacific exposed the West Coast of North America to serious attack. He did not specify the weight of attack that he apprehended, but clearly stated that "we in the United States are very frightened".

3. On their part, the Canadian Service members went over the arguments they have always upheld, namely, that they did not consider that operations other than those of a hit-and-run nature were to be anticipated, that in this view they were supported by the British Chiefs of Staff who had been consulted slightly more than a fortnight previously, that it was understood the same view was shared by certain Service authorities in Washington, and that the co-ordination of effort that the circumstances required would as well be obtained by the principle of mutual co-operation as by the unification of control. We clearly pointed out that ABC-22 having been put into effect by the Chiefs of Staff and as that Plan specifically provided machinery for the institution of unity of command, we felt that should the U.S. Army consider such a step desirable, it seemed to us appropriate, and in fact the only course, that the Chief of Staff, U.S. Army should make representations in this sense to his Canadian opposite numbers.

4. This course the Americans expressed their reluctance to take for the following reasons:

- (a) They had no desire to risk a refusal.
- (b) The U.S. Chief of Staff would be too much preoccupied by the conduct of the war even to invite C.A.S. and C.G.S. to come down and talk the matter over with him.

5. I think (a) is a valid objection, but as respects (b) if the U.S. Chief of Staff could not spare the time to talk the matter over with you, then I suggest it has not the importance Gen. Embick attaches to it.

6. The U.S. members then appeared to accept the situation but said that they would like to have inserted in the Record of the Discussions of the Board a note as to their position. To this proposal we readily assented but added that we would desire to have our position also recorded.

7. Just before adjournment, Mayor La Guardia made a statement on the same lines as that made by Gen. Embick earlier in the day, and the well-worn arguments on both sides were brought out again. The U.S. members handed to us a copy of the item they desired to have included in the Record and later we drafted one of our own. Copies of both of these items are appended hereunder.

(a) The Board discussed possible developments in the strategic situation in the Pacific, and their bearing upon the exposure of the West Coast to enemy attack. The members of the U.S. Section expressed the opinion that in view of these possible developments it is advisable that unity of command be estab-

lished over the ground forces on the West Coast, and over the air forces assigned to support them, in order to ensure that available means are so coordinated and employed as to afford the most effective defense. They are of the opinion that failure to provide such unified control subjects both British Columbia and Northwestern United States to an unnecessary hazard."

(b) "The members of the Canadian Section expressed their willingness to consider the possible developments referred to by the U.S. members with a view to determining the circumstances which would require unity of command and its appropriate scope, but were of opinion that although Japan may quite possibly attempt to harass the West Coast of North America, major land operations or invasion would not be practicable operations of war and therefore felt that the continued co-ordination of the military effort by mutual co-operation is adequate to meet the situation as now appreciated."

8. After we had adjourned, Gen. Embick sat down beside me and said with evident sincerity that he trusted that the views put forward by the American Service members had not in any way embarrassed the Canadian Section. To this I replied most definitely that they had not — that the discussion had been carried out most amicably and rather than any member experiencing embarrassment, we should all retain the pleasantest of recollection of the way in which this subject had been dealt with.

9. At this stage I had meant to suggest to Gen. Embick three possible ways of getting his proposal to the Chiefs of Staff, each of which would be more appropriate than those he had adopted:

(a) To send us a copy of their appreciation of the situation.

(b) To ask us to let them have our Chiefs of Staff appreciation which would give them an opportunity of representing a contrary view.

(c) For the Chief of Staff, U.S. army, to invite C.A.S. and C.G.S. to come down to Washington and talk the matter over.

10. Gen. Embick, however, having given me the impression that the matter should be allowed to remain in abeyance, I kept these suggestions to myself.

11. On our return to Ottawa, I talked the matter over with Col. Biggar and Mr. Keenleyside, the former of whom was of opinion that the secret history of this present approach was somewhat as follows:

12. Gen. Embick, who was brought out of retirement to serve on boards of the nature of the P.J.B.D. had long felt the U.S. policy vis-à-vis Japan to be wrong, that the course of operations in the Southwest Pacific was in accordance with his worst fears; that in addition he had long been a fervent disciple of the principle of unity of command; that he was sincerely apprehensive as to the possibility of attack on our West Coast and that he had converted Mayor La Guardia to this view. With the zeal of a convert La Guardia had obtained the ear of the President who had authorized the Mayor to write to Biggar in the sense that he did. It did not necessarily follow, however, that Gen. Embick's views were held by Gen. Marshall, and that the U.S. desire to have a note inserted in the Record stating their side of the question was really for the purpose of justifying the action taken by Mayor La Guardia and Gen. Embick.

13. I think there is a strong possibility that Biggar has correctly appreciated the situation and I agree with Keenleyside who said he would not be surprised if this would not be the last we should hear of the matter for some little time.

14. There were no other items of outstanding importance discussed at the Board meeting. A draft copy of the Record should be available within a very few days.

SECTION B

CÔTE DU PACIFIQUE, L'ALASKA ET LES ALÉOUTIENNES PACIFIC COAST, ALASKA AND THE ALEUTIANS

965.

DEA/72-EZ-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 9, 1941

UNITED STATES AEROPLANE DETECTORS FOR PACIFIC COAST

1. At 1 a.m. on December 9th the United States Minister reported that he had received a "Triple Priority" message from the United States War Department in which he was instructed to ask for permission to install aeroplane detector equipment on the British Columbia Coast. Mr. Moffat stated that he was informed that the War Department had not decided on the exact locations to be selected, but it has subsequently been ascertained that two sites will probably be chosen, one at the northern tip of Vancouver Island (Cape Scott) and one near Arrowsmith on the Nanaimo-Alberni road.

2. The United States request was considered by the Canadian Section of the Permanent Joint Board on Defence at 11 a.m. on December 9th. The Canadian Section recommend as follows:

That the request of the United States War Department to be allowed to install aeroplane detectors on the British Columbia Coast be approved, subject to the following conditions:

A. — That the United States detachments (approximately 50 of all ranks for each detector) are to be under the command of the Air Officer Commanding, Western Air Command.

B. — That Canadian technical personnel may be attached for the purpose of instruction to each United States detachment in numbers and at times to be decided by the Air Officer Commanding, Western Air Command.

C. — That the Royal Canadian Air Force will take over the handling of the detectors as soon as the Air Officer Commanding, Western Air Command, is prepared to assume the responsibility.

D. — That the Royal Canadian Army Service Corps will provide subsistence for the United States personnel on the usual accounting basis, and

E — That Canada shall provide the accommodation required in accordance with arrangements made between the Air Officer Commanding, Western Air Command and the General Commanding, Second Air Force, United States Army; such accommodation to be provided from Canadian or United States sources, in whichever way will produce the quickest results, but with ownership remaining in Canada.

3. Provision of facilities of this character is on the programme of the R.C.A.F. Acquiescence in the United States request will mean hastening the execution of this element in the said programme. The cost is estimated at approximately \$125,000.00 for each detector station.

966.

DEA/72-EZ-40

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures²⁰
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs²⁰
to Under-Secretary of State for External Affairs*

[Ottawa,] December 10, 1941

UNITED STATES AEROPLANE DETECTORS ON THE PACIFIC COAST

Mr. Moffat called on me this morning to say that Washington, through Mr. Hickerson, had been disappointed by our reply to their request for approval "in principle" of the proposal that the United States should be allowed to install aeroplane detector equipment on the British Columbia coast. Mr. Hickerson had said that the United States had asked informally for approval in principle on this matter which might require immediate action and had been met by an official reply "Government to Government" establishing conditions and limitations which would result in long negotiations and delay.

I told Mr. Moffat that Mr. Hickerson had obviously misinterpreted what had been done. The situation as I saw it was as follows:

A — We had suddenly been asked by the United States Minister acting on instructions from his Government, as a matter of great urgency, to accept "in principle" an arrangement which, if accepted without qualification, would be contrary to the basic principle that has guided the Americans and ourselves in our cooperative activities during the last year and a half.

B — In less than twenty-four hours we had agreed to the American proposal with this modification that it had been brought into line with the basic principle mentioned above.

C — In addition we had obtained the approval of the Canadian Government for a method of procedure which would enable the Americans in fact to act with the maximum speed and convenience. In doing this we had departed from the usual methods of governmental action by giving the Air Officer Commanding, Western Air Command, power to enter into agreements which would ordinarily involve action by Treasury Board and (probably) Munitions and Supply or Transport.

²⁰H.L. Keenleyside.

I suggested to Mr. Moffat that he should tell Mr. Hickerson that, if the American authorities were worried by the arrangement suggested by Canada, they should instruct the General Commanding the Second Air Corps to get in touch with the Officer Commanding, Western Air Command, with a view to finding out whether, in practice, there would be any delay or other difficulty caused by the conditions outlined in the Canadian reply to the American request. If the two Officers found that matters could not be arranged between them to their complete satisfaction, then they could report back and we would see what other steps might be taken. In my opinion the Americans can get anything they need out of the present arrangement and get it more speedily than in any other way. In any event the decision as to whether or not the programme would be workable should be left to the Officers who would have to work it out and not be decided by Washington.

With regard to the point that the Americans had merely asked "informally" for an immediate approval "in principle", and did not expect an official reply with conditions attached, I pointed out that an approach by the American Minister, acting on the instructions of his Government, for approval of a principle that was contrary to the established basis of cooperation between the armed forces of the two countries, could hardly be called or treated as an informal matter.

Mr. Moffat left with the intention of telephoning Mr. Hickerson and advising him to have the General Commanding the Second Air Corps get in touch with Air Commodore Godfrey at once and find out whether or not the Canadian suggestions would allow these two men to achieve the mutually desired results.

967.

DEA/23-As

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-501

Washington, April 1, 1942

IMMEDIATE. SECRET. Following for Robertson from Wrong, Begins: Most Secret. At first meeting of Pacific Council this morning the President gave a review of the strategic position and possibilities in the Pacific area. The proceedings were informal and no records of the meeting were kept. I shall forward a report by tomorrow's bag.

2. He said, with reference to Canada, that he believed that Canada could do more than she was doing on the Pacific Coast, particularly with respect to assistance in the defence of Alaska and the Aleutian Islands. He made it clear that he would not suggest any reduction in the despatch of Canadian forces to the United Kingdom, where he hoped they would be employed on a second European front before the end of 1942. He appeared to consider that in addition to executing our military plans in this respect, we might station troops in Alaskan territory for use both against a Japanese attack and towards establishing military contact with Russia in Siberia in the event of Russian involvement in war with Japan.

3. Apart from this, the only other direct reference to Canada was an expression from Dr. Soong of hope that the delivery of munitions to China from Canada would be carried out in accordance with the tentative arrangements made by him in Ottawa.

4. The next meeting of the Council will be on Tuesday, April 7th, at 11 a.m. Instructions on one or two points may be needed, and I shall communicate with you again on this. Ends.

968.

DEA/23-As

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] April 6, 1942

You will have received, in today's bag, Wrong's report¹ on the first meeting of the Pacific Council. His enclosed secret and personal note¹ about arrangements for Canadian representation at subsequent meetings of the Council is a useful pendant to it. This is, of course, an important aspect of the general question of Canadian representation in Washington, which you are going to discuss with Mr. McCarthy next week.

As the Defence Ministers have all been out of town, it has not been found possible to prepare, for Wrong's guidance at tomorrow's meeting of the Pacific Council, any comments on the specific suggestions the President made as to what more Canada might do in strengthening the defences of the Northeast Pacific. Wrong's comments on the background of these suggestions on pages 3 and 4 of the enclosed letter¹ are very interesting. As he points out, the suggestion that Canadian forces should assist in the defence of Alaska is a new one which has never been mentioned in the Permanent Joint Board on Defence. Local arrangements have already been made between our Air Officer Commanding on the Pacific Coast and his American opposite number to have a Canadian fighter squadron based near Ketchikan at the southern end of the Alaskan Panhandle. The squadron will consist, in the first instance, of Kittyhawks, these to be replaced as 'planes become available by a squadron of dive bombers. It will be stationed at Ketchikan, chiefly because this is one of the few available bases for the land 'planes intended for the defence of the Prince Rupert area and the Queen Charlotte Islands. We might usefully link up these local operational arrangements, under which Canadian forces are being stationed in United States territory, with the President's general suggestion that Canada might take a direct share in the defence of Alaska. Psychologically and politically there is, I think, a great deal to be said for having some Canadian troops somewhere assuming a direct and public responsibility for the defence of some portion of United States territory. It is probably true, as General Pope reports, that the United States War Department would not be very happy about the despatch of

Canadian troops to Alaska, but with United States troops now stationed at the Canadian Soo, northern British Columbia and the Yukon, it would help to balance things a little if we were taking a direct and visible share in the defence of some portion of United States territory. The southern tip of the Panhandle is probably the point at which we could most effectively do so.

969.

W.L.M.K./Vol. 319

Extrait du compte rendu des débats et des décisions de la CPCAD
Extract from Journal of Discussions and Decisions of PJBD

Montreal, April 8, 1942

TWENTY-SEVENTH MEETING OF THE BOARD,
 MONTREAL, APRIL 7 AND 8, 1942

5. The Secretary of the Canadian Section, at the direction of the Canadian government, brought to the attention of the Board certain observations reported by the representative of Canada at the first meeting of the Pacific Council in Washington to have been made at that meeting by the President of the United States concerning Canadian participation in the general defence of Alaska.

The American Service Members brought to the attention of the Board the report of a conference between the Commanding General, Western Defence Command (United States); the Commander Northwestern Sea Frontier (United States); the General Officer, Commanding in Chief, Pacific (Canada); the Air Officer Commanding Western Air Command (Royal Canadian Air Force); and the Commanding Officer Pacific Coast (Royal Canadian Navy), which concerned itself with the defence of the Queen Charlotte Islands, the northern area of the Canadian Pacific Sector and the relationship of this problem to the defence of Alaska and made specific recommendations understood by the Board to be:

(a) That this correspondence be submitted to the Permanent Joint Board on Defence for consideration.

(b) That the Royal Canadian Air Force station one squadron of fighter aircraft at Annette Island, Alaska, pending the availability of a similar squadron by the United States.

(c) That the airfield at Smithers, British Columbia, be garrisoned by the Royal Canadian Air Force with one squadron of fighters and one squadron of medium bombers.

The Canadian Service Members reported the following recent decisions to increase the strength of the Canadian forces in the area:

(a) ARMY

By midsummer Army strengths will have been increased to the equivalent of two infantry divisions with supporting Coast and Anti-aircraft artillery.

(b) AIR FORCE

The number of Royal Canadian Air Force squadrons, Western Air Command, will be increased from 10 to 24.

The American Naval Members brought to the attention of the Board the recent agreement between the Governments of Australia, New Zealand, the United Kingdom, the Netherlands, and the United States establishing the Pacific Theatre as an area of United States strategic responsibility; and also the constitution of the Pacific Ocean Area and the assignment of the present Commander-in-Chief, Pacific Fleet, as the Commander-in-Chief, Pacific Ocean Area.

It was agreed that the Service Members concerned should ascertain the views of their respective departments and advise the Board as to any further action required for the defence of Alaska.

970.

DEA/23-As

Extraits d'un mémorandum du Premier ministre

Extracts from Memorandum by Prime Minister

[n.d.]

MEETING OF PACIFIC WAR COUNCIL, AT WASHINGTON, D.C.,
WEDNESDAY, APRIL 15, 1942

The Council commenced its proceedings shortly after three, the President presiding. Others present: (1) Sir Ronald Campbell; (2) Dr. T.V. Soong (China); (3) Dr. Alexander Loudon, (The Netherlands); (4) Dr. H.V. Evatt (Australia); (5) Rt. Hon. Walter Nash (New Zealand), and (6) Mr. Mackenzie King (Canada).

RE: ALASKA

The position of Alaska was another subject of discussion. At the end of the room a map, showing the U.S. and Canadian Pacific coasts, Alaska, the Aleutian Islands, etc., was prominently portrayed [*sic*]. The President drew attention to the fact that Alaska itself was very open, more so than any other area affected by the war. There was practically no defence. The Japanese could get to the coast quickly via the Aleutian Islands, and he pointed to the need of keeping this possibility much to the fore. I stated that what the President had just said was the best possible illustration that could be given of what I had earlier been saying of the need to view the war as a world war, and what, as a consequence, had to be watched in every quarter of the globe, and no longer as a war mainly concerned with Europe and the need arising out of strategic considerations, allocation of munitions, disposition of armed forces, etc., in the light of all possible developments.

I said the reason there had been inadequate defences on our Pacific coasts was that at the beginning of the war we had stripped both the Pacific and the Atlan-

tic of whatever we had in the way of naval, air or armed forces that could be sent overseas, permitting only a minimum of defence, and regarding the theatre of war as entirely on the other side beyond the Atlantic; that we had continued viewing matters in that light practically up to the moment that Japan came in. I then added that, since Japan had come in, we had decided to raise two new divisions which would be mobile in character, and one at least which would be available for defence along the Pacific Coast. That we had recently established an air squadron near Alaska. That we had been strengthening the defences and bases at Prince Rupert and elsewhere. That I understood the United States were sending some of their forces to Prince Rupert. If that were so I thought our Government might be prepared later on to have some of the Canadian forces moved into Alaska.

In speaking of the matter, I pointed out that, as was known, we had been proceeding in accordance with recommendations of the Permanent Joint Board on Defence, and that there had been little or nothing in the way of recommendations by the Board which the Government could have acted upon at an earlier date.

The President's remarks were not expressed in a way which indicated any reflection upon Canada, but rather as pointing out the great need of this particular area receiving immediate consideration.

971.

W.L.M.K./Vol. 319

Extrait du compte rendu des débats et des décisions de la CPCAD
Extract from Journal of Discussions and Decisions of PJBD

New York, April 27, 1942

TWENTY-NINTH MEETING OF THE BOARD, NEW YORK, APRIL 27, 1942

9. The Canadian Section referred to the discussion which took place at the last meeting of the Board in regard to possible further participation by Canada in the defence of Alaska. General Embick stated that this question had been considered in the United States War Department and that it was felt that the Royal Canadian Air Force should make plans to send such air reinforcements to Alaska as possible in the event of an enemy attack on any point in Alaska. Captain Thomas said that the United States Navy had sent an officer to Alaska to review local defence arrangements and that he would prefer not to comment on this until the report of that officer had been received. Air Commodore Heakes said that the Annette Island Pursuit Squadron of the Royal Canadian Air Force was being formed. Captain Sherman suggested that the Royal Canadian Air Force might usefully send planes on a visit to Sitka and Air Commodore Heakes said that orders in this sense had gone out last week. After a considerable discussion of this whole question, it was the sense of the Board that the appropriate Service members should ascertain whether the local command-

ers have made plans to redistribute air strength on the west coast so as to permit the reinforcement of Alaska promptly and to the maximum extent possible in the circumstances; and that, if such plans have not been made, see that arrangements are made at once, ear-marking, if practicable, specific units in connection with plans for the redistribution of air strength.

972.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 14, 1942

CANADA-U.S. PERMANENT JOINT BOARD
ON DEFENCE — REPORT OF MEETING

5. THE SECRETARY reported that the Journal of the Board's Discussions and Decisions, covering their twenty-ninth meeting, held in New York on April the 27th, had, on May the 9th, been submitted to the Prime Minister. In accordance with the usual practice, copies had simultaneously been sent to the Ministers of National Defence and the Minister of Munitions and Supply.

The Journal contained no specific recommendations upon which action by the government was required.

6. THE MINISTER OF NATIONAL DEFENCE FOR AIR said that the Air Staff had examined the proceedings of the Board's meeting of April the 27th. Their principal comment had reference to paragraph 9 in which an American Army representative had appeared to place upon Canada the onus of providing air reinforcement in the event of enemy attack upon Alaska.

The Air Staff felt that at present the defences of Alaska were dangerously low, and that further Canadian air strength available for West Coast defence would be adequate only if U.S. forces in Alaska were strong. No Canadian reserve was available to assume major commitments in Alaska. Canada should, therefore, accept no such obligations, which would involve major redistribution of Canadian air strength on the West Coast. The defence of Alaska must remain a primary concern of the United States, Canadian air reinforcements being limited to local support in the Panhandle.

Incidentally, the R.C.A.F. now had a squadron of fighters at Annette Island for the protection of Prince Rupert.

7. THE PRIME MINISTER felt that the President's observations, at a recent meeting of the Pacific Council in Washington, regarding the defence of Alaska, were not intended to be critical of Canada, in this respect, but rather to draw attention to the importance of the problem. It should certainly be made clear that Canada could not undertake the responsibility for defending U.S. territory, though our Forces would do what was possible by way of co-operation.

8. THE MINISTER OF NATIONAL DEFENCE remarked upon reference in the Board's Journal to a suggested additional airfield, or fields, in Canadian territory, between Goose Inlet and Greenland. It had apparently been intimated that Canada would be prepared to construct a field at Fort Chimo, and possibly other fields, as links in an air route to Iceland. The Army were concerned as to the location of such fields from the point of view of ground defence.

9. MR. HEENEY pointed out that the Canadian government were not committed to the construction of an airfield at Chimo. Presumably the statement in the Board's Journal had reference to the general policy agreed upon by the War Committee to cover Canadian expenditures upon joint Canada-U.S. defence projects.

10. The War Committee noted the submission of the Board's Journal covering the meeting of April 27th, 1942, the Secretary being directed to draw the Board's attention to the comments of the Air Staff regarding air defence of Alaska and also to the fact that the Canadian government had acknowledged no commitment in respect of an airfield at Fort Chimo.

973.

W.L.M.K./Vol. 319

Extrait du compte rendu des débats et des décisions de la CPCAD

Extract from Journal of Discussions and Decisions of PJBD

Quebec, May 27, 1942

MEETING OF THE BOARD, QUEBEC, MAY 26 AND 27, 1942

8. With reference to discussion in paragraph 9 in the Journal of the Twenty-Ninth Meeting of the Board, April 27th, 1942, the Royal Canadian Air Force Member reported that plans have been made by the local Royal Canadian Air Force Commander with the United States Army Air Corps Commander such as to permit the reinforcement of Alaska promptly and to the maximum extent possible in the circumstances. It was agreed that there was no intention of affecting the basic responsibilities for the defence of Alaska as defined in Plan ABC-22.

974.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 26, 1943

CANADIAN ARMY — PARTICIPATION IN ALASKAN OPERATIONS

22. THE MINISTER OF NATIONAL DEFENCE reported that an enquiry had been received from the U.S. Army regarding employment of Canadian Army person-

nel for operations in the Aleutian area. In this connection certain detailed suggestions had been made to the Canadian G.O.C. Pacific Coast by the U.S. Commanding Officer in Alaska.

23. THE CHIEF OF THE GENERAL STAFF expressed the opinion that participation by Canadian Army formations would be of great value in strengthening morale and providing battle experience. Personnel obtained under the National Resources Mobilization Act could be employed in these operations. The U.S. proposals were now being examined.

(National Defence telegram, P.C.O. 2020, G.O.C. Pacific Coast to C.G.S., May 26, 1943)†

24. THE WAR COMMITTEE, after discussion, agreed to consider the proposals further at a special meeting to be held the following day, by which time the Army Staff would have completed their preliminary examination of the matter.

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975.

DEA/23-Bs

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] May 27, 1943

In considering the advisability of Canadian participation in Aleutian operations, you may wish to have in mind, in addition to the points mentioned in yesterday's discussion, the effect of such action —

1. in the United States
2. in Australia.

The presence of a Canadian force, even if only of token proportions, in Attu and in subsequent Aleutian operations would I think make a thoroughly useful impression on United States public opinion and confirm the good impression noted after the despatch of Canadian fighter squadrons to the Alaskan Panhandle last year. The active participation of our troops in plans for recovering Alaska would emphasize our partnership in the defence of Northwest America and to a certain extent balance the impression created here and in the United States by the predominant part played by the Americans in defence activities in Northwest Canada.

I think too that the presence of Canadian troops in the Aleutians would have a very good effect on Canadian-Australian relations, and would, to some extent, deflect the reviving of the Australian demand for more direct and visible assistance in her own theatre of war. The fact that Canadians would be participating in operations in the Pacific against Japan would, I feel, have a good moral and psychological influence in Australia and remind them that the United States is not the only American country helping in the Pacific war.

976.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, May 27, 1943

CANADIAN ARMY — PARTICIPATION IN ALASKAN OPERATIONS

1. THE PRIME MINISTER referred to the discussion at the previous meeting. The War Committee would hear the report of the Chief of the General Staff following his preliminary examination of the proposals made. Before doing so, it would be well to have clearly in mind the chief considerations involved:

On the one hand, from the military point of view, participation by Canadian troops in the manner suggested, would no doubt, raise morale and afford valuable battle experience. From the civil, or political point of view, the despatch of a Canadian force for active operations against the Japanese would be valuable in demonstrating to the United States, Australia and New Zealand as well, Canadian interest in the Pacific theatre. It would emphasize our partnership with the United States in the defence of Northwest America and, perhaps, to some extent balance the predominant part played by the Americans in our own Northwest.

On the other hand, the Canadian contribution would inevitably be small in comparison with that of the United States and it should not be expected that any credit would accrue to Canada from the success of these operations, while failure would most certainly involve the Canadian government in a disproportionate degree.

Another consideration was the relation of Canadian participation to the general strategic plans of the Combined Chiefs of Staff. It was important that the decision taken should be in accord with these overall plans. In any event no final decision should be taken by the Canadian Government until an official approach had been made by U.S. authorities.

It was important that proposals of this nature involving participation of Canadian forces in new operations should be made known, at once, to the responsible Ministers, before discussions between officials advanced beyond the purely exploratory stage.

2. THE MINISTER OF NATIONAL DEFENCE submitted a report by the Chief of the General Staff upon the proposals laid before the War Committee at the previous meeting.

A first proposal involved early provision of one infantry battalion and one light anti-aircraft battery for reinforcement in the Aleutian area, in case of counter-offensive; a second involved a brigade group for offensive operations later in the season. Special supplies, rations, transport, accommodation and other maintenance would be supplied by the United States.

It was considered by Lieutenant-General Stuart that participation in the proposed operations would afford much needed battle experience, increase Army prestige and morale, help to break down the barrier between Home Defence and General Service personnel, and serve to improve relations with the United States and exemplify Canada's active interest in the Pacific in accord with our joint responsibility for North American defence.

It was recommended, therefore, that the General Officer Commanding in Chief, Pacific Command, be authorized to make the necessary preparation for participation in accordance with the two proposals submitted.

(Memorandum, Chief of the General Staff, to the Minister of National Defence,† also attached telegram for G.O.C.-in-C. Pacific Coast, May 26, 1943¹).

3. THE MINISTER OF NATIONAL DEFENCE FOR AIR was sceptical of the value of Canadian participation in the first proposal. At best this might involve mere garrison duty; at worst, the position of the troops concerned might be similar to that of the Canadian force sent to Hong Kong.

On the other hand, the second proposal involving participation by a more substantial Canadian force in offensive operations would have valuable results.

4. THE CHIEF OF THE GENERAL STAFF elaborated the analysis and conclusions contained in his report.

Withdrawal of the troops required from the Pacific Command for participation in the proposed operations would not impair the security of Canadian West Coast defences or affect personnel or equipment available for reinforcements for the Army overseas. The disposition and resources of U.S. forces available in the Aleutian area were known and were regarded as satisfactory.

The discussions which had taken place with U.S. forces, leading to the present proposals from the U.S. Commander in the Northwest Pacific, had taken place on Lieutenant-General Stuart's own responsibility, had been purely exploratory, and no commitments whatever had been made.

5. THE WAR COMMITTEE, after further discussion and consideration of the report of the Chief of the General Staff, agreed:

(a) that the government would be prepared to receive and consider a proposal from the U.S. government for Canadian participation in operations against the Japanese in the Aleutian area;

(b) that the Chief of the General Staff be authorized to have the appropriate U.S. authorities informed through the appropriate channels to the above effect; and,

(c) that, while decision regarding the form and extent of such participation as might be agreed upon could not be made unless and until such a proposal from official sources were forthcoming, it appeared that the provision of a Canadian force for participation with the U.S. forces in offensive operations would be preferable to the first proposal laid before the War Committee.

977. PCO

Procès-verbal du Comité de guerre du Cabinet
Minutes of Cabinet War Committee

SECRET

Ottawa, May 31, 1943

A meeting of the War Committee of the Cabinet was held in Room 401, House of Commons, on Monday, May 31, 1943, at 6.00 p.m.

Present

The Minister of Mines and Resources (Mr. Crerar), in the Chair.

The Minister of National Defence (Mr. Ralston),

The Minister of National Defence for Air (Mr. Power),

The Minister of Transport (Mr. Michaud),

The Minister of Munitions and Supply (Mr. Howe),

The Minister of National Defence for Naval Services (Mr. Macdonald),

The Minister of Justice (Mr. St. Laurent).

The Under-Secretary of State for External Affairs

(Mr. Robertson), (Acting Secretary),

Mr. J.R. Baldwin, Privy Council Office.

CANADIAN ARMY — PARTICIPATION IN ALASKAN OPERATIONS

1. THE MINISTER OF NATIONAL DEFENCE referred to the decision of War Committee on this subject at the previous meeting. A letter had now been received from the U.S. Secretary of War, stating that the participation of the Canadian Army in operations in the Aleutians would be gratifying to the U.S. War Department, and suggesting that arrangements with regard to form, time and place of participation be made between the U.S. Joint Chiefs of Staff and the corresponding Canadian military officials.

(Letter, U.S. Secretary of War, to Minister of National Defence, May 29, 1943).¹

2. MR. RALSTON stated that the Chief of the General Staff recommended that the Canadian Army participation be limited to one brigade group, which should be ready to move by midsummer, that the General Officer Commanding-in-Chief, Pacific Command, be authorized to undertake the organization and training of the troops involved, that authority to despatch the force be requested only after details regarding its employment had been obtained from the United States, and that the General Officer Commanding-in-Chief, Pacific Command, be instructed to obtain information regarding the provision of supplies and transport for which the U.S. War Department was to assume responsibility.

(Memorandum, Chief of the General Staff, to the Minister of National Defence, May 31st, 1943).¹

The Prime Minister had been consulted with regard to the communication received from the U.S. Secretary for War, and had stated that he would concur

in a proposal for the despatch of a Canadian brigade group to the Alaskan theatre.

3. THE WAR COMMITTEE, after discussion, agreed that participation by Canadian forces in the Alaskan operations was desirable, and approved the recommendations of the Chief of the General Staff covering this participation.

The meeting adjourned at 6.30 p.m.

N. A. ROBERTSON

SECTION C
GRAND-ROUTE DE L'ALASKA
ALASKA HIGHWAY

978.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, February 12, 1942

ALASKA HIGHWAY

24. THE SECRETARY reported that it had been learned informally that a request would shortly be made by the U.S. government for permission to have U.S. Army engineers begin a survey, with a view to early construction of an overland highway to Alaska via Peace River to Whitehorse. An explanatory note had been circulated.

(Secretary's note, February 10, 1942 — C.W.C. document 84).†

25. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS said that, while the formal request had not yet been made, the U.S. Minister had informed him that the President and Secretaries of War and Navy had recently reviewed the Alaskan defence position and had come to the conclusion that a highway was needed for effective continental defence. The easterly route linking the airfields already in operation was favoured for military and engineering reasons.

26. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES observed that the Chiefs of Staff had recently concluded that the Alaska Highway should not be proceeded with.

27. THE MINISTER OF MUNITIONS AND SUPPLY favoured agreeing to the U.S. request and expressed the view that the route via the airports was a good one. To permit the survey would not commit Canada to actual construction.

28. The War Committee, after further discussion, agreed that there would be no objection to U.S. Army engineers coming to Canada to make a survey.

The President hopes that the necessary arrangements to construct the road can be made through the Permanent Joint Board on Defense.

Mr. Robertson said that he could reply to some of the points right away; to others he could not answer until he had some further information.

1. The Canadian Government was glad to give its permission for the survey in question to be undertaken.

2. Colonel Hoge would be welcomed if he came to Ottawa. The appropriate officials would be ready to discuss matters with him at any time in the near future.

3. Mr. Robertson suggested that the question of whether a Canadian Army engineer should participate in the survey be left in abeyance pending Colonel Hoge's talks in Ottawa. One difficulty was that much of the work done by United States Army engineers is done in Canada by civilian engineers in the Department of Mines and Resources.

4. The Canadians approved the idea of proceeding via the Permanent Joint Defense Board. It took the matter entirely out of the political sphere, emphasized its exclusively military character, and would probably enable matters to be hurried through with the maximum speed. He thought, however, that there were a number of problems that would later have to be tied up in an exchange of notes; this exchange, however, could be so phrased that it would implement the Board's recommendation.

5. The Canadian members of the Board would be brought up to date on the problem for the meeting on February 25th.

Mr. Robertson, however, said that he was confused by the word "pioneer" road. Did I know what it meant? For instance, in the British Army a pioneer corps is a road-building corps. Did the word pioneer road mean in effect the road itself? In approving the construction of the pioneer road, was the Canadian Government automatically committing itself to approving the building of the entire road? If so, this would have to be cleared through Council, as all he had done was to clear the question of the survey. The next question in his mind was as to the size of the engineering units we were planning to send. Would these units themselves make the road? How were they going to be housed? He thought that there would be slight accommodation in Whitehorse and almost none at Fort St. John. Would the commanding officers be able to deal with this directly? Was it planned to send the engineer regiments in immediately, or wait until the thaw? Were there collateral roads joining the proposed Fort St. John-Whitehorse section? Was there, for instance, a passable road from Edmonton to Fort St. John?

I told him that my answers to most of his questions if made at once would be largely guess-work. I would, therefore, telephone Mr. Hickerson, obtain the information he desired and call him back later in the day.

I telephoned Mr. Hickerson who said that he was lunching with General Embick and would give me the necessary information by telephone this afternoon.

Later.

Mr. Hickerson called me back this afternoon and requested me to inform Mr. Robertson as follows: We greatly appreciate the cooperation of the Canadian authorities in meeting our request. This request was limited to the survey and was not a request at this point for a commitment to the entire road. That commitment will be sought later on the basis of the survey, and still more on the basis of the studies and recommendations of the Permanent Joint Defense Board.

As a matter of fact, a "pioneer road" might be described as a rough working road. It is considered part of the survey and would be in part the site of an eventual road. Obviously, the engineers could not go to either Whitehorse or Fort St. John before April or even early May. It was merely requested that permission be granted for them to be sent to Canada to carry out the survey just as soon as feasible.

There have been two small changes since this morning. Colonel Hoge will not come to Ottawa. The trip to Ottawa will be made by his boss, Brigadier-General C.W. Sturdevant, who is in charge of both the Washington end and the field end of the survey project. He will arrive in Ottawa Monday next, February 16, by the "Washingtonian", and will hope to be able to call on various officials.

The other change is that Colonel Hoge and two officers will, if agreeable to the Canadians, proceed to Edmonton next Wednesday, February 18, for a preliminary look-see. They want to make some inquiries about weather conditions, availability of supplies, housing, etc.

I telephoned Mr. Robertson who did not demur at either of these two changes and who seemed pleased that we had reached a meeting of minds on what Canada had committed herself to and what she had not committed herself to in agreeing to our original request.

One other point came up in my conversation with Mr. Hickerson. I asked him what attitude any of us should take in the event of publicity breaking from the visit of Colonel Hoge to Edmonton. I did not think that General Sturdevant's visit would give rise to any talk. Mr. Hickerson replied that he would like to think that over and we could discuss it in some later telephone conversation.

980.

DEA/463-40

Memorandum²²Memorandum²²

[n.d.]

ALASKA HIGHWAY

SECOND REVISION

At a meeting held on February 17, 1942, and attended by the Under-Secretary of State for External Affairs, the Deputy Minister of Transport, the Direc-

²² Il n'y a aucune indication quant à l'auteur de ce mémorandum. Aucun autre projet n'a été trouvé.

²² There are no indications as to the authorship of this memorandum. No further draft was located.

tor of the Surveys and Engineering Branch of the Department of Mines and Resources, and other officials of the Department of Transport and the Department of Mines and Resources, the Canadian Section of the Canada-United States Permanent Joint Board on Defence decided, subject to further consideration of the purely military aspects of the question, to adopt the following attitude in regard to the proposed construction by the United States of a military road from Fort St. John to the Yukon-Alaska boundary when this matter is introduced at the next meeting of the Board, which is to be held in New York City on February 25, 1942:

A — *Agree* to join in a recommendation that the road be built if the United States members believe that the construction is necessary for, or would contribute materially towards, the defence of Alaska;

B — *Agree* that the road may be constructed by, and at the expense of the United States Government; and that for the duration of the present war against Japan it shall be maintained as a military highway by the United States Government; on the understanding that the road should, as constructed, but subject to military necessities, be made available for Canadian use in the same way as other highways in Canada and should, at the end of the said war acquire at once the same status in all respects as such other highways.

C — *Point out* that Canada has already contributed to the establishment of this defence channel to Alaska by the construction of the existing ground communications between the United States Boundary and the present rail-end road-head; by the expenditure that has been made on the construction of the airports that lie along the route of the highway; and by the installation of air communication facilities such as range-finders, etc; and *agree* to recommend that this be supplemented by the Canadian Government acquiring and making available to the United States the lands and easements necessary for the construction of the new highway and its maintenance during the war.

D — *Offer* the cooperation of such Dominion Government engineers with northern experience as may be stationed in the area to assist the United States representatives by advice or in other ways.

E — *Suggest* that in the event of civilian construction companies and labour being employed on the building of the road, the United States authorities should agree to give consideration to the employment of suitable Canadian organizations of which there are many with northern experience; and that similar consideration will be given to reliance upon Canadian supplies and purveyors.

F — *Ask* that the United States supply to Canada copies of all field notes and survey material obtained in the course of the location and construction of the road.

G — *Agree* to recommend

(1) that Canada make available to the United States authorities all survey and other records which may be of value to those in charge of the construction of the road.

(2) that all machinery and supplies which it is decided to bring into Canada for the purpose of carrying out the project should, subject to appropriate protective customs regulations, be admitted to Canada free of duty or sales taxes.

981.

W.L.M.K./Vol. 319

*Extrait du compte rendu des débats et des décisions de la CPCAD**Extract from Journal of Discussions and Decisions of PJBD*

SECRET

New York, February 26, 1942

TWENTY-SIXTH MEETING OF THE BOARD,
NEW YORK, FEBRUARY 25 AND 26, 1942

8. The Board considered the increasing gravity of the military situation in the Pacific and possible developments therein affecting Alaska. The Board was informed that the United States Government believes that the construction of a land route to Alaska as an alternative to the sea route is imperative for the defence of North America and that the United States Government, for military reasons, favours the route that follows the general line of the Canadian airports, Fort St. John-Fort Nelson-Watson Lake-Whitehorse-Boundary-Big Delta, the respective termini connecting with existing roads in Canada and Alaska. The Board shares this belief for the following reasons:

(1) That the effective defence of Alaska is of paramount importance to the defence of the continent against attack from the the West, since Alaska is the area most exposed to an attempt by the enemy to establish a foothold in North America;

(2) That sea communications with Alaska in the future may be subject to serious interruption by enemy sea and air action;

(3) That construction of the highway will provide a secure inland route not exposed to attack from the sea, will alleviate the shipping situation, and will provide an alternate route for use in case sea communications are interrupted;

(4) That the air route to Alaska and the defence facilities in Alaska cannot be fully utilized without adequate means of supply for the air route. This can best be provided by a highway along this route.

(5) That the additional line of communications via the inland route will be of great value in the event of an offensive against Japan projected from Alaska;

(6) That there is already on this continent a sufficient supply of land transport vehicles to enable the road to be used to its full capacity for the rapid reinforcement and supply of the forces in Alaska, without adding to the burden on industry, and that the machinery for the construction of the road is already in existence;

(7) Air transport service does not offer a practicable substitute for the proposed road because of the shortage of aircraft and of aircraft constructional facilities.

(8) That the use of Skagway as a sea terminal with a road only from Whitehorse to Fairbanks would not be a satisfactory solution of the problem. (It is understood that the Whitehorse-Fairbanks section of the highway would probably be given first construction priority.)

The proposed highway would have its southern terminus on the Edmonton, Dunvegan and British Columbian Railway, which has available carrying capacity substantially in excess of the possible carrying capacity of the road. Its northern terminus would be at a point about 60 miles south of Fairbanks on the Richardson Highway, which connects Fairbanks with Valdes. From Fairbanks there is also a railway connection with Seward. According to information furnished by General Sturdevant of the United States Army Engineers, the estimated approximate length of the road is 1,600 miles of which about 1,200 miles would be in Canada and 400 miles in Alaska; that the cost of a 24-foot gravel road capable of carrying heavy traffic during both summer and winter is likely to average in the neighbourhood of \$50,000 to \$60,000 a mile; and that the total cost might conceivably exceed one hundred million and probably would not be less than seventy-five million. The information of the Canadian members in respect to costs was to the same effect.

As its TWENTY-FOURTH RECOMMENDATION, the Board accordingly, as a matter pertaining to the joint defence of Canada and the United States, recommends the construction of a highway along the route that follows the general line of airports, Fort St. John-Fort Nelson-Watson Lake-Whitehorse-Boundary-Big Delta, the respective termini connecting with existing roads in Canada and Alaska.

The Board was informed by the United States members that the United States Government appreciating the burden of the war expenditure already incurred by Canada since her entry into the war in September 1939, and in particular on the construction of the air route to Alaska, and being convinced of the necessity of the road and the urgency of its construction, would be prepared to meet the whole of the cost of its construction and of its maintenance during the war, without asking Canada to do more than provide certain facilities as indicated below. If this offer on the part of the United States Government were accepted, that Government would:

- (A) Carry out the necessary surveys for which preliminary arrangements have already been made and construct a Pioneer Road by the use of United States Engineer troops for surveys and initial construction (It would expect to complete this work during the current year and is advised that the Pioneer Road should be sufficiently advanced to be capable next winter of carrying a small amount of emergency traffic);
- (B) Arrange for the highway's completion under contracts made by the United States Public Roads Administration and awarded with a view to insuring the execution of all contracts in the shortest possible time without regard to whether the contractors were Canadian or American (It expects that the road should be able to carry traffic to its full capacity not later than the end of 1943);
- (C) Maintain the highway until the termination of the present war unless the government of Canada prefers to assume responsibility at an earlier date for the maintenance of so much of it as lies in Canada;

(D) Agree that at the conclusion of the war that that [sic] part of the highway in Canada shall become in all respects an integral part of the Canadian highway system subject to the understanding that there shall at no time be imposed any discriminatory conditions in relation to the use of the road by Canadian or United States civilian traffic.

In the event of this proposal being accepted, the United States Government would ask the Canadian Government to agree:

(A) To acquire rights-of-way for the road in Canada, the title to remain in the Crown; in the right of Canada or of the Province of British Columbia as appears most convenient;

(B) To waive import duties, transit or similar charges on shipments originating in the United States and transported over the highway to Alaska, or originating in Alaska and transported over the highway to the United States;

(C) To waive import duties, sales taxes, license fees or other similar charges on all equipment and supplies to be used in the construction or maintenance of the road and on personal effects of the construction personnel;

(D) To take the necessary steps to facilitate the admission into Canada of such United States citizens as may be employed in the construction or maintenance of the highway, it being understood that the United States will assume the expense of repatriating any such persons if the contractors fail to do so.

982.

DEA/463-40

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures²³
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs²³
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa,] March 3, 1942

ALASKA HIGHWAY

1. As you know, the Permanent Joint Board on Defence has submitted a Recommendation endorsing the proposed construction of a 24-ft. gravel-surfaced highway along the route of the airports from Fort St. John to the Richardson Highway in Alaska. It is estimated that this road will cost about \$80,000,000.00, and that it will be completed about the 1st of January, 1944. The United States Government is prepared to pay the whole cost of construction and maintenance during the war and to release the road to Canada "without strings" at the conclusion of peace.

2. Without presuming to speak for anyone else on either Section of the Board, I should like to have you know that I agreed to this Recommendation (No. 24) on political rather than strategic grounds.²⁴ In my opinion the strategic

²³H.L. Keenleyside.

²⁴Note marginale:

²⁴Marginal note:

Col. Biggar subsequently agreed. H. L. K[EEENLEYSIDE]

justifications that are being used to support the arguments for the road are of questionable or conditional validity. On the other hand the United States Government is now so insistent that the road is required that the Canadian Government cannot possibly allow itself to be put in the position of barring the United States from land access to Alaska. In my opinion it is extremely unlikely that Japan will be able, *in 1944*, to deny the United States access by sea to Alaska. But if this should happen and if Canada had prevented the construction of land communications the Canadian Government would be in a completely untenable position. Therefore, because of United States insistence, Canada should in my opinion agree to the construction of the road.²⁵

3. I do not like the idea of Canada allowing the United States to construct a highway on Canadian territory (thereby acquiring a moral if not a legal right to its continued use, at will, in peace or war). The alternative, however, is for Canada to expend some \$80,000,000.00 on the construction, and about \$1,000,000.00 per annum on the maintenance of a road that would be a monument to our friendship for the United States but would otherwise be pretty much of a "white elephant".

4. My reasons for discounting the strategic value of the road can perhaps best be clarified by a brief commentary on each of the arguments used by the Board to justify its construction.

A

"That the effective defence of Alaska is of paramount importance to the defence of the continent against attack from the West, since Alaska is the area most exposed to an attempt by the enemy to establish a foothold in North America."

This is true.

B

"That sea communications with Alaska in the future may be subject to serious interruption by enemy sea and air action."

*This is true at present, but if the United States programme of plane and ship construction is even approximately achieved it will not be true in 1944. If the road could be built in two weeks instead of two years the argument would be valid.*²⁶

C

"That construction of the highway will provide a secure inland route not exposed to attack from the sea, will alleviate the shipping situation, and will provide an alternate route for use in case sea communications are interrupted."

²⁵ Les notes suivantes étaient écrites sur ce mémorandum:

This is a pretty devastating analysis of the strategic arguments for the highway but I agree that on political grounds we cannot be put in the position of blocking its construction. N. A. R[OBERTSON]

I think we might send a copy to Wrong for his confidential information. R[OBERTSON]

²⁶ Note marginale (Cette note et les deux qui suivent semblent avoir été ajoutées en 1944):

Finished nominally November 1943. Actually Summer 1944. June 1944. H. L. K[LEENLEYSIDE]

²⁵ The following notes were written on the memorandum:

²⁶ Marginal note (This note and the two following notes were apparently added in 1944):

The same comments apply as in the case of "B" above. This argument should be considered, however, in the light of the following facts:

1. There is already a *secure* sea route along the Inside Passage to Skagway. From Skagway there is a railway to Whitehorse and a 400-mile road could be built from Whitehorse to Fairbanks thus giving safe access to Alaska at a very much lower cost than that required by the construction of the highway from Fort St. John.

2. The real object of the highway is to provide an alternative to the Skagway-Whitehorse-Fairbanks route, and to the open sea route from Cross Sound to Seward. The latter is about 350 miles in length and is the only section of the Seattle-Vancouver-Prince Rupert-Seward route which is exposed to sea attack.

3. *In other words, and reduced to its lowest terms, the United States Government wants the Alaska highway constructed because they fear that in 1944 they may not be able to hold a sea route open along 350 miles of the Alaska Coast and because they do not want to be put to the trouble of shipping equipment and supplies along the Skagway-Whitehorse route on which there would be two extra handlings required.* Because of this apprehension, or of the desire to avoid this inconvenience, the United States Government is prepared to spend \$80,000,000.00 on a highway.

D

"That the air route to Alaska and the defence facilities in Alaska cannot be fully utilized without adequate means of supply for the air route. This can best be provided by a highway along this route."

It is, of course, true that the air route will be more efficient when serviced by a connecting road. This, in my opinion, is probably the strongest argument in favour of the construction of the highway, but the advantage to be gained by such a connection between the airports would certainly not be of the order to justify an expenditure of \$80,000,000.00 by Canada.

E

"That the additional line of communications via the inland route will be of great value in the event of an offensive against Japan projected from Alaska."

This is a doubtful argument. The best advice that I can obtain suggests that if there are plenty of ships available — as there will be in 1944 if the present plans materialize — very little in the way of supplies or equipment will be sent over the highway to Alaska. It is hardly an exaggeration to say that not a ton of freight will be sent by land when shipping is available to handle it.²⁷

F

"That there is already on this continent a sufficient supply of land transport vehicles to enable that road to be used to its full capacity for the rapid reinforcement and supply of the forces in Alaska, without adding to the burden on industry, and that the machinery for the construction of the road is already in existence."

²⁷ Note marginal:

²⁷ Marginal note:

True so far. June 1940 [1944?]. K[EENLEYSIDE]

CONCILITIO SUP BIAOF
 NON-CONSULTING

There is a good deal of doubt about the validity of this statement. I imagine that before many months have passed we will be receiving requests for priorities for equipment to be used on this construction project.

G

"Air transport service does not offer a practicable substitute for the proposed road because of the shortage of aircraft and of aircraft constructional facilities."

This is true now, but it will probably not be true in 1944. And the road will not be ready until 1944.

H

"That the use of Skagway as a sea terminal with a road only from Whitehorse to Fairbanks would not be a satisfactory solution of the problem. (It is understood that the Whitehorse-Fairbanks section of the highway would probably be given first construction priority.)"

This is referred to under "C" above.

5. If the Canadian Government agrees to allow the United States Government to construct the proposed highway, every possible precaution should be taken in the exchange of notes, by which the agreement is effected, to preserve eventual Canadian control over the road. The Americans will endeavour, as they endeavoured in the meeting of the Defence Board, to obtain the permanent right of access to Alaska by the highway. This should be resisted and the Americans will, I think, agree to our demands.

6. There will, of course, be complaints from British Columbia when the route of the highway becomes known. This may complicate the post-war position because the maintenance charges will be high and British Columbia will probably refuse to pay them. That, however, is a problem for the future.²⁸

7. In the meantime, and in my opinion, the Canadian Government should agree to allow the United States to construct the road but this agreement should be recognized, in our own minds at least, as being based on political and not on strategic grounds. The political argument, given the attitude of Washington, is inescapable; the strategic argument, in my opinion, is a most dubious egg.

983.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 5, 1942

CANADA-U.S. PERMANENT JOINT BOARD ON DEFENCE
TWENTY-FOURTH RECOMMENDATION — ALASKA HIGHWAY

4. THE SECRETARY reported that the Board had submitted, in advance of the preparation of their Journal of Discussions and Decisions covering their last

²⁸ Note marginale:

²⁸ Marginal note:

Has now happened. June 1940 [1944?]. K[EENLEYSIDE]

meeting, a recommendation for the construction, by the United States, on conditions therein described, of a highway to Alaska along the route, Fort St. John-Fort Nelson-Watson Lake-Whitehorse-Boundary-Big Delta.

The U.S. government were pressing through diplomatic, as well as Service channels, for early action upon this proposal, and copies of the Board's recommendation had been circulated to Ministers concerned.

(P.J.B.D. memorandum — "Military Highway to Alaska", undated — C.W.C. document 101).²⁹

5. MR. HEENEY said that the Chiefs of Staff had considered the Board's recommendation on the subject. While they had previously reported that "the construction of this road *by Canada* was not warranted", they fully concurred in the present proposal that it be built by the United States, on the terms proposed by the Board, and "agreed generally with the reasons outlined by the Board justifying this project". The Chiefs of Staff report had been circulated.

(Chiefs of Staff memorandum to the Ministers, March 3, 1942 — C.W.C. document 104).[†]

6. THE MINISTER OF MUNITIONS AND SUPPLY felt that the government should approve the recommendation. There was no doubt that a freighting route was required; if the United States were willing to pay for it, they should be allowed to do so.

7. THE MINISTER OF MINES AND RESOURCES pointed out that the report of the British Columbia, Yukon, Alaska Highway Commission had favoured other routes. Further consideration should be given to the highway's location before the final decision were made. It was doubtful that the route proposed was a practical one.

8. THE PRIME MINISTER observed that the government would be criticized for permitting the United States to make, in Canada, the large expenditure involved. On the other hand, in the circumstances, this should not prevent the project going forward.

9. The War Committee, after further discussion, approved, on behalf of the government of Canada, the Board's Twenty-fourth Recommendation, on the conditions proposed by the U.S. government and stated in the Board's report. These conditions included the provision that the U.S. government meet the whole cost of construction and maintenance during the war, without asking Canada to do more than provide certain facilities, as indicated below; further, the U.S. government would

"(a) carry out the necessary surveys for which preliminary arrangements have already been made and construct a Pioneer Road by the use of United States Engineer Troops for surveys and initial construction; (It would expect to complete this work during the current year and is advised that the Pioneer Road should be sufficiently advanced to be capable next winter of carrying a small amount of emergency traffic.)

²⁹ Voir le document 981.

²⁹ See Document 981.

(b) arrange for the highway's completion under contracts made by the United States Public Roads Administration and awarded with a view to ensuring the execution of all contracts in the shortest possible time without regard to whether the contractors were Canadian or American. (It expects that the road should be able to carry traffic to its full capacity not later than the end of 1943).

(c) maintain the highway until the termination of the present war unless the Government of Canada prefers to assume responsibility at an earlier date for the maintenance of so much of it as lies in Canada.

(d) agree that at the conclusion of the war that that part of the highway in Canada shall become in all respects an integral part of the Canadian highway system subject to the understanding that there shall at no time be imposed any discriminatory conditions in relation to the use of the road by Canadian or United States civilian traffic."

On their part, the Canadian government were to agree:

"(a) to acquire rights-of-way for the road in Canada, the title to remain in the Crown in the right of Canada or of the Province of British Columbia as appears most convenient;

(b) to waive import duties, transit or similar charges on shipments originating in the United States and transported over the highway to Alaska, or originating in Alaska and transported over the highway to the United States;

(c) to waive import duties, sales taxes, license fees or other similar charges on all equipment and supplies to be used in the construction or maintenance of the road and on personal effects of the construction personnel.

(d) to take the necessary steps to facilitate the admission into Canada of such United States citizens as may be employed in the construction or maintenance of the highway, it being understood that the United States will assume the expense of repatriating any such persons if the contractors fail to do so."

984.

DEA/463-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre de la Défense nationale (Armée)*

*Under-Secretary of State for External Affairs
to Deputy Minister of National Defence (Army)*

Ottawa, March 12, 1942

Dear Sir,

With reference to my letter of this morning[†] relating to the proposed exchange of notes with the United States in regard to the Alaska highway, I now enclose copies of the drafts in which are incorporated certain minor changes desired by the United States Government. I shall be very much obliged if you

will consider, and let me have an expression of your views in regard to, this new text.

Yours sincerely,

H. L. KEENLEYSIDE
for the Under-Secretary of State
for External Affairs

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Projet de note du ministre des États-Unis au
secrétaire d'État aux Affaires extérieures*

*Draft Note from Minister of United States to
Secretary of State for External Affairs*

No.

Ottawa, March, 1942

Sir,

1. As you are aware, on February 26, 1942, the Permanent Joint Board on Defence approved a recommendation as a result of which the two Sections proposed to their respective Governments:

"the construction of a highway along the route that follows the general line of airports, Fort St. John-Fort Nelson-Watson Lake-Whitehorse-Boundary-Big Delta, the respective termini connecting with existing roads in Canada and Alaska."

This recommendation based as it was on military considerations and military considerations only, and having the endorsement of the Service Departments of the two countries, has been approved by both Governments.

2. My Government, being convinced of the urgent necessity for the construction of this highway and appreciating the burden of war expenditure already incurred by Canada, in particular on the construction of the air route to Alaska, is prepared to undertake the building and wartime maintenance of the highway. Subject to the provision by Canada of the facilities set forth in paragraph 3 of this Note, the Government of the United States is prepared to:

(a) Carry out the necessary surveys for which preliminary arrangements have already been made, and construct a Pioneer Road by the use of United States Engineer troops for surveys and initial construction.

(b) Arrange for the highway's completion under contracts made by the United States Public Roads Administration and awarded with a view to insuring the execution of all contracts in the shortest possible time without regard to whether the contractors are Canadian or American.

(c) Maintain the highway until the termination of the present war unless the Government of Canada prefers to assume responsibility at an earlier date for the maintenance of so much of it as lies in Canada.

(d) Agree that at the conclusion of the war that part of the highway which lies in Canada shall become in all respects an integral part of the Canadian highway system, subject to the understanding that there shall at no time be

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imposed any discriminatory conditions in relation to the use of the road by Canadian or United States civilian traffic.

3. For its part, my Government will ask the Canadian Government to agree:

(a) To acquire right-of-way for the road in Canada (including the settlement of all local claims in this connection), the title to remain in the Crown; in the right of Canada or of the Province of British Columbia as appears most convenient;

(b) To waive import duties, transit or similar charges on shipments originating in the United States and transported over the highway to Alaska, or originating in Alaska and transported over the highway to the United States;

(c) To waive import duties, sales taxes, license fees or other similar charges on all equipment and supplies to be used in the construction or maintenance of the road and on personal effects of the construction personnel;

(d) To take the necessary steps to facilitate the admission into Canada of such United States citizens as may be employed in the construction or maintenance of the highway, it being understood that the United States will assume the expense of repatriating any such persons if the contractors fail to do so.

(e) To permit those in charge of the construction of the road to obtain timber, gravel and rock where such occurs on Crown lands in the neighbourhood of the right of way.

4. If the Government of Canada agrees to this proposal it is suggested that the practical details involved in its execution be arranged directly between the appropriate governmental agencies and, when desirable, be confirmed by subsequent exchange of notes.

Accept etc.

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Projet de note du secrétaire d'État aux Affaires extérieures
au ministre des États-Unis*

*Draft Note from Secretary of State for External Affairs
to Minister of United States*

No.

Ottawa, March, 1942

Sir,

I have the honour to acknowledge receipt of your Note of March 1942, in which you referred to the recommendation approved by the Permanent Joint Board on Defence, as a result of which the two Sections of the Board proposed to their respective Governments:

"the construction of a highway along the route that follows the general line of airports, Fort St. John-Fort Nelson-Watson Lake-Whitehorse-Boundary-Big Delta, the respective termini connecting with existing roads in Canada and Alaska".

2. As announced on March 6, 1942, the Canadian Government has approved this recommendation and has accepted the offer of the United States

Government to undertake the building and wartime maintenance of the highway which will connect the airports already constructed by Canada.

3. It is understood that the United States Government will

(a) Carry out the necessary surveys for which preliminary arrangements have already been made, and construct a Pioneer Road by the use of United States Engineer troops for surveys and initial construction;

(b) Arrange for the highway's completion under contracts made by the United States Public Roads Administration and awarded with a view to insuring the execution of all contracts in the shortest possible time without regard to whether the contractors were Canadian or American;

(c) Maintain the highway until the termination of the present war unless the Government of Canada prefers to assume responsibility at an earlier date for the maintenance of so much of it as lies in Canada;

(d) Agree that at the conclusion of the war that part of the highway which lies in Canada shall become in all respects an integral part of the Canadian highway system, subject to the understanding that there shall at no time be imposed any discriminatory conditions in relation to the use of the road by Canadian or United States civilian traffic.

4. The Canadian Government agrees

(a) To acquire rights-of-way for the road in Canada (including the settlement of all local claims in this connection), the title to remain in the Crown; in the right of Canada or of the Province of British Columbia as appears most convenient;

(b) To waive import duties, transit or similar charges on shipments originating in the United States and transported over the highway to Alaska, or originating in Alaska and transported over the highway to the United States;

(c) To waive import duties, sales taxes, licence fees or other similar charges on all equipment and supplies to be used in the construction or maintenance of the road and on personal effects of the construction personnel;

(d) To take the necessary steps to facilitate the admission into Canada of such United States citizens as may be employed in the construction or maintenance of the highway, it being understood that the United States will assume the expense of repatriating any such persons if the contractors fail to do so.

(e) To permit those in charge of the construction of the road to obtain timber, gravel and rock where such occurs on Crown lands in the neighbourhood of the right-of-way.

5. The Canadian Government agrees to the suggestion that the practical details of the arrangement be worked out by direct contact between the appropriate governmental agencies, and when desirable, confirmed by subsequent exchange of notes.

Accept etc.

985.

DEA/463-40

*Le sous-ministre des Mines et des Ressources au
sous-secrétaire d'État aux Affaires extérieures*

*Deputy Minister of Mines and Resources to
Under-Secretary of State for External Affairs*

Ottawa, March 16, 1942

Dear Sir,

Consideration has been given to the copies of the draft exchange of notes, forwarded with your letter of the 12th instant, and in regard to the suggested letter to the United States Minister to Canada at Ottawa, I would make the following comments and suggestions:

1. It is assumed that the route of the proposed highway from Whitehorse to Boundary and Big Delta is the route that goes via Kluane Lake.

3.(b) Canadian contractors will demand they be given equal consideration in the awarding of contracts by the United States Bureau of Roads for the construction of the highway and will expect the Canadian Government to arrange for such consideration. Canadian labour will also expect its interests to be protected. It is consequently suggested that this particular section be amended to read as follows:

"in the shortest possible time without regard to whether the contractors are residents of Canada or of the United States provided that Canadian contractors where available and competent will be given equal consideration in the award of contracts and that Canadian labour will also be employed to the extent it is available and competent."

3.(c) When the war with Japan is concluded it is possible that there will be a great exodus of men, war equipment and supplies from Alaska to the United States over the highway, and under the present wording of this clause Canada would be responsible for maintaining the highway under this heavy traffic. It is consequently suggested that it be amended to read as follows:

"Maintain the highway during the present war with Japan and for a period of six months after its termination unless the Government of Canada prefers to assume responsibility, etc., etc."

3.(d) The inclusion in the present wording of this clause of the reference to no "discriminatory conditions in relation to the use of the road by Canadian or United States civilian traffic" seems to place the highway in a different category to other Canadian highways where no such condition applies. Consequently it is suggested that this section be amended by deleting all words after "Canadian highway system".

4.(b) and (c). The wording of these two clauses is far-reaching in so far as their effect on Canadian contractors is concerned. The wording permits United States contractors to bring in new construction equipment direct from the factory without payment of duty or licenses and use it on the work. Canadian contractors, under present Customs Regulations, would first have to get an A-1 Priority

to purchase additional equipment in the United States, then pay duty, then, in the case of trucks, pay out license fees and have the drivers take out chauffeur's licenses, etc. Canadian contractors would thus be at a great disadvantage in overhead investment and costs. In the case of trucks and other equipment they already possess, Canadian contractors would have to make arrangements with the Province of British Columbia and the Dominion Government for their use in those particular areas.

Under the circumstances it is suggested that Canadian firms, who may be awarded contracts on this project, be given the same privilege in regard to licenses, duty, etc., for equipment they actually bring in or use on this work. After the work is over they can either return the equipment under some arrangement they might make or, if they propose to use it on other work in Canada, they would pay duty.

4.(d). It is the opinion that there will be considerable difficulty in actually repatriating all of the citizens of the United States who are brought in for the construction or maintenance of the highway. It is accordingly suggested that the latter part of this clause be amended to read as follows:

"it being understood that the United States will guarantee the repatriation of its citizens employed on the highway within a reasonable time and not later than six months after the end of the war and will assume the expense of repatriation of any such persons, if contractors fail to do so.

4.(e) It would not be fair to the Province of British Columbia, or to the Yukon Territory, to give the contractors or United States Engineers in Charge uncontrolled authority to obtain timber on Crown lands in the neighbourhood of the right-of-way, since selected stands thirty or forty miles away might be denuded of the best timber in the whole area and left in a dangerous condition from the fire hazard standpoint. It is consequently suggested that this clause be amended to read as follows:

"To permit those in charge of the construction of the road to obtain timber, gravel, and rock where such occurs on Crown Lands in the neighbourhood of the right-of-way, providing that timber required shall be cut under the direction of the appropriate Department of the province in which it is located and in the case of Dominion Lands under the direction of the appropriate Department of the Dominion Government."

A point arises here as to whether the Province of British Columbia and the Dominion would be expected to supply timber free of charge to the United States authorities, in view of the fact that the latter were paying for the highway. Perhaps it would be fairer if the Dominion permitted the use of timber without charge and reimbursed the Province for Provincial timber. This is a matter for consideration.

There are other points that will have to be agreed upon since they will undoubtedly arise in the location and construction of the highway. These include the administration of justice in Canadian territory, particularly as affecting United States troops, Workmen's Compensation with provision that Canada will be protected from claims after the road passes to her jurisdiction, protection

of the Dominion from property damage, etc., and the enforcement of Dominion and Provincial Health Act Regulations.

The question of wage schedules that will be paid after the work is contracted will require careful consideration. Wages paid will have to be high enough to attract labour to the project but if these are excessive the wage schedule structure of other projects in the West will be upset.

It is further the opinion that with each United States Engineering Corps, or at least at each end of construction, there should be a liaison engineer representing the Dominion and who should keep the Dominion authorities advised on the progress of the work. If preferred this engineer need not have any administrative authority, but might be merely an observer in the interests of the Dominion.³⁰

Yours very truly,

C. W. JACKSON
for Deputy Minister

986.

W.L.M.K./Vol. 337

Le secrétaire du Gouverneur général au Premier ministre
Secretary to Governor General to Prime Minister

CONFIDENTIAL

Ottawa, February 2, 1943

My dear Prime Minister,

The Governor General has asked me to go into the question of his tours in 1943. His Excellency and Her Royal Highness consider that, in this connection, they should be guided by the following considerations:

(i) At this time more than ever, it is important that such tours should cost the public as little as possible. Train movements should, therefore, be confined to the main lines so as to avoid "specials", and only a skeleton staff should be taken so that additional equipment will not be required.³¹

(ii) Visits should be made preferably to areas which have not been visited before and where there is a concentration of "service" activity or munitions work.³²

In the light of the above, I have under consideration the following proposals:

(a) A Spring visit to Vancouver, where there have been a number of developments since His Excellency and Her Royal Highness were last there. A short stop could be made en route at Sault Ste. Marie and Sudbury.³²

³⁰ L'échange de notes avec les États-Unis a eu lieu le 17 et 18 mars 1942. Voir Canada, *Recueil des traités* 1942, No 13. Le texte final contient les changements suggérés pour les paragraphes 3(c) et 4(e) du projet de note canadien.

³⁰ The exchange of notes with the United States took place on March 17 and 18, 1942. See Canada, *Treaty Series*, 1942, No. 13. The final text incorporates the changes suggested for paragraphs 3(c) and 4(e) of the draft Canadian note.

³¹ Note marginale:

³¹ Marginal note:

³² Note marginale:

right immediate

³² Marginal note:

O.K.

(b) A visit to the Alaska Highway from Edmonton. A round trip might be arranged, ending up at Prince Rupert, which His Excellency and Her Royal Highness have not yet visited. I think a visit by The Governor General to the Alaska Highway area might tend to offset the notion that the United States have a sole proprietary interest in this project. I would arrange for this trip at a time when the weather is likely to be settled — possibly in July.³³

(c) A small tour through the Eastern Townships in the Autumn on the way to or from Quebec.³²

The above is a very rough general outline of what I have in mind, and with which His Excellency and Her Royal Highness agree in principle, but I should greatly value any comments or suggestions which might occur to you.

There is one point in particular on which His Excellency would like to have the benefit of your advice. On the occasion of a former visit to Vancouver and Victoria, an invitation was received from the United States authorities to visit Seattle. It was not then possible to accept it, but His Excellency was wondering if it would be desirable to accept such an invitation if it were renewed. I feel sure that if it were mentioned to the United States Legation here or by Mr. Leighton McCarthy in Washington, the authorities in Seattle would have no hesitation in inviting His Excellency and Her Royal Highness to visit the city.

Yours very sincerely,

A. S. REDFERN

987.

W.L.M.K./Vol. 337

Le Premier ministre au secrétaire du Gouverneur général

Prime Minister to Secretary to Governor General

CONFIDENTIAL

Ottawa, February 9, 1943

My dear Sir Shuldham [Redfern],

I duly received your letter of February 2nd, regarding tours by The Governor General and Princess Alice during 1943. What you have outlined seems to me wholly appropriate and satisfactory.

I am sure my colleagues will appreciate no less than I do the thoughtfulness of His Excellency and Her Royal Highness in wishing to avoid specials and limiting as much as possible any unnecessary expenses in connection with the tours.

There would, I think, be general approval of a spring visit to Vancouver, with stops en route at Sault Ste Marie and Sudbury.

I am wholly in accord with the proposal, at an appropriate season, of a visit to the Alaska Highway from Edmonton. As a matter of fact, in one of our conversations recently, I had a word with His Excellency about the advisability of such a visit.³⁴

³³ Note marginale:

³³ Marginal note:

Very advisable.

³⁴ Le Gouverneur général et la princesse Alice ont visité la Grand-route de l'Alaska en septembre 1943.

³⁴ The Governor General and Princess Alice visited the Alaska Highway in September 1943.

Small tours of the Eastern Townships in the autumn would be, of course, much appreciated.

As to a visit to Seattle from Vancouver or Victoria, I would be much in favour of The Governor General and Princess Alice accepting an invitation if it were renewed, as I feel sure it would be if the matter were raised in the quarters which you mention. I do not know how His Excellency would feel about a possible extension of a visit from Seattle to include the new large shipbuilding establishments at Vancouver (Washington) and Portland (Oregon). It occurs to me that such a visit would in some degree be an added incentive to workers in Canadian shipyards on the Pacific coast. If The Governor General and Princess Alice feel that they would like to undertake such an additional visit, I feel sure the arrangements could readily be made.³⁵

Yours sincerely,

[W. L. MACKENZIE KING]

988.

W.L.M.K./Vol. 278

*Mémorandum du ministère des Affaires extérieures
au Comité de guerre du Cabinet*

*Memorandum from Department of External Affairs
to Cabinet War Committee*

Ottawa, February 20, 1943

ALASKA HIGHWAY — USE OF CONNECTING ROADS

1. In the Exchange of Notes on the Alaska Highway dated March 17 and March 18, 1942³⁶, it was provided

“... that at the conclusion of the war that part of the highway which lies in Canada shall become in all respects an integral part of the Canadian highway system, subject to the understanding that there shall at no time be imposed any discriminatory conditions in relation to the use of the road as between Canadian and United States civilian traffic.”

It will be noted that the last clause of this paragraph refers specifically to *civilian* traffic.

2. At the time the agreement on the Alaska Highway was made it was understood that the materials to be transported over the road would be carried to Dawson Creek by railway. Subsequently it was found desirable to send some United States vehicles and some freight by road. This raised a question as to the right of the United States to use the intervening highways in Canada, (that is, those between the United States boundary and Dawson Creek). This question was referred to the Legal Officers of the Department of Transport and the Legal Adviser of the Department of External Affairs who agreed that the terms of the

³⁵ Le Gouverneur général et la princesse Alice ont visité Seattle et Portland du 3 au 9 mai 1943.

³⁵ The Governor General and Princess Alice visited Seattle and Portland from May 3 to 9, 1943.

³⁶ Voir Canada, *Recueil des traités*, 1942, N° 13.

³⁶ See Canada, *Treaty Series*, 1942, No. 13.

Exchange of Notes covered "by implication roads leading to the highway, principally because the commitments undertaken by the Canadian Government would otherwise be without practical meaning."

3. Subsequently the United States Legation endeavoured to extend the meaning to cover the post-war use of the connecting roads and of the Highway itself, by United States military vehicles. It was pointed out in reply that there had never at any time been any suggestion that the United States should have any post-war *military* use of the road. After some discussion it was suggested that agreement might be reached on the basis of an understanding that the United States might send military vehicles over the road under conditions to be prescribed by the Permanent Joint Board on Defence. In consequence the United States Chargé d'Affaires wrote a letter to the Under-Secretary of State for External Affairs embodying this suggestion.¹ A copy of this letter is attached.

4. It is proposed that we should reply in the terms set forth in the letter from the Under-Secretary of State for External Affairs dated February 18, 1943,[†] of which a copy is attached. The pertinent paragraph of this letter reads as follows: "While no provision was made in the exchange of notes under reference for the post-war use of the Alaska Highway or the connecting roads by United States military vehicles, the Canadian Government confirms your understanding that such use will be permitted under conditions to be recommended by the Permanent Joint Board on Defence."

989.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 11, 1943

ALASKA HIGHWAY; POST-WAR MILITARY USE; CONNECTING ROADS

30. THE SECRETARY submitted a memorandum from the Department of External Affairs proposing an exchange of notes with the United States; copies had been circulated.

As to the present use of connecting roads, it was pointed out that the inadequacy of rail transportation had made it necessary to send U.S. vehicles and freight by road from the United States to the eastern terminus of the highway. It was felt that the exchange of notes regarding the Alaska highway itself covered by implication use of roads leading to the highway.

As to post-war military use of the highway and connecting roads, the United States now sought to extend the interpretation of the agreement to include this. The original exchange of notes, however, had made no provision in this respect.

It was suggested, therefore, that the matters be the subject of an exchange of notes under which the United States would be permitted post-war use of the highway and connecting roads upon conditions to be recommended by the Permanent Joint Board on Defence.

(External Affairs memorandum, Feb. 20, 1943 — C.W.C. document 431).

31. THE PRIME MINISTER expressed the view that the use of roads in Canada by U.S. forces after the war was a serious question of policy. Further commitments of this kind would have to be the subject of Parliamentary discussion.

The first step should be to obtain the views of the government's advisers on the military aspects of the proposals.

32. THE MINISTER OF JUSTICE drew attention to the serious legal implications for Canada of entering into an agreement such as that suggested in the proposed exchange of notes.

33. THE WAR COMMITTEE, after further discussion, agreed that the question be referred to the Chiefs of Staff for examination with the Canadian Section of the Permanent Joint Board on Defence, and subsequent report.

...

990.

DND/193.009 (D17)

*Mémorandum du directeur des opérations militaires et de la
planification, le ministère de la Défense nationale,
au chef de l'état-major général*

*Memorandum from Director of Military Operations and Planning,
Department of National Defence, to Chief of the General Staff*

SECRET

Ottawa, March 16, 1943

With reference to the attached letter from Mr. Heeney[†] which will be discussed at a special meeting of Chiefs of Staff and Canadian Section, P.J.B.D.

1. When permission was granted for the U.S. to construct the Alcan Highway through Canada it was agreed that after the war there would be no discrimination against full use being made of the highway by U.S. civilian traffic. I am advised that in the resultant agreement the word 'civilian' was specifically inserted by Canada.

2. The U.S. are now requesting that this agreement should be extended to cover

(a) Canadian Highways connecting the U.S. border with the Eastern terminus of the Alcan Highway, and

(b) the unrestricted post-war use of the Highway by U.S. Military Forces.

3. There would be no objection to the extension of the present agreement to cover the connecting Canadian Highways. The main point of issue is to be the question of giving the U.S. the right to move military personnel and equipment through Canada in time of peace.

4. It is improbable that future events might occur which would see the U.S. at war and Canada strictly neutral. Yet were such situation to develop, the maintenance of this neutrality might be compromised by the U.S. having been given the right to move war material through Canada.

5. A more satisfactory solution would appear to be for Canada *not* to guarantee the U.S. the right of unrestricted post-war military use of the Highway but instead to offer to give sympathetic consideration to requests for such use as the need arises. Such requests would be dealt with as a matter of routine but it is felt that Canada should retain some control over the peace-time movement through her territory of military forces of another nation (no matter how friendly).

J. H. JENKINS
Colonel

991.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 25, 1943

ALASKA HIGHWAY; — POST-WAR MILITARY USE; CONNECTING ROADS

17. THE SECRETARY submitted the report of a meeting of the Chiefs of Staff with the Canadian Section of the Permanent Joint Board on Defence, to whom the U.S. request on this subject had been referred by the War Committee on March 11th.

The Chiefs of Staff had agreed that, from the military point of view, as it was impossible to foresee the circumstances which might exist on the cessation of hostilities and from time to time thereafter, no commitment should be made regarding post-war military use of the highway and connecting roads. Draft paragraphs for inclusion in a communication to the United States to this effect were attached to the report, copies of which had been circulated.

(Report of Meeting, Mar. 17, 1943 — C.W.C. document 451).[†]

18. THE WAR COMMITTEE, after discussion, approved the report and agreed that a communication in the sense recommended, including (with certain amendments) the paragraphs submitted be forwarded to the U.S. government.³⁷

992.

DEA/463-AS-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1084

Ottawa, March 26, 1943

We understand that Representative Dimond of Alaska has introduced a resolution in the House proposing that the Alaska Highway be known officially as "The Alaska Highway".

³⁷ L'entente avec les États-Unis fut incorporée dans un échange de notes le 10 avril. Voir Canada, *Recueil des traités*, 1943, N° 17.

³⁷ The agreement with the United States was embodied in an exchange of notes on April 10. See Canada, *Treaty Series*, 1943, No. 17.

While it may well be that this is the most satisfactory name that can be chosen and although it is certainly a great improvement on "The Alcan Highway", I think it would be unfortunate if Congress were to undertake by itself to name a road, the larger part of which lies in Canada.

I think it might be desirable for you to speak to Hickerson about this matter and to suggest that if any official title is to be given to the highway, it should be selected jointly after consultation between Ottawa and Washington.

993.

DEA/463-AS-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1481

Washington, March 29, 1943

Your EX-1084, March 26th and my despatch No. 687 of March 26th,[†] re naming of Alaska Highway.

2. We spoke to Hickerson of the State Department along the lines of your EX-1084. He agreed that, if any official name is to be given to the Highway, it should be given by agreement between the two Governments and not by action of Congress. He said that the State Department would, at the appropriate time, communicate this view to the House Committee to which Dimond's resolution has been referred.

3. Hickerson added that, when this view is explained to the House Committee, the latter may ask the State Department to take the initiative in reaching an agreement between the two Governments. Hickerson therefore suggested informally that the Canadian Government might now give some thought to the question of the official name to be given to the Highway.

994.

W.L.M.K./Vol. 343

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1775

Washington, April 14, 1943

My WA-1481, March 29, naming of Alaska Highway. We have received from the State Department the following note dated April 13, Begins:

"The Secretary of State presents his compliments to The Honourable the Minister of Canada and has the honour to enclose a copy of H.J. RES. 105[†] to name the highway to Alaska the "Alaska Highway".

The chairman of the House of Representatives' Committee on Roads has asked this Department for an expression of its views in regard to the name proposed. In as much as the new highway lies for the greater part of its length within Canada, Mr. Hull replied that in his opinion no action should be taken

until the views of the Canadian Government had been secured. He invites, therefore, such comments as the Minister of Canada may wish to make." End of note.

2. Copies of H.J. RES. 105 were sent to you under cover of my despatch No. 687 of March 26.[†]

3. I should be glad to have your instructions as to the reply which should be made to this note.³⁸ Ends.

995.

DEA/463-AS-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1550

Ottawa, April 29, 1943

Reference your teletype of April 14, 1943, No. WA-1775, naming of Alaska Highway.

The Prime Minister states that he is agreeable to the use of the name "Alaska Highway" and you may so inform the State Department.

If it is desired that a name should now be officially adopted, it is our view that agreement should be reached between the two Governments and an announcement issued simultaneously in Ottawa and Washington. Please impress upon the State Department the importance of avoiding any precipitate announcement in Washington.

996.

DEA/463-AS-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-2887

Washington, June 15, 1943

My WA-2304, May 13,[†] naming of Alaska highway. Parsons of the State Department informed the Legation today that the State Department has worked out what they hope will be an acceptable solution to the difficult question of procedure. Berle had a talk recently with Mr. Dimond, who introduced H.J. Res. 105 in the House of Representatives. Berle explained to him the desirability of having an exchange of notes between the two Governments for the purpose of giving a name to the highway. Berle told him that the State Department had in mind to propose to the Canadian Government an exchange of notes in which Mr. Dimond's name would be mentioned. Dimond fell in with this plan and, if this plan is carried out, State Department does not anticipate any difficulty with the House Committee on Roads.

³⁸ Les notes suivantes étaient écrites sur cette copie du télégramme:

³⁸ The following notes were written on this copy of the telegram:

Ask Robertson if reply prepared I agree to "Alaska Highway". K[ING]
Noted reply in sense approved is now going forward. R[OBERTSON]

2. Following is draft note from Secretary of State to the Canadian Minister which State Department has prepared, Begins:

"I have the honor to inform you that the Honorable Anthony J. Dimond, delegate of Alaska, United States House of Representatives, has proposed that the highway from Dawson Creek, British Columbia, to Fairbanks, Alaska, be given the official name "Alaska Highway".

The Government of the United States believes that the name suggested by Mr. Dimond is suitable and in harmony with popular usage. It is of the further opinion that the highway should be jointly named by the Governments of the United States and Canada in view of the location of the greater part of the highway within Canada and in view of the friendly cooperation which has made possible its construction.

In accordance with the foregoing, I have the honor to propose that the highway from Dawson Creek, British Columbia to Fairbanks, Alaska be designated the "Alaska Highway". If the Canadian Government is agreeable to this proposal, it is suggested that this note and your reply in that sense shall be considered as placing on record the agreement of the two Governments in this matter.

Accept, Sir, the renewed assurance of my highest consideration." End of draft note.

3. State Department had not prepared a draft reply from the Canadian Minister. The Legation asked whether a reply in the following form would be acceptable and Parsons said that it would be, Begins:

"I have the honour to inform you that the Government of Canada concurs in the proposal, contained in your note of . . . , that the highway from Dawson Creek, British Columbia to Fairbanks, Alaska be given the official name 'Alaska Highway'." End of draft reply.

4. Once the terms of the notes are settled, State Department suggests that the date of exchange be fixed and that the date of the publication of the notes also be fixed, the date of publication to be three days after the dates of exchange. During this interval, State Department intends to give Dimond confidentially a copy of the notes and to tell him when they will be made public.

5. State Department does not know whether Dimond's Bill will be proceeded with in the House of Representatives following the announcement of the exchange of notes. They do not think that it matters much whether the Bill is proceeded with or not.

6. State Department has gone to a good deal of trouble to work out a draft solution which will avoid offending Mr. Dimond and the House Committee on Roads unnecessarily. They hope that you will have this in mind when considering whether to approve the draft note from the Secretary of State to the Canadian Minister.

7. If terms of notes are acceptable, have you any special preference as to the date of exchange? Ends.

997. DEA/463-AS-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

Ottawa, June 19, 1943

I am enclosing copy of teletype WA-2887 from our Legation in Washington, containing the United States proposals for an exchange of notes between Canada and the United States which would definitely name the Alaska Highway. I think we should agree to the procedure suggested by the Americans, on the understanding that when this exchange of notes is completed the Bill pending in Congress for the naming of the Highway should be withdrawn. It does not seem entirely appropriate to have an act of Congress officially giving a name to a Canadian road, even if the Canadian and the United States Governments have already agreed on that name.

998. DEA/463-AS-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-2680

Ottawa, July 10, 1943

Following for Pearson from Robertson, Begins: Your messages WA-2887 of June 15th and WA-3218 of July 2nd.³⁹ I see no objection to proceeding with the exchange of notes finalizing the naming of the Alaska Highway. Text of notes contained in your message is acceptable. We have no views as to date of exchange and do not think too much fuss should be made over ceremony or following news release. Latter, of course, should be synchronized here and in Washington.³⁹

In circumstances I do not think any further notice need be taken of General O'Connor's press statement and official order regarding the naming of the Highway.⁴⁰ Ends.

³⁹ Les notes furent échangées à Washington le 19 juillet. Voir Canada, *Recueil des traités*, 1943, N° 10. Les notes furent rendues publiques le 22 juillet.

⁴⁰ Le 17 juin, le brigadier général J.A. O'Connor, commandant, Northwest Service Command, armée des États-Unis, avait annoncé à la presse de sa propre autorité que le nom "Alaska Military Highway" avait été adopté. Le 10 juin, il avait donné à cet effet un ordre officiel qui fut publié dans un appendice du procès-verbal du Congrès du 29 juin, p. A3551.

³⁹ The notes were exchanged in Washington on July 19. See Canada, *Treaty Series*, 1943, No. 10. The notes were made public on July 22.

⁴⁰ On June 17, Brigadier-General J.A. O'Connor, Commander, Northwest Service Command, United States Army, had announced to the press on his own authority that the name "Alaska Military Highway" had been adopted. On June 10, he had issued an official order to that effect which appeared in the Appendix to the Congressional Record on June 29, p. A3551.

SECTION D
ENTREPRISE CANOL
CANOL PROJECT

999.

DEA/463-N-40

*Mémorandum du ministère des Affaires extérieures
au Comité de guerre du Cabinet*

*Memorandum from Department of External Affairs
to Cabinet War Committee*

Ottawa, May 15, 1942

OIL SUPPLIES ON THE ALASKA AIRWAY AND THE ALASKA HIGHWAY

1. On May 4th the United States Minister wrote to the Under-Secretary of State for External Affairs, quoting the Chief of Engineers of the United States Army as follows:

"1. The Chief of Engineers has been directed by the Commanding General, Services of Supply to take steps at once for extending fuel supply for the Air Corps, United States Army, in Canada and Alaska as follows:

(A) Arrange with the Standard Oil Company of New Jersey for the drilling of nine additional wells in the vicinity of Norman, Northwestern Territories, Canada.

(B) Make surveys for, and arrange for construction of a pipeline from Norman to Whitehorse, Yukon, Canada.

(C) Arrange for establishment at Whitehorse, Yukon, Canada, of facilities for refining crude oil with a capacity of three thousand barrels per day.

(D) Build or otherwise acquire and operate necessary water transportation facilities between McMurray; Waterways, Alberta, Canada and Norman, Northwestern Territories, Canada.

(E) Arrange with the Standard Oil Company of New Jersey to store, for future use of the Air Corps, United States Army, all of the gasoline which may be produced by its refinery at Norman during the operating season of 1942 and to operate the pipeline to Whitehorse and the refinery at that place after their construction.

"2. It is requested that permission be obtained from the Government of the Dominion of Canada to carry out the operations outlined above. Immediate action on this matter is necessary in order that full advantage may be taken of the present working season."

2. Following receipt of this communication officers of the appropriate Departments in Ottawa have examined the proposals made by the Chief of Engineers and have discussed these with the experts in the industry. As a result it appears

(a) that nine additional wells would certainly not supply the increased output required; that thirty wells would probably be required;

(b) that there is no certainty that the output could be obtained regardless of the number of wells;

(c) that the probable length of the pipeline required would be 460 miles, and that the total cost of drilling and equipping the wells and of constructing the pipeline with the necessary pumping stations would be in the neighbourhood of \$30,000,000.00;

(d) that very extensive diversions of labour, materials, and equipment would be necessary to meet the United States request;

(e) that it might turn out that only a part of the required oil can be obtained, in which case the expenditure of money, labour and materials might prove to be unjustified.

These considerations have been placed before the United States Minister, informally, and Mr. Moffat is taking steps to ascertain whether they will in any way modify the views of the Chief of Engineers and his advisers.

3. If the United States persist in their proposals it will be for Canada to decide to what extent and in what terms they should be accepted.

1000.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 16, 1942

OIL SUPPLIES ON ALASKA AIRWAY AND ALASKA HIGHWAY

8. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that the U.S. Minister had recently submitted a request that the government permit the extension of fuel supply for the U.S. Army Air Corps in Canada and Alaska through the further development of the Norman oil fields in the Northwest Territories, and the construction of a pipeline from Norman to Whitehorse.

It was proposed also to establish facilities for refining crude oil at Whitehorse and to provide necessary water transportation facilities. The Standard Oil Company of New Jersey would undertake this development for the United States.

These proposals had been examined by the appropriate departments of the government, who had expressed some doubts as to the project. The pipeline required would cost in the neighbourhood of 30 million dollars. These considerations had been placed informally before the U.S. Minister.

(External Affairs memorandum to the War Committee, May 15, 1942).

9. MR. ROBERTSON pointed out that the Minister of Munitions and Supply, in a statement made in the House of Commons the previous day, had reported that arrangements had been made for the development referred to, that additional wells were being drilled, refinery capacity increased, and a pipeline being installed to carry the oil to the site of the Alaska Highway.

In the circumstances it was suggested that approval be given to the request submitted by the U.S. Minister.

(Unrevised Hansard, May 15, 1942, page 2696).⁴¹

10. The War Committee approved permission being given to the United States, as requested by Mr. Moffat.

1001.

DEA/463-N-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-ministre des Mines et des Ressources*

*Assistant Under-Secretary of State for External Affairs
to Deputy Minister of Mines and Resources*

Ottawa, May 16, 1942

Dear Dr. Camsell,

With regard to our recent conversations concerning the proposed increased production of oil at Ft. Norman and the construction of a pipeline to Whitehorse, I wish to confirm that in conversation with the United States Minister yesterday I told him of the difficulties and doubts that have arisen in the minds of the officers of this Department and those members of the industry who have been consulted.

Mr. Moffat immediately communicated the information that I gave him to Washington and this morning he received a reply which seemed to indicate that the United States Army engineers are anxious to go ahead in spite of the possibility of their being disappointed in their expectations as to the output of oil in the Ft. Norman area.

The attitude of the United States authorities was conveyed to the Cabinet War Committee in its special meeting at one today and the Committee decided that if the United States wishes to go ahead with the project the Canadian Government would be prepared to agree and cooperate. This information has now been transmitted to the United States Minister.

Yours sincerely,

HUGH L. KEENLEYSIDE

⁴¹ Voir Canada, Chambre des Communes, *Débats*, 1942, volume 3, p. 2558.

⁴¹ See Canada, House of Commons, *Debates*, 1942, Volume 3, pp. 2478-9.

1002.

DEA/463-N-40

*Le sous-secrétaire d'État aux Affaires extérieures
au ministre des États-Unis*

*Under-Secretary of State for External Affairs
to Minister of United States*

Ottawa, June 1, 1942

Dear Mr. Moffat,

I enclose two copies of a draft of the first letter for the proposed exchange in relation to the provision of oil facilities in Northern Canada and Alaska. I shall be grateful if you will let me know, in due course, your views in regard to this draft.

Yours sincerely,

[N. A. ROBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note du ministre des États-Unis
au secrétaire d'État aux Affaires extérieures*

*Draft Note from Minister of United States
to Secretary of State for External Affairs*

No. 1002. Ottawa, June, 1942

Sir,

1. I have the honour to refer to recent conversations which have taken place with officials of the Department of External Affairs regarding the desire of the United States Government to take steps for extending the fuel supply for the United States Army Air Corps in Canada and Alaska.

2. My Government, faced with the necessity of obtaining an increased fuel supply without delay, desires to propose the following project, to wit: that it

(a) Make surveys and construct a pipeline, either by United States Army Engineers or by contract, of a size sufficient to deliver three thousand barrels of oil daily from Norman Wells, Northwest Territories, Canada, to Whitehorse, Yukon Territory, Canada;

(b) Sign a contract with a Canadian company to drill additional wells, upon its leases obtained under the Petroleum and Natural Gas Regulations applicable to Dominion Lands or upon permits obtained by it under the Oil and Gas Regulations covering land in the vicinity of Norman Wells. Under this contract the United States War Department would provide the necessary equipment and would purchase the total flow of the additional wells during the war at an agreed price. The wells would remain part of the leasehold or permit property of the Canadian company and would be regarded as having been drilled under the provisions of the Dominion Regulations noted in this clause;

(c) Arrange for the establishment at Whitehorse of facilities for refining crude oil with a capacity of three thousand barrels per day under a contract awarded with a view to insuring the execution of the work in the shortest possible time without regard to whether the contractors are Canadian or American;

(d) Contract with a Canadian company or companies to store for the future use of the Air Corps, United States Army, all of the gasoline which may be produced by the refinery at Norman Wells during the operating season of 1942 in excess of what is required for the maintenance of services and enterprises in the Mackenzie District, to operate the pipeline to Whitehorse and to operate the refinery there unless it is operated by the United States Government.

3. My Government further proposes that the pipeline and the refinery shall remain its property, and shall be operated under contracts with it or by its agent or representatives during the war. It further proposes that at the termination of hostilities the pipeline and refinery shall be valued by two valuers of whom one shall be named by the United States and one by Canada, with power, if they disagree, to appoint an umpire. The valuation shall be based upon their then commercial value and the Canadian Government shall be given the first option to purchase at the amount of the valuation. If the option is not exercised within three months they shall be sold by public tender, or the United States Government may dismantle and remove them. It is understood that if they are sold by public tender their subsequent operations will be subject to such regulations and conditions as the Canadian Government may consider it necessary to impose in order to safeguard the public interest.

4. For its part, my Government asks the Canadian Government to agree:

(a) to acquire any essential land and necessary rights-of-way that may be involved in the project (including the settlement of all local claims in this connection), title to remain in the Crown in the right of Canada;

(b) to waive during the war import duties, sales taxes, territorial taxes, license fees or other similar charges on all equipment and supplies to be used in the execution or maintenance of the project by the United States and all personal effects of the construction personnel;

(c) to remit during the war royalties on oil production, and income tax on the income of persons (including corporations) resident in the United States who are employed on the construction or maintenance of the project;

(d) to take the necessary steps to facilitate the admission into Canada of such United States citizens as may be employed on the construction or maintenance of the project during the war, it being understood that the United States will undertake to repatriate at its expense any such persons if the contractors fail to do so.

5. If the Government of Canada agrees to the foregoing proposal for this project, it is suggested that any supplementary details involved in its execution be arranged directly between the appropriate governmental agencies subject, when desirable, to confirmation by subsequent exchange of notes.

Accept etc.

1003.

DEA/463-N-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre des Mines et des Ressources⁴²*

*Under-Secretary of State for External Affairs
to Deputy Minister of Mines and Resources⁴²*

Ottawa, June 13, 1942

Dear Sir,

I enclose a copy of a draft letter which was prepared in this Department after discussions with the United States Minister and representatives of the interested departments of the Canadian Government. This letter is designed as the first communication in an exchange of notes on the proposed construction of a pipeline from Norman Wells to Whitehorse.

The United States Minister sent a copy of this draft to his Government and has now received a reply in which two changes are proposed. These are as follows:

Para. 2 (d)

United States authorities would like to omit the word "Canadian" in the first line; the word "future" in the second line; and the words "air corps", in the third line. The reason for these changes is that, while the United States authorities propose to enter into a contract with a Canadian company for the storage of oil at Norman Wells, they propose to make contracts with the Standard Oil Company of California for the purpose of operating the pipeline and the refinery. I imagine that no exception can properly be taken to this proposal.

The second proposed change is more important. The United States authorities do not like that part of Para. 3 in which it is indicated that if suitable arrangements for sale to the Canadian Government or a Canadian company cannot be made, the United States authorities will have to dismantle and remove the pipeline and refinery. They say that both the line and the refinery will have a continuing and permanent value and should not, under any circumstances, be dismantled, although it is perhaps reasonable to assume that they will be allowed to stand idle.

The effect of the American criticism on this point would be to make it altogether probable that the Canadian Government would have to buy the pipeline and refinery, as a Canadian company would be unlikely to make the purchase as the commercial value of the line and refinery would probably be small. The only other alternative would be to allow the line to be operated by the United States Government or to stand idle with title remaining in the United States Government. Neither of these alternatives would seem to offer a satisfactory solution.

⁴² Des lettres semblables furent envoyées au président, la section canadienne, CPCAD, au sous-ministre des Transports et au commissaire adjoint des Territoires du Nord-Ouest.

⁴² Similar letters were sent to the Chairman, Canadian Section, PJB, to the Deputy Minister of Transport and to the Deputy Commissioner for the Northwest Territories.

NON-CIRCULATING
 MANAGER'S OFFICE

I shall be very much obliged if you will let me have an expression of your views in regard to the suggestions made by the United States authorities. I shall also be glad to have any further comments which you may wish to make in regard to other aspects of the draft.

Yours sincerely,

[N. A. ROBERTSON]

1004.

DEA/463-N-40

*Le sous-ministre des Mines et des Ressources au
sous-secrétaire d'État aux Affaires extérieures*

*Deputy Minister of Mines and Resources to
Under-Secretary of State for External Affairs*

Ottawa, June 15, 1942

Dear Mr. Robertson,

PROPOSED PIPELINE — NORMAN WELLS TO WHITEHORSE,
AND REFINERY AT WHITEHORSE

I have your letter of the 13th instant, and note the suggestions which have been made by the United States Minister with respect to the draft letter prepared by your Department. In reply I would say —

1. We were under the impression in drafting the letter about the pipeline and refinery that it was desired to follow as closely as possible the pattern laid down in the exchange of notes about the Alaska Highway.⁴³ If we adopt the suggestions now made by the United States Minister there will be a distinct difference between the two agreements for while in both cases the Dominion undertakes to secure and hold the right-of-way, the United States in one instance not only builds a pioneer road but a highway as well, and at the end of the war will turn these roads over to Canada without compensation, on the other hand, in the case of the pipeline it is evident that the United States Government wishes to secure an undertaking that Canada shall arrange to reimburse the United States for the commercial value of the pipeline and refinery at the expiration of the war or, as an alternative, allow the line to be operated by the United States Government, or to stand idle with title remaining in the United States Government.

Commenting on this I would say we have endeavoured to make it clear from the beginning of the discussion of this pipeline proposal that we are quite convinced once the war is over and it is possible to ship oil again by tankers up the coast it would not be commercially feasible to pump oil from the Norman field if there was any substantial capital investment charged against the enterprise. One important factor that must still be determined is the supply of oil that will be available from the Norman field.

There is the possibility that if the McMurray tar sands are developed actively a pipeline might be constructed from there to Edmonton but such a pipeline

⁴³ Voir Canada, *Recueil des traités*, 1942, N° 13.

⁴³ See Canada, *Treaty Series*, 1942, No. 13.

would likely be larger than the 4-in. line which the Americans are building from Norman Wells to Whitehorse.

There is also the probability that even at the end of the war the United States would prefer to have the line from Norman Wells to Whitehorse left where it is constructed so that it might be put in use quickly later on should need arise. A lot depends on the supply of oil that will be indicated at Norman Wells when the drilling programme now under way has progressed sufficiently and especially should the North West Company drill certain exploratory wells off their present property, a plan that they have been discussing.

No one knows how long the war will last, nor what conditions will prevail after the war, and it may be that the oil deposits in Canada will take on much greater importance. My personal view is that it should be possible to fix a fair price for the pipeline after the war, based on its then commercial or salvage value and that even if this enterprise has been conceived wholly by the United States Army, any outlay that Canada might make in this connection either for original outlay or subsequent care would be a contribution to the war effort of the United Nations as we should not allow the United States to own a pipeline in Canada after the war. However, I do not think that the United States Government should be asked to undertake to dismantle and remove the pipeline after the war.

2. Referring particularly to Clause D of Para. No. 2 of the draft letter, I may say it seems to me that if the changes proposed by the United States Minister are to be adopted it would be well to reword the clause, for the first part of it undoubtedly relates to activities of the North West Company Limited, a subsidiary of Imperial Oil Limited, which under our regulations must conduct the operations on the Company's leasehold and permit at Norman Wells.

Evidently the American Minister's observations relate particularly to the second part of the clause which refers to the operation of the pipeline and to the refinery at Whitehorse. If the United States Government enters into some arrangement with an American Company to operate the pipeline and the Whitehorse refinery during the war, then it should be distinctly understood that such Company would be subject to all Canadian laws and that it is not allowed to get into any preferred position after the war with respect to operation by reason of its present association with the United States Government.

I understand that you referred the correspondence to the Department of Transport and also to the Oil Controller.

Yours very truly,

CHARLES CAMSELL

NON-CIRCULATING
CANCELLED QUB B-106

1005. DEA/463-N-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-ministre des Mines et des Ressources*

*Assistant Under-Secretary of State for External Affairs
to Deputy Minister of Mines and Resources*

Ottawa, June 23, 1942

Dear Dr. Camsell,

With reference to the exchange of notes regarding the Canol project, the one point that seems to be still at issue between the United States and ourselves is the reference to the disposition of the pipeline and refinery after the war. The United States Minister has presented a draft, a copy of which, marked "A", is attached.

This draft does not seem to me to be satisfactory; in consequence, I have prepared a substitute, a copy of which, marked "B", is also attached. In this substitute, as you will see, I have proposed that the disposition of the pipeline and refinery be referred, in default of a sale, to the Permanent Joint Board on Defence. This really provides a postponing of a decision, but it seems to me a satisfactory present solution for our problem. I shall be obliged if I may have an indication of your views in regard to this subject at your very early convenience as both the Americans and ourselves would like to get this matter settled.

Yours sincerely,

H. L. KEENLEYSIDE

[PIÈCE JOINTE I/ENCLOSURE 1]

*Paragraphe 3 du projet de note du ministre des États-Unis
au secrétaire d'État aux Affaires extérieures*

*Paragraph 3 of Draft Note from Minister of United States
to Secretary of State for External Affairs*

"A"

3. My Government further proposes that the pipeline and the refinery shall remain its property, and shall be operated under contracts with or by its agents or representatives during the war. It further proposes that at the termination of hostilities the pipeline and refinery shall be valued by two valuers, of whom one shall be named by the United States and one by Canada, with power, if they disagree, to appoint an umpire. The valuation shall be based upon their then commercial value and the Canadian Government shall be given the first option to purchase at the amount of the valuation, it being understood that the Canadian Government would dismantle neither the pipeline nor the refinery without prior agreement with the Government of the United States. If the option is not exercised within three months they may be offered for sale by public tender, with the amount of the valuation as a reserve price, subject to the provision that for years there shall be no dismantlement of pipeline or refinery without the permission in writing of the Canadian Government, which in turn, given the importance of the pipeline and the refinery to the joint defence of Canada and

the United States, would not accord this permission without prior agreement with the Government of the United States. It is understood that if they are sold by public tender their subsequent operations will be subject to such regulations and conditions as the Canadian Government may consider it necessary to impose in order to safeguard the public interest. Only in the event that neither the Canadian Government nor a private company desires to purchase them, at the value agreed upon, shall the Government of the United States retain title, having the option of dismantling or removing them, or allowing them to stand idle.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Nouveau projet du paragraphe 3

Revised Draft of Paragraph 3

B

In the event that neither the Canadian Government nor any private company desires to purchase the pipeline and refinery at the agreed price, the disposition of both facilities shall be referred to the Permanent Joint Board on Defence for consideration and recommendation. Additionally it is proposed that both Governments agree that they will not, themselves, order or allow the dismantling of either the pipeline or the refinery, nor will they allow any purchasing company to do so, unless and until approval for such dismantlement is recommended by the Permanent Joint Board on Defence.

1006.

DEA/463-N-40

*Le sous-ministre par intérim des Mines et des Ressources au
sous-secrétaire d'État adjoint aux Affaires extérieures*

*Acting Deputy Minister of Mines and Resources to
Assistant Under-Secretary of State for External Affairs*

Ottawa, June 24, 1942

Dear Dr. Keenleyside,

RE — CANOL PROJECT — PIPELINE FROM NORMAN WELLS, N.W.T.,
TO WHITEHORSE, Y.T., AND REFINERY AT WHITEHORSE

In the absence of Dr. Camsell I beg to acknowledge the receipt of your letter of the 23rd instant and in reply to enclose for your information a copy of a memorandum prepared by the Deputy Commissioner of the Northwest Territories, commenting on the draft clause about the disposition of the pipeline and refinery after the war, which is under discussion between the United States Minister and your Department. These views are approved departmentally.

Yours very truly,

C. W. JACKSON

CONQUITTE SUR PLACE

NON - CIRCULATING /

[PIÈCE JOINTE/ENCLOSURE]

*Mé morandum du commissaire adjoint des Territoires du Nord-ouest
au sous-ministre des Mines et des Ressources*

*Memorandum from Deputy Commissioner of Northwest Territories
to Deputy Minister of Mines and Resources*

Ottawa, June 24, 1942

RE — CANOL PROJECT — PIPELINE FROM NORMAN WELLS,
N.W.T., TO WHITEHORSE, Y.T., AND REFINERY AT WHITEHORSE

I return herewith the letter dated the 23rd instant, addressed to you by the Assistant Under-Secretary of State for External Affairs, who desires an opinion on the wording of the clause which relates to the disposition of the pipeline and refinery after the war.

In comment I would say that I gather from the discussion which I have had over the telephone with Dr. Keenleyside that his clause which is marked "B" is intended to follow the word "price" at the end of the eighteenth line of Draft "A", where a period would occur under the proposed revision. On this understanding, I would suggest that after the word "price" on the 18th line of Draft "A", and before Draft "B" begins, there should be inserted a sentence reading about as follows:

"It is understood that if either the pipeline or the refinery, or both of them, should be operated by Government or private interests for commercial purposes, such operations will be subject to such regulations and conditions as the Canadian Government may consider it necessary to impose to safeguard the public interest."

For convenience of reference the consolidated clause as amended has been rewritten and is appended to this memorandum.

Dr. Keenleyside assures me that the Permanent Joint Board on Defence is an organization that will continue after the war.

We take it that Dr. Keenleyside will obtain whatever legal advice is necessary to ensure that the wording of the notes bears out the intention.⁴⁴

1007.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 1, 1942

CANADA-U.S. DEFENCE WORKS — SUPPLEMENT TO CANOL PROJECT

36. THE SECRETARY reported that the U.S. Minister had requested approval in principle of a project, supplementary to the Canol project, to provide additional ways and means of sending gasoline to Alaska.

⁴⁴ L'échange de notes a eu lieu à Ottawa le 27 et 29 juin 1942. Voir Canada, *Recueil des traités*, 1942, No 23.

⁴⁴ Notes were exchanged in Ottawa on June 27 and 29, 1942. See Canada, *Treaty Series*, 1942, No. 23.

It was proposed to transport gasoline in tank cars to Prince Rupert, where suitable storage and loading facilities would be constructed by the U.S. government. The gasoline would then be carried by barges to Skagway, and a 4" pipeline built from there to Whitehorse. It was estimated that the project could be carried out with a small expenditure, and in a short time. An explanatory note had been circulated.

(Secretary's note, June 30, 1942 — C.W.C. document 207).†

37. MR. HEENEY said that, in view of the urgency attached to the project, and after reference to the departments principally concerned, namely, Transport and Mines and Resources, he had obtained the authority of the Minister of National Defence for Air to inform External Affairs that the Canadian government approved in principle.

38. THE WAR COMMITTEE confirmed approval, in principle, of the project described; details, as agreed upon, to be included in a suitable exchange of notes.⁴⁵

1008.

DEA/463-N-3-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au contrôleur de l'huile, le ministère des Munitions
et des Approvisionnements*

*Assistant Under-Secretary of State for External Affairs
to Oil Controller, Department of Munitions and Supply*

Ottawa, November 27, 1942

Dear Mr. Cottrelle,

The United States Minister called on me this afternoon to show me a draft note which he would like to address to the Canadian Government with regard to the proposed extension of the plans for oil exploration in Northwestern Canada. This draft has been prepared by Mr. Moffat and has not been endorsed by his Government but he thinks that it is along these lines that his Government would like to have agreement reached. I am sending a copy of this draft also to Dr. Camsell.

I shall be very much obliged if I may have your advice as to the attitude which we should take in regard to the agreement which is proposed in Mr. Moffat's draft note.

Yours sincerely,

[H. L. KEENLEYSIDE]

⁴⁵ Cet échange de notes a eu lieu les 14 et 15 août 1942. Voir Canada, *Recueil des traités*, 1942, No 24.

⁴⁵ The notes were exchanged on August 14 and 15, 1942. See Canada, *Treaty Series*, 1942, No. 24.

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note du ministre des États-Unis au
secrétaire d'État aux Affaires extérieures*

*Draft Note from Minister of United States to
Secretary of State for External Affairs*

Ottawa, November, 1942

Sir,

I have the honor to refer to our exchange of notes of June 27 and June 29, 1942⁴⁶, regarding the desire of the United States Government to take steps for extending the fuel supply for the U.S. Army in Canada and Alaska. At that time the United States Government proposed, and the Canadian Government approved, the so-called Canol Project which included, *inter alia*, the drilling of wells in the vicinity of Norman Wells, and the laying of a pipeline from Norman Wells to Whitehorse, capable of delivering 3,000 barrels of oil daily.

The developments of our joint war effort have in the opinion of my Government made it vitally necessary to discover additional sources of petroleum in northwestern Canada and Alaska, capable of producing from 15,000 to 20,000 barrels per day, to supplement the supply which will be obtained from Norman Wells. This will require the drilling of exploratory, or in oil parlance "wildcat" wells in this northern region. As such operations should be conducted in a number of widely separated locations in the Northwest Territories, where oil is believed to exist, it is suggested that the area in Canada within which such operations are authorized be bounded on the north by the Arctic Ocean, on the east by the 112th meridian, on the south by the 60th parallel, on the west by the Continental Divide and the Alaska-Canadian Border.

The operations under immediate contemplation, — as a result of which, however, it may prove desirable to enlarge or expand the Canol Project — are for the sole purpose of discovering oilfields capable of producing the required 20,000 barrels per day. No plans have as yet been worked out covering refineries, storage or distribution systems beyond those already authorized and approved by the Canadian Government.

In view of all the circumstances involved, and the increasingly urgent need of additional fuel for military purposes in the far north, the Government of the United States of America hopes that the Canadian Government will approve these exploratory operations, with the understanding that the U.S. Army authorities be allowed during the war to develop and make use of any petroleum sources that may be discovered, subject in general to the applicable provisions of our exchange of notes of June 27-June 29, 1942, above referred to. My Government will of course keep the Canadian Government fully informed of any future plans for carrying out these operations.

Accept etc.

⁴⁶ Voir Canada, *Recueil des traités*, 1942, N° 23.

⁴⁶ See Canada, *Treaty Series*, 1942, No. 23.

1009.

DEA/463-N-3-40

*Le contrôleur de l'huile, le ministère des Munitions et des
Approvisionnements, au sous-secrétaire d'État adjoint
aux Affaires extérieures*

*Oil Controller, Department of Munitions and Supply, to
Assistant Under-Secretary of State for External Affairs*

Toronto, December 7, 1942

Dear Mr. Keenleyside,

I acknowledge receipt of your letter of November 27th enclosing a draft note of the United States Minister to Canada, in regard to further development work in Canada. I have delayed my reply, hoping to have a complete range of proposed activities in Canada which have been reported direct to me.

For the first time, United States officials realize that their supply of petroleum products is a subject of grave concern and that this continent is likely to be faced with a severe shortage next year, in fact they are now making inquiries about the tar sands of Northern Alberta — the development of these sands they were not favourable to a few months ago.

The dwindling production of Turner Valley in Alberta, together with the mounting army requirements for the Northwest Command is now the subject of discussion as between this Office and the Office of the Petroleum Coordinator in Washington. This country, as you know, is now in the domestic category. In other words, we are strictly under the Hyde Park Agreement,⁴⁷ and the oil industry in Canada is, therefore, considered on a parity with that of the United States. Supplies, therefore, for Western Canada and the Northwest Command are in a manner likely to be pooled. There is no doubt that we in this country will find, as each day goes on, a growing interest in what can be done in Canada, and a request on the part of Washington authorities to develop our resources.

I have carefully read the draft as submitted to you by the United States Minister and, as I read it, this would be giving them blanket authority over all of the Yukon Territory and about one-half of the Northwest Territories. However, I note that you have sent a copy to Dr. Camsell, and he will be able to advise you as to how this is likely to conflict with an arrangement that he has made with Imperial Oil Limited for development in the Territories. It occurs to me that they could easily cross each other's path and cause confusion.

Blanket arrangements, such as this reflects, (as I see it) have been one of your problems and I can easily understand that you may wish to have the situation clarified to a point where they will state specifically the structures and/or areas on which they wish to operate.

Yours very truly,

G. R. COTTRELLE

⁴⁷ Voir le volume 8, document 191.

⁴⁷ See Volume 8, Document 191.

1010.

DEA/463-N-3-40

*Le sous-ministre des Mines et des Ressources au sous-secrétaire
d'Etat adjoint aux Affaires extérieures⁴⁸*

*Deputy Minister of Mines and Resources to Assistant
Under-Secretary of State for External Affairs⁴⁸*

Ottawa, December 11, 1942

Replying to your letter of the 27th ultimo, enclosing a copy of Mr. Moffat's note with regard to the desirability of enlarging or extending the Canol Project for the sole purpose of discovering new oil fields, I agree that all support possible should be given to such a plan. I might say that during my recent visit to Edmonton I had an interview with Mr. Sidney Paige, chief oil geologist for the Canol Project, and discussed the matter further with him yesterday.

The proposed request contemplates exploratory work in both the Yukon Territory and the Northwest Territories. At present the oil regulations of both Territories permit prospecting and development and consequently are now open for general staking. The existing regulations, however, do not allow applications from foreign companies, which would, of course, include foreign governments.

The draft note does not indicate whether the United States Government will itself carry on the exploratory work or whether it proposes to adopt the procedure that was followed in the Canol Project, namely to contract to have the work done by a Canadian company or at least under the name of a Canadian company. If the former, it is presumed the necessary authority under the War Measures Act can be obtained permitting the United States Government to carry on this exploratory work. If the latter, I see no difficulty in the way of extending the scheme of the Canol Project and making similar arrangements for each new field that may be developed.

It should be kept in mind, however, that in the new areas to be explored, no permits or leases will have been granted. In the permits being granted to the Imperial Oil Company in the Norman field, covering areas outside those the company already has, provision is being made that upon the termination of the war the company will only have the right to obtain leases for one-half of the areas developed. The other one-half and all the plant equipment and structures, without reimbursement to the company, will belong to the Crown. This condition has been accepted by the company and will be one of the provisions of the new regulations which will shortly be submitted to Council for approval. It is assumed that the Canadian Government would have no objection to this arrangement, which seems to be fair, applying to any other field that may be discovered. Or again, if the field should be developed by the United States Government, would there then be any objection to it owning one-half of the area? This is a matter to which you will no doubt wish to give further consideration.

⁴⁸H.L. Kcenleyside.

As the general terms of the Canol Project are to apply to the new proposal, it is suggested it should be made clear that any operations carried on will not be under the present Dominion Oil Regulations but under the new regulations to be passed in connection with the areas being developed outside the existing leases in the Norman field, and that these new regulations will apply to any areas to be developed under the new proposal.

I can see no objection to the other conditions of the Canol Project set out in the exchange of notes applying; that is, those relating to the freedom from royalties and to the ownership and disposal of any refineries and pipelines that may be constructed.

CHARLES CAMSELL

1011.

DEA/463-N-3-40

*Le sous-ministre des Mines et des Ressources au sous-secrétaire
d'État adjoint aux Affaires extérieures⁴⁹*

*Deputy Minister of Mines and Resources to Assistant
Under-Secretary of State for External Affairs⁴⁹*

Ottawa, January 6, 1943

With your letter of the 22nd ultimo¹ you have referred here for consideration a revision² of the draft note which the United States Minister proposes to address to the Secretary of State for External Affairs about the desire of the United States Army to extend further the search for oil supplies in the Northwest Territories and to include the Yukon Territory in the tract under exploration.

This draft clarifies some points. Particularly it is noted that while the United States asks that it be permitted to engage United States drillers as well as Canadians for the drilling operations, it restricts to Canadian companies the actual operation of the wells for production. This is a desirable feature from our standpoint. Whatever formal permits are issued covering these operations under our regulations should be in the name of the Canadian companies which will actually carry on operations, leaving it to these Canadian companies to make arrangements for drilling as they may be able, subject, of course, to the usual safeguards imposed by the conservation features of our regulations.

However, there is a difficulty which may develop, i.e., the possibility that someone whose interest is not identical with that of the United States Government or of the Canadian Government might intervene by making application for oil and gas rights under our existing regulations before we can make effective the proposed new regulations for oil and gas permits which I mentioned to you in my note of December 11th.

Under the Dominion Lands Act the new regulations, to become effective, must be published for four weeks in the *Canada Gazette*, although there is the possibility that this period might be shortened by action under the War Mea-

⁴⁹ H.L. Keenleyside.

tures Act. In any event, unless it is specifically provided otherwise, there is the possibility that others might apply under the regulations which are now being drafted. One way to meet this situation would be to reserve the whole area which the United States now desires to have prospected and to make it clear in the Order in Council creating the reservation that permits will only be granted to the nominees of the United States Government under conditions which could be summarized in the Order in Council that makes the reservation. However, this would mean the reservation of an extremely large area, approximately 535,000 square miles, and it would doubtless cause criticism which could be avoided if the United States authorities would indicate more definitely the particular districts which seem to be the most promising. It would then be possible to create a number of reservations of reasonable size.

From the discussions which have taken place we take it that Imperial Oil Limited will be the Canadian Company operating any wells that may be brought in and the terms of the regulations proposed for the issue of permits have been discussed with the executives of that Company.

No question arises about any revenue to the Dominion Government from production during the war. Once the war is over it will be our duty to see that an appropriate share of the enterprise is conveyed promptly to the Canadian Government. It is these terms that constitute the main new feature of the regulations which we are now drafting for the issue of permits.

I see no reason why you should not make an affirmative reply to the proposals.⁵⁰

CHARLES CAMSELL

1012.

DEA/463-N-3-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-ministre des Mines et des Ressources*

*Assistant Under-Secretary of State for External Affairs
to Deputy Minister of Mines and Resources*

Ottawa, February 19, 1943

Dear Dr. Camsell,

A reply has been received from the United States Legation on the matter referred to in your letter of January 6, regarding a more strict delimitation of the districts in which wildcatting would be done in the Northwest Territories in order that such districts might be reserved for exploration by nominees of the United States Government.

The United States Government take the view that while they are wholly in accord with your suggestion, it would nevertheless be desirable that in the

⁵⁰ Les propositions des États-Unis furent présentées le 28 décembre 1942. Le Canada a fait connaître sa réponse le 13 janvier 1943. Voir Canada, *Recueil des traités*, 1943, N° 18.

⁵⁰ The United States proposals were submitted on December 28, 1942. Canada replied on January 13, 1943. See Canada, *Treaty Series*, 1943, No. 18.

regulations that are adopted there be nothing which would forbid operations anywhere within the broad general area mentioned in their note of December 28, 1942.⁵¹ This was the area bounded on the north by the Arctic Ocean, on the east by the 112th meridian, on the south by the 60th parallel, and on the west by the Continental Divide and the Alaska-Canadian Border.

I quote below from a letter to the United States Secretary of State from the Secretary of War on this subject:

"This office is wholly in accord with the suggestion contained in Dr. Keenleyside's letter of January 18, 1943[†] that certain areas should be reserved for exploration by nominees of the United States in order to prevent the possible intervention of anyone whose interest is not identical with that of the Canadian Government or of the United States Government.

At the present time it is expected that the greater part of the wildcatting will be carried on in the district contiguous to the Mackenzie River, approximately 25 miles each side thereof, and extending from Fort Wrigley on the south to Good Hope on the north. It is hoped that sufficient sources of oil to fulfil our requirements will be discovered within this area. However, there are under consideration and surveys are being made of two major districts which, on the basis of presently available geological data, are considered to be the most promising for oil exploration. These areas are defined as follows:

a. *District of Mackenzie* — An area contiguous to the Mackenzie River, approximately 75 miles each side thereof, and extending from Great Slave Lake on the south to the Arctic Ocean on the north.

b. *Yukon Territory* — All that portion of the Yukon Territory lying north of the 66th parallel.

It is believed that, in accordance with the suggestion of the Canadian authorities, it would be advantageous to both governments to have the two major areas as described above reserved for oil exploration by the United States in connection with the Canol Project, to the exclusion of other interests.

Although it is expected that our activities will be confined within these two areas it would be considered inadvisable to have them strictly limited thereto. It is therefore the desire of this department that any regulations which may be adopted be of such a nature as to permit operations anywhere within the broad general area described in our letter of November 18, 1942[†]."

Yours sincerely,

H. L. KEENLEYSIDE

⁵¹ Voir Canada, *Recueil des traités*, 1943, N° 18.

⁵¹ See Canada, *Treaty Series*, 1943, No. 18.

1013.

DEA/463-N-3-40

*Le sous-ministre par intérim des Mines et des Ressources au
sous-secrétaire d'État adjoint aux Affaires extérieures*

*Acting Deputy Minister of Mines and Resources to
Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

Ottawa, February 23, 1943

In the absence of the Deputy Minister I have received your letter of the 19th instant conveying the request of the United States Government for an additional reservation of petroleum and natural gas rights in the Yukon and in the Mackenzie District of the Northwest Territories in order to prevent possible intervention of anyone whose interest is not identical with that of the Canadian Government or of the United States Government.

In reply I am enclosing for your information a copy of a map[†] upon which you will find outlined the reservations which have been made already and also the additional reservation suggested. It will be unnecessary for me to repeat what has been said already about the difficulty of reserving the oil and gas rights in upwards of a half million square miles of territory, which was the suggestion of the United States Government under discussion last month.

As you know, Mr. Sidney Paige, Consulting Geologist attached to the office of Colonel Wyman who is in charge of the Canol Project, discussed this situation fully with Dr. Camsell and with our administrative and technical officers and as a result an Order-in-Council, P.C. 1138 dated 12th February, 1943, was passed. This Order-in-Council authorizes the withdrawal from the Petroleum and Natural Gas Regulations and the Oil and Gas Regulations of certain tracts in the Yukon and in the Northwest Territories and places these tracts under the provisions of the special regulations established by Order-in-Council P.C. 742, dated 28th January, 1943, which apply to the reserved territory within a fifty-mile radius of Norman Wells. A copy of these regulations is appended.[†] The regulations appear in the February 20th issue of the *Canada Gazette*. Your attention is directed especially to Clause 1 which provides that no person shall enter a reserved area for the purpose of prospecting for oil and staking a location without first obtaining from the Minister of Mines and Resources a preliminary authority so to do, and to Clause 14 which provides that the Minister shall have the right to refuse to issue a permit to any applicant when, in his opinion, the issue thereof might retard the search for and the development of the oil resources in the area covered by the regulations or interfere with the production of petroleum therefrom for the use of His Majesty or of any country associated or allied with His Majesty in the conduct of the present war.

We gathered from our discussions with Mr. Sidney Paige that the geological and wildcatting parties arranged by the United States Government would find plenty of scope for their activities this year in the area within a radius of fifty miles of Norman Wells, but the two additional reservations were created so that there would be plenty of territory available for exploration.

If additional reservations are to be created it should be on the understanding that the United States is planning for a substantial enlargement of the arrangements for exploration so that it can be said that the territory will be examined within a reasonable time. As you know, representatives of oil companies have been visiting Ottawa to ascertain what territories are available for exploration. It would create a difficult situation if those competent to undertake extensive exploration are prevented from doing so by extensive reservations unless we can show that the United States Government has organized adequate exploration of the territory in question.

While we have not had time to compute the area which the United States now asks to have reserved, it looks as though it would exceed 100,000 square miles. We do not see that there should be any objection to the reservation of the oil and gas rights in this territory in view of the provisions of the special regulations above mentioned for it means that the Minister will still have the right to allow entry to any *bona fide* company which has the resources to conduct worthwhile exploration and development and which is willing to concede to the allied governments whatever control of products may be necessary for the effective prosecution of the war, but the reservation should only be made on the distinct assurance that the United States will conduct active exploration to the satisfaction of the Canadian Government.⁵²

Yours very truly,

[C. W. JACKSON]

1014.

DEA/463-N-7-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-4650

Ottawa, November 26, 1943

Your WA-5885 of November 25, 1943,¹ Canol Project.

The United States Ambassador called on Keenleyside on November 22nd and left a letter reading as follows:

"In an exchange of notes between the American Legation at Ottawa and the Department of External Affairs on December 28, 1942 and January 13, 1943 arrangements were made for a program of drilling exploratory oil wells in the Northwest Territories. In the note of the American Legation of December 28, 1942 it was stated that no plans had been worked out regarding facilities in connection with these wells beyond those already authorized by the Canadian Government and that the American Government would, of course, keep the Canadian Government fully informed of any future plans for carrying out these operations.

⁵² L'entente sur cette question fut incarnée par les notes du 18 janvier, du 17 février et du 13 mars. Voir Canada, *Recueil des traités*, 1943, No 19.

⁵² The agreement on this matter was embodied in Notes dated January 18, February 17 and March 13. See Canada, *Treaty Series*, 1943, No 19.

It is believed that a point has now been reached when it would be useful for officials of the two Governments to have an exchange of views on this whole subject. Proposals are, therefore, being formulated dealing with the entire oil development in the Northwest which will be placed before the Canadian authorities informally at an early date as a suggested basis for such a discussion."

Atherton then added that Hickerson and two officers from the War Department would like to come to Ottawa next week to discuss the matter.

We have agreed to meet them here on the afternoon of Thursday, December 2nd. We are to have a preliminary meeting of the interested Canadian officials on Tuesday, November 30th. A set of the papers being prepared for this meeting will be forwarded to you.

1015.

DEA/463-N-7-40

Procès-verbal d'une réunion
Minutes of a Meeting

Ottawa, November 30, 1943

MINUTES OF A MEETING HELD NOVEMBER 30, 1943,
TO DISCUSS THE CANOL DEVELOPMENT

1. A meeting was held in Room 123, East Block, on Tuesday, November 30, to discuss the Northwestern oil development, preparatory to a meeting with United States officials on Thursday, December 2nd. The following participated:

Mr. N.A. Robertson, Under-Secretary of State for External Affairs

Mr. A.D.P. Heeney, Secretary, Cabinet War Committee

Commander C.P. Edwards, Deputy Minister of Transport

Dr. W.C. Clark, Deputy Minister of Finance

Mr. R.A. Gibson, Director, Lands, Parks and Forests Branch, Dept. of Mines and Resources

Major-General W.W. Foster, Special Commissioner for Defence Projects in the Northwest

Mr. C.W. Jackson, Executive Assistant to the Deputy Minister of Mines and Resources

Mr. J.E. Read, Legal Adviser, Dept. of External Affairs

Group Captain W.F. Hanna, Director of Plans, Dept. of National Defence for Air

Dr. J.S. Stewart, Dept. of Mines and Resources

Wing Commander P.A. Cumyn, Secretary, Interdepartmental Panel on Joint Defence Projects

Mr. H.L. Keenleyside, Assistant Under-Secretary of State for External Affairs — Chairman

Miss B.M. Bridge, Dept. of External Affairs — Secretary

2. Mr. Keenleyside opened the discussion with a brief reference to the recent hearings on the Canol Project conducted by the Truman Committee.⁵³ He said that the Canadian policy has been to hold completely aloof from what we consider a purely domestic quarrel between departments of the United States Government. Canada had been requested to provide certain facilities for the Canol

⁵³ Harry S. Truman était le président du Comité spécial du Sénat des États-Unis enquêtant sur le programme pour la défense nationale.

⁵³ Harry S. Truman was Chairman of the United States Senate Special Committee Investigating the National Defence Program.

construction as a matter of urgent war necessity. We were not asked for an opinion, nor did we express one officially, though in informal discussions it had been suggested that the emergency which the Canol Project was designed to meet would have passed before the facilities would be completed. Although members of the Truman Committee have hinted that Canada had "out-smarted" the United States War Department on the Canol deal, Mr. Fulton, Counsel of the Committee, admitted in private conversation with a member of the Canadian Legation that the Committee had no grievance against Canada. The worst feature from the standpoint of our relations with the United States arises from the attitude of the Director of the Bureau of the Budget, who has argued that the War Department was inveigled into the project by the Arctic explorer, Stefansson, acting in the interests of Canadian Pacific Airlines. Another hearing is to be held in January by his Bureau on the financial side of the project.

Mr. Keenleyside then said that the question before the meeting was the attitude which the Canadian representatives should adopt towards the proposals which would undoubtedly be made by the Americans at the meeting with United States officials on Thursday, December 2. He pointed out that this case is probably only the first of a number of United States efforts to renegotiate war-time agreements with Canada, using as an excuse the development of public opinion in the United States. The manner in which we handle this question may have an important bearing on future proposals of the same kind.

3. Mr. Jackson stated that the wells in the Norman area are now producing an average of 8500 barrels per day. Canadian estimates of the extent of the oil field range from 35 to 50 million barrels, while United States estimates range from 50 to 100 million barrels.

4. Consideration was given to the possible proposals and arguments which might be advanced by the United States representatives for post-war use of the oil resources in the Northwest.

(a) *Interest on Investment — The Financial Argument*

Mr. Heeney reported that in a brief discussion with him Mr. Hickerson had taken the line that the United States had made a huge investment in the North-western oil development and that the time had come when they must of necessity give some thought to obtaining a return on their investment. It was unanimously agreed that we should refuse to admit the validity of any such argument. Our answer should be that the Canol Project was conceived as a defence project and that it should not be considered as a commercial investment. Mr. Robertson felt that a little reflection would probably convince the United States War Department that the use of the financial argument would be most ill-advised, even for home consumption. As a commercial venture, the Canol Project is indefensible.

(b) *Installation of a 10" pipeline*

General Foster informed the meeting that the suggestion had been made to him that the United States might propose the installation of a 10" pipeline, with a capacity of 20,000 barrels daily, to carry crude oil to Skagway whence it would be taken to the United States by tanker for refining. It was agreed that

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NON-CONFIDENTIAL

this suggestion should not be entertained. We should point out (a) that local needs, in an area whose economy is based on the internal combustion engine, could not be neglected; and (b) that the interests of overall continental defence require the maintenance of oil reserves in this region, whereas such a scheme would exhaust them in a very short time. Reference might also be made to the North Pacific Planning Project which is designed to consider the post-war development of the whole region in which the Canol Project is located.

(c) *Dwindling United States Oil Reserves*

The argument might be advanced that the United States had supplied large quantities of oil to Canada, thus depleting her own resources, and that they were therefore entitled to a portion of the product of this Canadian field. Such an argument would be contrary to the principle of joint use of resources embodied in the Hyde Park agreement, and, in any event, can be applied both ways (e.g. depletion of Canadian nickel and timber resources).

(d) *The Defence Aspect*

The Americans may suggest that we should have some kind of agreement whereby in the post-war period the United States defence forces in Alaska should not be denied access to the gasoline produced in the Northwest, but should obtain it on conditions not less favourable than those extended to Canadian defence forces in the same general area. After discussion, it was agreed that, subject to the result of an examination of the application of this argument to other defence facilities, there would be no objection to this or to our undertaking to maintain a strategic reserve for defence purposes in the Northwest.

It was suggested that it would be undesirable for political and other reasons to continue into the post-war period the exclusive rights now enjoyed by Imperial Oil as nominee of the United States Government. We will supply gasoline for defence purposes, but under a new agreement.

There was some discussion on the method of reaching such an agreement. Mr. Read thought it might best be handled as a recommendation of the Permanent Joint Board on Defence. Mr. Robertson felt that it might be arranged as part of a general reciprocal agreement for defence, continuing into the post-war period the principles laid down in the Ogdensburg and Hyde Park agreements. He thought that consideration might profitably be given now to the conclusion of a comprehensive Canadian-American defence agreement (along the lines of the Anglo-Soviet Treaty).

5. It was agreed that Group Captain Hanna and Wing Commander Cumyn would prepare a memorandum as suggested in 4(d) above for circulation on Wednesday, December 1, and that Miss Bridge would place minutes of the present meeting in the afternoon mail today.

The meeting adjourned at 1 p.m.

1016.

DEA/463-N-7-40

Le directeur des plans, le ministère de la Défense nationale pour l'Air, au sous-secrétaire d'État adjoint aux Affaires extérieures

Director of Plans, Department of National Defence for Air, to Assistant Under-Secretary of State for External Affairs

Ottawa, December 1, 1943

Dear Keenleyside,

Herewith is a copy of the memorandum referred to in para. 5 of the minutes of the meeting held on November 30th, 1943, to discuss the Canol development.

Yours sincerely,

W. F. HANNA
Group Captain

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du directeur des plans, le ministère de la Défense nationale pour l'Air, et du secrétaire, le comité interministériel sur les projets de défense conjoints

Memorandum by Director of Plans, Department of National Defence for Air, and by Secretary, Interdepartmental Panel on Joint Defence Projects

Ottawa, December 1, 1943

DEFENCE ASPECTS OF THE CANOL PROJECT

Recent press comment suggests that certain sections of the United States public are becoming concerned about the very large sums of money which have been spent on United States war projects in foreign countries. The Canol project is but one of many such projects to which attention has been directed. In this instance, it has been charged that the War Department, on its own initiative and without seeking the advice of competent civil authorities, embarked on a grandiose scheme of oil development in Northwestern Canada; that expenditure of public funds there has been reckless and entirely unwarranted on the basis of the benefits which might have been expected to accrue to the United States; and that Canada will benefit greatly at the expense of the United States tax-payers. In the face of these charges, it may be assumed that the United States War Department will wish to take steps to reassure the United States public that their interests have been safeguarded.

One obvious solution, from the point of view of the United States War Department, would be to induce the Canadian Government to reimburse the United States Government for a part or all of the cost of the Canol project on the grounds that it will be of enormous post-war value to Canada. However, since the post-war disposition of the project has already been agreed upon, some other less direct approach will have to be made. An alternative would be that the Canol agreement should be revised so as to guarantee to the United States

ample and readily available oil reserves needed in the post-war period for their defence forces stationed in the Alaskan theatre. If the Canol project could be represented in this light to the United States public, the criticism which has been levelled at the United States War Department would lose much of its force. There is reason to believe that the United States representative may make such a proposal in the course of the forthcoming conversations.

If the Canadian Government were to agree that on grounds of Hemisphere defence a part of the output from the Fort Norman oil field should be made available in the post-war period as a strategic reserve for the use of the United States defence forces in Alaska, the way might be left open for presentation by the United States of similar representations for other concessions on the grounds of joint defence needs. It therefore becomes necessary to make some appreciation of the position in which Canada would be placed if an initial concession regarding the Canol project were granted.

Since the United States Government has spent very large sums of money on the construction of defence facilities in Alaska and the Aleutians and, since these facilities may properly be regarded as vital to the defence of Northwestern Canada, as well as to that of the United States, it may be anticipated that Canada will be asked to permit the regular movement of United States land and air forces from continental United States through Canada to Alaska. The movement of land forces and equipment would involve the post-war military use of the Alaska Highway and, incidental thereto, the right to station repair and servicing detachments at intervals along the highway between the United States border and the Alaskan boundary. Similarly, the movement of air forces might necessitate the use of the Northwest airway to Alaska, including the right to set up servicing facilities, ground detachments, meteorological services, and separate communications along the airway.

In Eastern Canada a parallel situation prevails with respect to United States bases in Newfoundland. In this area, the United States might request permission to operate military aircraft from the Eastern States across Canada to leased bases in Newfoundland, such as Argentia and Stephenville. Such a request might include the right to establish maintenance and servicing detachments in Canada. The use of Goose Bay might also be required for military aircraft flying to and from Greenland.

If the defence agreement entered into with the United States included reciprocal provisions, Canada might secure permission from the United States to operate military aircraft over the State of Maine and across portions of Michigan, Wisconsin, and Minnesota. Certain bases on the Pacific coast, such as Annette Island, might also be used by Canadian defence forces. Canada's position with respect to the post-war military use of bases and ancillary facilities in Newfoundland has not yet been defined, but sooner or later this question must be taken into consideration, and any proposals which are put forward should take into account United States defence interests in Newfoundland. In this connection, existing arrangements providing for the joint use of certain Newfoundland bases by United States and Canadian forces might be continued in the post-war period.

During the present war, Canada and the United States have been intimately associated in measures undertaken for the common defence of North America. Economic resources have been pooled, United States defence bases have been constructed in Canada, and United States forces have been given freedom of transit across Canadian territory. At some time in the near future, a decision will have to be reached as to whether these measures for common defence are to be terminated or continued into the post-war period. It may be suggested that Canada's interests can best be served by a continuance of the present close military association with the United States, but it should not be overlooked that, by the acceptance of this point of view, Canada will in a sense be committed to the consequences of future United States policy.

It may be suggested that the reservation, for the defence needs of another country, of an important natural resource such as oil, is purely an economic transaction and, as such, is not comparable to a concession which would grant to a foreign country the right of transit for armed forces and military equipment. If this point of view is accepted, it might be argued that the granting of special concessions by Canada with respect to the reservation of the Fort Norman oil resources for defence purposes in Alaska would not necessarily imply closer military collaboration with the United States. On the other hand, it must be recognized that the Canol Project was conceived, not as a commercial venture, but as a joint defence undertaking; that on this basis it was agreed to by the Canadian Government; and that the Project has been developed throughout as an integral part of the network of joint military installations in Northwestern Canada and Alaska. In view of these considerations, therefore, Canada might properly take the position that any modification or extension of the Canol agreement should be decided upon primarily in the light of joint United States-Canada defence requirements, with due regard being given to the interests of Canadian economy in the area affected. Accordingly, it is suggested that this matter should be referred to the Permanent Joint Board on Defence for review and recommendation.

1017.

DEA/463-N-7-40

*Procès-verbal d'une réunion entre des représentants
du Canada et des États-Unis*

*Minutes of a Meeting between Representatives
of Canada and the United States*

SECRET

Ottawa, December 2, 1943

MINUTES OF A MEETING HELD IN OTTAWA ON DECEMBER 2, 1943,
TO DISCUSS THE CANOL DEVELOPMENT

1. A meeting of United States and Canadian representatives was held in Room 123, East Block, at 2.30 p.m. on Thursday, December 2, 1943, for the purpose of discussing certain aspects of the oil development programme now

being conducted in Northwestern Canada by the United States Army or by Imperial Oil as agent for the United States Army. The following participated:

UNITED STATES

Hon. Ray Atherton, United States Ambassador to Canada
Col. Francis J. Graling, Military Attaché, United States Embassy
Mr. Edward P. Lawton, First Secretary, United States Embassy
Mr. John D. Hickerson, U.S. State Department
Major-General T.M. Robins, Assistant Chief of Engineers, U.S. Army
Brigadier-General H.L. Peckham, Office Quartermaster General, U.S. Army
Brigadier-General Boykin Wright, Director of International Aid Division,
Army Service Forces
Lieutenant Loftus E. Becker, U.S. Army

CANADA

Mr. N.A. Robertson, Under-Secretary of State for External Affairs
Mr. J.E. Read, Legal Adviser, Department of External Affairs
Mr. H.L. Keenleyside, Assistant Under-Secretary of State for External Affairs
Miss B.M. Bridge, Department of External Affairs
Mr. A.D.P. Heeney, Secretary, Cabinet War Committee
Major-General W.W. Foster, Special Commissioner for Defence Projects in the Northwest
Wing Commander P.A. Cumyn, Secretary, Interdepartmental Panel on Joint Defence Projects
Dr. W.C. Clark, Deputy Minister of Finance
Commander C.P. Edwards, Deputy Minister of Transport
Mr. C.W. Jackson, Executive Assistant to the Deputy Minister of Mines and Resources
Group Captain W.F. Hanna, Director of Plans, Department of National Defence for Air

2. Mr. Hickerson opened the discussion by explaining the considerations which had prompted the United States representatives to seek an exchange of views on this subject with Canadian officials. He described the grave strategic situation in the Pacific in the spring of 1942 which had led the War Department to embark upon the Canol Project as a strictly military venture. Subsequently the inauguration of the ferry service to Russia, and later the prospect of mounting a Northern air attack against Japan, made expansion of the original exploratory programme appear desirable. Now, however, with the change in the military and strategic picture in the North Pacific, American critics of the Project were tending to look at it from a commercial rather than a military standpoint. There were, moreover, possibilities of a further alteration in the situation due to the unexpectedly encouraging oil prospects revealed by the wildcatting activities. Although drilling operations had not been completed, geological structures at Loon Creek and Raider Island in the wildcat area were reported to be most promising. If sufficient oil should be discovered to make development of the field a commercial proposition, the present arrangement giving Imperial Oil a major interest in the wells would be embarrassing for both governments. Since the United States had done the pioneering and laid out large sums of money, they felt that, if a really large oil development resulted, it would be reasonable to propose that an equitable arrangement should be worked out (wholly consistent, of course, with Canadian sovereignty) whereby they could recover as much

of their investment as the traffic would bear. Although the United States representatives were not yet in a position to make definite proposals, they desired to place the facts before the Canadian officials for their comments and advice. At the same time, they wished to inform the Canadian Government of their intention to renegotiate the contract with Imperial Oil.

Turning to the existing intergovernmental agreements covering the North-western oil development programme, Mr. Hickerson said that the *first* exchange of notes on the original Canol Project (June 27-29, 1942)⁵⁴ was drawn up at a time when it was thought that the whole undertaking would probably be abandoned at the end of the war. If, however, there should be a big find of oil, the United States situation would not be met by this arrangement for the disposition of the pipeline and refinery. The *second* exchange of notes (August 14-15, 1942)⁵⁵ on the Skagway or Supplementary Canol Project, did not settle the post-war disposition of the pipeline from Whitehorse to Skagway. Wildcatting operations conducted under the *third* exchange of notes (December 28, 1942-January 13, 1943)⁵⁶ gave promise of uncovering a much larger field than there had been any reason to expect at the time the agreement was made. Finally, the United States authorities felt that the distribution pipelines along the Alaska Highway should be considered as part of the Canol development, since they obviously could not be operated by highway maintenance personnel⁵⁷, and some provision should therefore be made for their post-war disposition.

In conclusion, Mr. Hickerson summed up briefly what the United States representatives wished to accomplish at this meeting, namely, (a) to discuss with the Canadian officials the extent of the field; (b) to acquaint them with the intention of the United States to renegotiate the contract with Imperial Oil and to ascertain whether the Canadian Government shared, in general, the United States approach to the problem; and (c) to canvass the possibility of reaching some arrangement which would modify the existing intergovernmental agreements in certain respects and which would (d) provide for the contingencies which would flow from the discovery of a very large oil field in the area. He added that neither government could afford to lose sight of the fact that the Mackenzie Valley field is so located as to be of enormous strategic value under certain circumstances. Some consideration should therefore be given by both Canada and the United States to the future military value of the oil resources, the pipelines and the refinery.

3. The following is a brief summary of the discussions on these four points:

(a) General Foster stated that all information on the field has already been furnished to him with the exception of certain geological data which General

⁵⁴ Voir Canada, *Recueil des traités*, 1942, N° 23.

⁵⁴ See Canada, *Treaty Series*, 1942, No. 23.

⁵⁵ Voir Canada, *Recueil des traités*, 1942, N° 24.

⁵⁵ See Canada, *Treaty Series*, 1942, No. 24.

⁵⁶ Voir Canada, *Recueil des traités*, 1942, N° 18.

⁵⁶ See Canada, *Treaty Series*, 1942, No. 18.

⁵⁷ La note suivante était dans l'original:

⁵⁷ The following note was in the original:

At the present time Standard Oil of California is operating the pipelines for the United States Government.

Worsham⁵⁸ felt he should not turn over without specific authorization from the War Department. General Robins said that the necessary authorization would be sent to General Worsham immediately and that the Canadian Government was welcome to and would be given every scrap of information that the United States officials received. In this connection General Peckham requested that the Canadian Government would not make available either to the press or to private concerns the results of the wildcatting operations — e.g. definite locations of the wildcat holes, indications resulting from geological and geophysical structures, flow of wildcat wells. Mr. Jackson assured him that such information would be treated by the Canadian Government as strictly confidential.

(b) The representatives of the United States War Department pointed out that the original contract with Imperial Oil was made on the basis of a 7-8 million barrel field, not on the 50 to 150 million barrel field which in their opinion was now in prospect. As the present contract stands, moreover, no distinction is made in price between oil from wells developed at the Company's expense and wells developed exclusively at United States expense. It is thus possible for critics of the project in the United States to argue that the United States Government has developed an oil field for Imperial Oil without receiving any return. Mr. Keenleyside said that, subject to further consideration, there would, in his opinion, be no disposition on the part of the Canadian Government to object to the United States renegotiating the contract with Imperial Oil. The Canadian Government would, of course, be interested in the terms. The United States representatives gave assurance that the Canadian Government would be kept fully informed on the progress of these negotiations.

(c) Enlarging upon his previous statement, Mr. Hickerson stated that even if no large field is discovered, the original intergovernmental agreements require modification in certain respects. For instance, to answer current criticism in the United States it should be made clear that the United States will have the right to purchase gasoline for military purposes from the Norman field in the post-war period; the clause with respect to title to the right-of-way should be rephrased in such a way as to remove misunderstanding of its meaning in the United States; some provision should be made for post-war maintenance of the pipelines which otherwise would be allowed to deteriorate since they could not be operated commercially at a profit. In this connection Mr. Keenleyside stated that he felt that the defence aspects and the use of the pipelines have been reasonably taken care of in the existing agreements which forbid dismantlement except on recommendation of the Permanent Joint Board on Defence. Unless there is some new overall agreement to modify them, the Canadian Government would be inclined to leave them as they are, although there would probably be no serious objection to minor revisions. Mr. Read asked whether the United States representatives were committed to the idea of revision of the existing agreements or whether a supplementary agreement, taking into account the post-war situation would be more satisfactory. The United States

⁵⁸ Ingénieur de la division du Nord-Ouest responsable des projets de construction des États-Unis dans le Nord-Ouest du Canada.

⁵⁸ Northwest Division Engineer in charge of United States' construction in Northwestern Canada.

representatives said that their principal concern was to reach an agreement; they had no particular predilection about the form it should take.

Mr. Robertson referred to the Congressional criticism of the Canol Project and said that such difficulties were not peculiar to the United States. There had been a number of indications in recent months that Canadian public opinion was worried about possible implications of the extent of United States participation in joint defence projects in Canada — and a feeling that the United States had been allowed to construct a good many defence facilities in Canada that this country could have built, if its war effort had not been fully extended in other directions. This is the background against which we have to consider revision of any of the defence arrangements.

(d) The United States War Department representatives stated that the question of United States post-war financial participation would only arise if the field should turn out to be an enormous one, in which event they felt that it would be desirable and equitable to work out some new arrangement, both from the standpoint of a post-war military resource of oil, and of some return on the United States investment of \$134,000,000. Mr. Keenleyside felt that Canol should not be considered as a commercial investment. It was, he said, an investment in defence and should continue to be regarded as such. With regard to the contingency of a bonanza being discovered in the Northwest, he suggested that it would be of interest to consider what the United States Government or the Canadian Government had done in comparable circumstances involving their own nationals. General Wright referred to the fact that in somewhat parallel circumstances the United States after the war would be discussing with the recipients of Lease-Lend assistance the return that the American Government might expect to receive. In reply it was pointed out that Canada's contributions through the Mutual Aid procedure were being given without any intention of asking for post-war recompense.

Mr. Keenleyside also suggested that the increased commercial value of the Canol installations, if the field turned out to be very extensive, would be met, in part at least, by the existing arrangements for their disposition. If there was assurance that the refinery could be kept operating at full capacity as an adjunct to a major movement of oil from the Mackenzie valley to the coast, its assessed value — and consequently its selling price — would be greatly enhanced. Mr. Hickerson, however, felt that the operating cost of a 3,000 barrel refinery, coupled with the expense of transporting the refined product to its logical markets, would be prohibitive from a commercial standpoint. In reply to a question by Mr. Keenleyside the United States representatives stated that no estimates have been made of the size of pipeline which would be necessary to make the delivery of crude at Skagway for refining in British Columbia or a Pacific State a commercial proposition.

In conclusion, Mr. Keenleyside summarized what he considered to be the tentative attitude of the Canadian participants in the discussion in relation to the United States proposals. In his opinion

A — there would be no disposition to object to the renegotiation of the United States contract with Imperial Oil, although Canada would, of course, have an interest in the terms;

B — sympathetic consideration would be given to proposals for minor modifications, of the kind mentioned as illustrations by Mr. Hickerson, in the present agreements;

C — arrangements for the utilization of the Mackenzie Valley oil and of the Canol installations for joint defence purposes could probably be worked out, if and insofar as they are not adequately covered by the existing agreements, without great difficulty;

D — the Canadian representatives would be inclined to advise their Government against the acceptance of modifications in the present agreements based on the assumption that a major oil development might be discovered in the Northwest.

He added, however, that this summary, of course, was not to be considered an official reply. The Canadian participants in the discussions would be interested to receive additional information and suggestions from the United States and would, in any case, give further thought to the views advanced in the present meeting.

4. At the close of the meeting the United States representatives furnished the following rough breakdown of the cost of the project:

Drilling operations in the Norman field — \$5,000,000
 Wildcatting operations — \$2-3,000,000
 Small pipelines — \$34,000,000
 4" pipeline (Norman to Whitehorse) — \$31,000,000
 Refinery — \$24,000,000
 Transportation costs (including development
 of Mackenzie waterway) — \$26,000,000

5. The meeting adjourned at 5 p.m.

SECTION E

FINANCEMENT, CONTRÔLE ET DISPOSITION DANS L'APRÈS-GUERRE DES PROJETS DE DÉFENSE FINANCING, CONTROL AND POST-WAR DISPOSITION OF DEFENCE PROJECTS

1018.

DEA/72-FX-40

*Mémoire du sous-ministre des Transports au
 ministre des Munitions et des Approvisionnements*
*Memorandum from Deputy Minister of Transport to
 Minister of Munitions and Supply*

Ottawa, March 17, 1942

NORTHWEST AIRWAY — PAYMENT FOR ADDITIONAL COSTS

When, on the recommendation of the Joint Defence Commission, the Canadian Government decided to construct this airway, the policy was adopted that the whole cost should be borne by Canada.

It is evident, from our discussions with the officers of the United States Army Air Service Ferry Command, that very large additional facilities will now be required. They stated that the U.S. Ferry Command had received a large allocation for this purpose and that they were quite willing to bear the cost of any further work required.

It is recommended that the Canadian Government continue to accept responsibility for the cost of completion of the programme of work already authorized and in hand according to plans and specifications already approved.

The United States Government should be asked to accept financial responsibility for all other work, including supply of additional ranges, and emergency landing strips adjacent to them, 2-way radio, extension of runway systems, taxi strips, hangars, additional housing facilities, gas storage and refuelling facilities, and transportation costs in creating such facilities, the provision or purchase of any lands required excepted.

The Air Services Branch having the necessary engineering staffs, construction equipment and contractors on the ground who are familiar with conditions, should complete the work at the present airport sites and also any extra work required by the extension of existing contracts.

In regard to construction work at new sites on the route, the Air Services Branch has already made preliminary surveys for intermediate landing strips, and the location of additional ranges. It is suggested that advantage be taken of this knowledge and that construction of any additional airport facilities be undertaken on behalf of the U.S. authorities by the Air Services Branch. If, however, the U.S. authorities would prefer to construct such additional facilities by their own forces at the same time that they are building the highway, this Department would have no objection.⁵⁹

Submitted for approval.

C. P. EDWARDS

1019.

DEA/72-FX-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures⁶⁰
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs⁶⁰
to Under-Secretary of State for External Affairs*

[Ottawa,] March 24, 1942

ADDITIONAL FACILITIES ON THE NORTHWEST AIRWAY

1. It is my understanding that Canada has spent, or is spending, some ten million dollars in providing airfields and their essential equipment along the air

⁵⁹ Voir les recommandations 10 du 14 novembre 1940 et 19 du 29 juillet 1941 de la CPCAD dans S.W. Dzuiban, *Military Relations between the United States and Canada, 1939-1945*. Washington, D.C.: U.S. Government Printing Office, 1959, pp. 351, 354-5.

⁶⁰ H.L. Keenleyside.

⁵⁹ See Recommendations 10 of November 14, 1940 and 19 of July 29, 1941 of the PJB in S.W. Dzuiban, *Military Relations between the United States and Canada, 1939-1945*. Washington, D.C.: U.S. Government Printing Office, 1959, pp. 351, 354-5.

route from Edmonton to Fairbanks. The facilities thus being created or supplied are sufficient to handle fighter planes and medium bombers. They will also be adequate for the servicing of ordinary commercial planes. They are not adequate however, for the large Consolidated bombers that the United States may wish to send to Alaska, nor would these facilities be capable of handling the type of plane that is likely to be used on the commercial service which will inevitably be established along the Great Circle route after the war.

2. The United States Army Air Service Ferry Command have received a large allocation of funds from which they propose to spend sufficient money to expand the fields and to provide such additional equipment and facilities as may be necessary to make the route available for any type of plane now in service. It is estimated that the cost of this expansion will be somewhere in the neighbourhood of four to five million dollars.

3. The desirability of the Canadian Government avoiding any unnecessary expenditure is so obvious that it does not need to be emphasized. It is almost equally desirable that United States funds should be spent in Canada whenever this can be arranged without putting Canada under any detrimental obligation.

4. There is only one real reason for objecting to the proposal that the United States should be allowed to expend money for the purposes indicated above. The objection is that, if the United States does spend five million dollars on the Northwest air route the Americans will have a proprietary and perpetual interest in the fields which they have extended and whose equipment they have supplemented. This may not be a matter of any particular significance during the war; American interest, however, will not terminate with the end of the conflict. Americans will continue to look upon the fields as their own. The United States will undoubtedly establish commercial services to the Far East and will certainly expect special concessions and privileges in "their" fields. Canada will be under an everlasting obligation, and Washington will not hesitate to remind Ottawa of that fact when commercial competition develops and controversies result.

5. Under the circumstances, and unfortunate as it is that additional expenditure is necessary, it is submitted that it would be desirable to follow in this case the established policy by which the Canadian Government itself pays for all permanent facilities established in Canada for the use of United States forces, or for joint use by the forces of Canada and the United States. Five million dollars is a great deal of money but the expenditure of that sum in Canada, even under present conditions, would probably be preferable to the acceptance of a perpetual obligation which would be detrimental to Canadian prestige now and to Canadian national and commercial interests when peace returns.

1020.

DEA/72-FX-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-ministre des Transports*

*Assistant Under-Secretary of State for External Affairs
to Deputy Minister of Transport*

Ottawa, March 25, 1942

Dear Commander Edwards,

This will acknowledge receipt of your letter of March 17,¹ and of the memorandum regarding additional construction on the Northwest airway⁶¹ which accompanied it.

When speaking to you on the telephone yesterday, I referred to the fact that the policy suggested in the memorandum under reference, namely, that the United States should be allowed to spend money in Canada for facilities to be used by United States forces based in or passing through this country, is contrary to the principle that has heretofore been maintained by the Canadian Government. You will recall that this matter has been before Council in connection with air base facilities and other establishments in the Maritime Provinces, British Columbia and Newfoundland. The only variation from this rule is found in the agreement covering the construction of the Alaska highway.⁶²

As I promised in our conversation, I am sending you two copies of a brief memorandum⁶³ prepared in this Department in which reference is made to the possibility of difficulties being experienced in the post-war period if the Canadian Government should abandon its present policy in the case of the Northwest airway. Recalling the unscrupulous methods which have been employed to bring pressure on the Canadian Government in connection with the campaign of United States interests to obtain a commercial franchise over this route, it seems to me that the dangers mentioned in the Departmental memorandum are not at all unlikely to materialize.

I think that it might be helpful if you would consider the views expressed in this memorandum, and let Mr. Robertson have the benefit of your advice in the premises. Whatever your views in regard to the question of policy I assume that you will also wish to discuss with your Minister the most appropriate method of placing the matter before the Cabinet War Committee. We will be glad to learn what steps the Honourable Mr. Howe may wish to have taken for this purpose.

Yours sincerely,

H. L. KEENLEYSIDE

⁶¹ Document 1018.

⁶² Voir Canada, *Recueil des traités*, 1942, N° 13.

⁶³ Voir le document précédent.

⁶² See Canada, *Treaty Series*, 1942, No. 13.

⁶³ See preceding document.

NOT RECORDED
 MINISTER'S OFFICE

1021.

DEA/72-FX-40

*Le sous-ministre des Transports au sous-secrétaire d'État adjoint
aux Affaires extérieures*
*Deputy Minister of Transport to Assistant Under-Secretary of State
for External Affairs*

Ottawa, March 27, 1942

Dear Dr. Keenleyside,

I have your favour of the 25th inst., enclosing memo regarding the provision of additional airway facilities on the northwest route to Alaska, and have discussed the matter in some detail with my Minister.

In reply I am directed to say that we fully appreciate the points you raise, but after careful review of the whole situation, we are of the opinion that it would not jeopardize our future position to permit the United States to contribute to the extension of these facilities.

Our attitude is that our present programme, when completed, will provide an airway completely adequate for the services we now contemplate, and if, at some future date, we find we require additional facilities for commercial services, we will then provide them.

If, however, in the meantime the United States, for military purposes, desire certain extensions immediately in order to handle their heavy military planes, then in permitting them to contribute the cost of such extensions, we do not regard ourselves as committed in any way to according them any commercial rights at some future date.

Yours faithfully,

C. P. EDWARDS

1022.

W.L.M.K./Vol. 321

Le président, la section canadienne, CPCAD, au Premier ministre
Chairman, Canadian Section, PJBD, to Prime Minister

Ottawa, April 17, 1942

My dear Prime Minister,

I enclose a memorandum on the subject of certain proposals by the United States for the expenditure of money in Canada which will almost certainly be made at the next meeting of the Joint Board. The purpose of submitting it is that the members of the Canadian Section should, if possible, obtain an indication of the Government's view as to the principle which should guide them in dealing with proposals of this kind.

Yours faithfully,

O. M. BIGGAR

[PIÈCE JOINTE/ENCLOSURE]

*Mémorandum du président, la section canadienne, CPCAD,
au Premier ministre*

Memorandum from Chairman, Canadian Section, PJBD, to Prime Minister

Ottawa, April 17, 1942

1. The meeting by the United States of the cost of defence facilities in Canada will be proposed at the next meeting of the Board on the 27th of this month with respect to several works. It would be of great assistance if an indication could be given of the Government's view as to the principle which should guide the Canadian Section in dealing with proposals of the kind.

2. The anticipated proposals relate to (a) the improvement of the airway between Edmonton and Fairbanks, Alaska, (b) the construction of an aerodrome near Chimo, Ungava, in Northern Quebec as part of an airway leading through the Canadian aerodrome at Goose Inlet, Labrador, to Greenland, Iceland and Europe, and (c) barrack accommodation for United States troops and dock facilities at Prince Rupert. The United States members of the Board will probably assume that the United States should meet the expense to be incurred at Prince Rupert. They will offer also to meet the cost of the improvement of the northwestern airway and the provision of the Chimo aerodrome.

3. The Canadian departments concerned have as yet reached no conclusion as to the necessity or feasibility of the Chimo project. The programme for the works at Prince Rupert has been approved by the General Officer Commanding West Coast Defences, the estimated cost of these works being some \$61/2 millions. The improvements to the northwestern airway have been the subject of discussion at meetings attended by representatives of the Canadian and United States authorities concerned. The cost of what has been agreed upon as desirable is estimated roughly at \$51/2 millions, an amount approximately equal to that of the airway as originally projected and substantially completed.

4. Of this additional expenditure of \$51/2 millions about \$2,000,000 is for the construction of emergency landing grounds intermediate between the existing aerodromes and the provision of range apparatus thereon. A further \$500,000 is for buildings on the existing aerodromes, and the balance of \$3,000,000 is for increasing the size of these and lengthening the landing strips, etc. thereon. The work of increasing the size of the aerodromes is being proceeded with by the Department of Transport, the necessary machinery having remained in place since last season, but responsibility for the cost remains in suspense.

5. From a financial point of view there are obvious advantages in accepting United States offers to meet expenditures on defence projects. The disadvantage of doing so is that in some cases acceptance might after the war afford foundation for claims by United States organizations to some sort of semi-proprietary rights in Canadian undertakings.

6. My own view, if I may be permitted to express it, would be that Canada should, as part of its own war expenditure, meet the cost of installations forming part of anything to be regarded as a Canadian undertaking, especially if this is likely to be of use after the war, but that there is no reason why the United States should not be permitted to meet the cost of any other installation in Canada which it regards as necessary for defence.

7. Approval of this principle would lead to the assumption by Canada of responsibility for the improvement of the northwestern airway and the construction of the aerodrome at Chimo if this is undertaken. It would, on the other hand, leave the United States to bear the cost of any facilities which it is agreed should be provided for United States use at Prince Rupert.

O. M. BIGGAR

1023.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 22, 1942

U.S. EXPENDITURES IN CANADA FOR DEFENCE PROJECTS —
ALASKA AIR ROUTE; AERODROME AT CHIMO;
PRINCE RUPERT FACILITIES

11. THE SECRETARY submitted a memorandum from the Chairman of the Canadian Section of the Permanent Joint Board on Defence, requesting direction on the principle which should govern in respect of the cost of certain defence facilities undertaken in Canada at the instance of the United States.

It was expected that the American members of the Board would, at the next meeting, suggest that the United States pay for the improvement of the airway between Edmonton and Fairbanks, the construction of an aerodrome near Chimo, Ungava, and barrack accommodation and dock facilities at Prince Rupert in connection with movements of U.S. troops and supplies to Alaska. Additional expenditure on the airway to Alaska was estimated at — \$2,000,000 for construction of emergency landing grounds, \$500,000 for buildings on existing aerodromes, and \$3,000,000 for increasing the size of aerodromes and lengthening landing strips. This work was proceeding. The Chimo project had not yet been examined or approved by the Canadian departments concerned. The programme for works at Prince Rupert had received approval of the G.O.C. West Coast Defences.

Colonel Biggar's memorandum expressed the view that the disadvantage of accepting U.S. offers to meet expenditures on defence projects was that acceptance, in certain cases, might afford foundation for post-war claims. It recommended, therefore, that Canada meet the cost of installations forming part of anything to be regarded as a Canadian undertaking, and that, in respect of these

three specific proposals, Canada should accept responsibility for improvement of the northwestern airway, and the construction of the aerodrome at Chimo if this were undertaken. An explanatory note had been circulated.

Letter, Chairman, Canadian Section P.J.B.D. to the Prime Minister, and attached memorandum, April 17, 1942; also Secretary's note, April 21, 1942 - C.W.C. document 140.¹)

12. THE MINISTER OF MUNITIONS AND SUPPLY said that the original arrangement regarding the air route to Alaska had involved Canadian agreement to build and pay for aerodromes, up to Canadian standards on the understanding that any additions requested by the United States would be for U.S. account, Canada retaining full title and control. There was no reason why the United States should not finance the improvements which they required in existing aerodromes. Emergency landing fields, however, should be for Canadian account as should also the aerodrome at Chimo, if that were decided upon.

The possibility of the United States attempting to press any claims to post-war rights in these installations had been specifically provided against. It had been clearly understood that no such claims would be made as a result of money spent in Canada during the war.

13. THE MINISTER OF NATIONAL DEFENCE FOR AIR agreed that the United States should be permitted to pay for what they wanted beyond Canadian requirements, on condition that Canada retained title and control.

14. The War Committee, after further discussion, agreed:

(a) that the United States be permitted to pay for such approved extensions and improvements to existing defence installations in Canada as are required by U.S. forces beyond Canadian standards and requirements, on condition that Canada retain full title and control; thus the cost of additional work upon existing aerodromes of the northwestern airway, but not the cost of constructing emergency landing grounds, should be for U.S. account.

(b) that the cost of defence installations in Canada used by Canadian forces, up to Canadian standards and requirements, should be paid for by Canada; thus the construction of emergency fields for the northwestern airway and the construction of the proposed aerodrome at Chimo, or elsewhere, as part of an air route to Europe (should that be decided upon by Canadian defence authorities) should be for Canadian account;

(c) that there was no objection to the United States providing, at their own cost, barrack accommodation and dock facilities, for use by American forces, at Prince Rupert;

(d) that the proposal to construct an aerodrome at or near Chimo be examined by the Chiefs of Staff.

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1024.

W.L.M.K./Vol. 319

*Extrait du compte rendu des débats et des décisions de la CPCAD**Extract from Journal of Discussions and Decisions of PJBD*

New York, April 27, 1942

...
TWENTY-NINTH MEETING OF THE BOARD,
NEW YORK, APRIL 27, 1942

11. The United States Army Air Member referred to recent conversations between officers of the United States Army Air Corps and officials of the Canadian Government in regard to improvements which the United States Army Air Corps Officials desired made in Canada in order to facilitate the operation of the military air route via Canadian points to Alaska. He stated that it is the view of the United States War Department that it would be an appropriate matter for the Board to discuss and to arrive at some fair division of the cost of these improvements as between the Canadian Government and the United States Government. The Chairman of the Canadian Section stated that the Canadian Government felt that Canada should properly pay for the construction of new fields or other permanent works of continuing value to the airway and that the United States should pay for such approved extensions and improvements to existing facilities as are required by the United States forces beyond Canadian standards and requirements. It was the view of the Board that this is an equitable arrangement in respect to the cost of these improvements.

...

1025.

DEA/3-Fs

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre**Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] May 28, 1942

General George, Colonel Maclachlan and three other senior officers of the United States Army Air Corps were in Ottawa today to discuss with the Acting Chief of the Air Staff the United States plans for developing the northern air route to the United Kingdom. This question was before the Permanent Joint Board on Defence at its meeting in Quebec on Monday and Tuesday, and will be the subject of a special meeting of the Board to be held in Ottawa on Monday. Today's meeting was intended to give senior Canadian Air officers a full understanding of the United States plans, so that our Service Departments could give rapid consideration to the recommendation which may be expected from the Permanent Joint Board on Defence.

To bring the full weight of American plane production to bear in air offensives against Germany, facilities have to be provided for delivering a thousand planes a month, both bombers and fighters, to the United Kingdom. The existing route by way of Gander or Goose River cannot be enlarged to handle this contemplated expansion of traffic, for three reasons:

- (1) Available ground facilities are strictly limited.
- (2) Fog and precipitation block the use of the route between Labrador and Newfoundland for long and uncertain periods.
- (3) The over-water lap to the United Kingdom is too long for anything but the bigger bombers to navigate safely.

To fulfil the commitment which the President gave Mr. Churchill about United States air assistance to the United Kingdom, and to carry out the directives of the Chiefs of Staff, the United States has had to envisage an enormous development of additional and alternative air routes to Europe. They contemplate using three primary routes:

(1) A projection of the direct air line from Southern California, where the bombers are built, along the western side of Hudson's Bay, across Southampton Island, Baffinland, Greenland and Iceland, to the United Kingdom.

(2) From Detroit to Moosonee, across Ungava to Fort Chimo in Ungava Bay and thence to Greenland and so on to the United Kingdom.

(3) The present route via Newfoundland and Labrador, either direct to the United Kingdom or by way of Greenland and Iceland to the United Kingdom.

The more northerly routes are being designed to ferry aircraft to the United Kingdom, but they would also be capable of extension to Archangel if reinforcement of the Russian front were more needed.

The President and the United States Army Air Corps give absolute priority to this project, which they believe to be of the highest strategic importance. They are prepared to spend any sums necessary to construct the main and intermediate airfields required for these ferry services, and will commandeer all the equipment and supplies in the United States that may be needed for their construction. They are prepared to assume the whole cost of the project, which cannot be closely estimated, but may easily be nearer two hundred million dollars than one hundred million dollars. They claim that they appreciate the magnitude of the undertaking, the difficulties which the construction of the airfields and the maintenance of ferry services through high latitudes will entail, and they are anxious to make an immediate and more or less simultaneous start on the construction of all the necessary facilities so that the routes will be in operation for next winter and the spring of 1943, and capable of handling the output of American plane production which by then would be in full swing.

The questions for consideration by the War Committee are:

(1) Whether Canada will permit the construction of the necessary airports and related facilities in Canadian territory.

This decision, I think, will be influenced by the extent to which the offensive possibilities of the new air routes are limited by the defence liability which the

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construction of these air bases will create. This is a point on which you will presumably wish to have the advice of the Chiefs of Staff.

(2) Whether Canada will permit the United States to bear the full cost of construction, or whether we should attempt to maintain the policy heretofore pursued of providing ourselves any basic airfields needed in Canadian territory.

I think myself that the magnitude of the operation envisaged by the President is so great as to require a reconsideration of this policy. When it was a question of the construction of one additional airfield at Chimo to match the field we had built at Goose River, I thought there was everything to be said for our assuming responsibility for its construction and control. Now that we are faced with a demand for construction of seven or eight big fields, intermediate fields, radio direction-finding stations, etc., I think we have to regard our Far North as a "theatre of military operations" in which we should be grateful for all the aid our ally can give the common cause. At this stage of the war it would be impossible for us to block the carrying out of a project which may well have a decisive effect on the outcome and duration of the war, and equally impossible for us to assume the cost ourselves of installing and maintaining the facilities in Canadian territory which the project requires.

Mr. Power, with whom I was speaking this afternoon, would be very glad to have a direction from you on the higher political aspects of the plan. He proposes to ask the Chiefs of Staff to report at once on the defence aspects of the American proposal. He is worried about its political implications. He will try to have a word with Colonel Ralston on the telephone today, and will let me know what the latter's views are.⁶⁴

1026.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 28, 1942

NORTHERN AIR FERRY ROUTES TO EUROPE

28. THE MINISTER OF NATIONAL DEFENCE FOR AIR raised, as a question of urgency, proposals of the U.S. Army Air Forces Ferry Command for the early development of aerodromes in Northern Canada and Labrador, for the purpose of ferrying operational aircraft to the United Kingdom.

Preliminary discussions with high U.S. officers had taken place in advance of the formulation of a complete scheme to the Permanent Joint Board on Defence.

The proposals envisaged three routes, the first from San Francisco via Regina and Churchill, the second, from Detroit via Chimo and York Sound, the third, a

⁶⁴ La note suivante était écrite sur ce mémorandum:

⁶⁴ The following note was written on the memorandum:

Col. Ralston agrees with these steps and emphasizes the importance of the survey of the defence aspects of the plan.

modification of the existing route from Presque Isle, or Montreal, via Goose Bay.

The capacity contemplated was 1,000 aircraft per month, 100 per day, 30 per hour. The United States were prepared to pay for the whole or any part of the development, undertake surveys and construction and furnish necessary defences. They would, however, appreciate Canadian assistance and advice. The cost would run up to 200 million dollars.

(D.C.A.S. memorandum to the Minister, May 28, 1942).†

29. MR. POWER said that two principal questions emerged, the first concerned defence aspects of the scheme; the second, the high political implications. It was suggested that the Chiefs of Staff should be asked to look immediately into the former, while the latter should be reviewed by the Prime Minister from the point of view of American expenditure in Canada, and possible American gar-risons in aerodromes within the Canadian boundaries.

While both the R.C.A.F. and the R.A.F. staffs had reservations as to the practicability of these routes, and felt that losses in passage would inevitably be great, the U.S. Government accorded the project the highest priority and wished to have an immediate decision. The object was to bring the full weight of American plane production to bear in air offensives against Germany.

The Permanent Joint Board on Defence were holding a special meeting on the subject on June 1st, and their early recommendation could be anticipated.

30. The War Committee, after some discussion, expressed general agreement that Canada should give her consent to the scheme. It was decided, however, to refer defence aspects of the project to the Chiefs of Staff for immediate report, and higher political aspects of the plan for the views of the Prime Minister.

...

1027.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, June 12, 1942

NORTHEAST AIR FERRY ROUTES — CANADA-U.S.
PERMANENT JOINT BOARD ON DEFENCE

16. THE SECRETARY submitted the Journal for the Board's recent meetings, at Quebec and Montreal, on May 26th and June 9th. Copies of the Journal had been received the previous day and communicated immediately to the Prime Minister, the Ministers of National Defence and the Minister of Munitions and Supply.

The Journal for these meetings, included the Board's twenty-sixth Recommendation, reading as follows:

"In order to facilitate the greatly increased ferrying projects of the United States Government in transporting fighter, light, medium, and long-range bombardment aircraft across the North Atlantic, the Board recommends:

(a) That the airfields in Canadian territory on the ferry routes outlined in the Army Air Force appreciation dated June 6th be constructed with such variations as the detailed survey, now under way, may determine to be advisable.

(b) That the Canadian Government construct or authorize the United States Government to construct these fields and inform the United States Government as promptly as possible what fields, if any, Canada will construct.

(c) That the existing ferry airdrome facilities in Canada and Newfoundland, including Labrador, form a part of the proposed ferrying project and be increased, wherever necessary, to appropriate capacity.

(d) That such additional radio weather-reporting facilities for these routes be provided and maintained as may be agreed upon by the United States and the Canadian Governments.

(e) That all costs of constructing airfields and other installations in connection with this project be borne by the Government which agrees to undertake that part of the project.

(f) That suitable arrangements be made in Washington and Ottawa to insure the proper centralization of responsibility for an control over the work of construction, and to provide the maximum facilities for instant and effective contact and co-operation between the appropriate authorities of the two countries.

(g) That the proposals relating to defence, to the maintenance of Canadian sovereignty and the post-war disposition of the new installations as outlined in the memoranda¹ under reference be accepted by the two Governments.

(h) That these airfields and facilities be made available for the use of the Royal Air Force Ferry Command."

(P.J.B.D. Journal, May 26 and June 9, 1942).

17. MR. HEENEY pointed out that, on May 28th, the American proposals had received consideration, the War Committee expressing general agreement and referring defence aspects of the project to the Chiefs of Staff, and higher political aspects for the views of the Prime Minister.

The Chiefs of Staff had since examined the Service questions involved, and Mr. King had had an opportunity of considering the proposals from the national point of view. Copies of the Chiefs of Staff report had been circulated.

(Chiefs of Staff's report to the Ministers, May 30, 1942 — C.W.C. document 180).[†]

18. THE MINISTER OF NATIONAL DEFENCE observed that the Chiefs of Staff recommended that Canada undertake control and air defence of the Canadian portion of each route, as far north as Churchill, Kapuskasing and Goose Bay, and, for the present, Army responsibility for defence of a limited number of aerodromes. Control and defence of remaining aerodromes by U.S. forces should be subject to Canada's right to assume responsibility when able to do so, and compliance, meantime, with the standards of defence regarded as adequate by Canadian authorities.

The Deputy Chief of the Air Staff had estimated, roughly, that \$10,000,000 would be involved in the construction of aerodromes recommended to be under Canadian control.

19. THE PRIME MINISTER expressed the view that, since the United States attached such high value to these routes, Canadian approval to their establishment should be given.

Possibly the question as to the actual projects to be undertaken by Canada should be referred to a committee of interested Ministers.

20. THE MINISTER OF MUNITIONS AND SUPPLY again expressed his scepticism as to the practicability of the most northerly routes. That via Goose Bay was proving satisfactory and was under Canadian control. The United States should be permitted to build other routes at their own expense.

21. THE MINISTER OF MINES AND RESOURCES referred to possible wage difficulties in the event of American construction of aerodromes in Northern Canada.

As to the political aspect of the scheme, so long as the question of ultimate control by Canada was settled, there should be no political objection.

22. THE MINISTER OF JUSTICE suggested that Canada could not altogether avoid responsibility for defending any point in Canadian territory which required defence, irrespective of any arrangements made with the United States.

23. The War Committee, after further discussion, approved, on behalf of the government of Canada, the Twenty-sixth Recommendation of the Canada U.S. Permanent Joint Board on Defence.

The question of the extent to which construction in Canada, along the new routes, should be undertaken by the Canadian government, and to what extent by the United States, was referred, for examination and report, to a sub-committee consisting of the Ministers of National Defence, Finance, and Munitions and Supply.

1028.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 1, 1942

NORTH ATLANTIC FERRY ROUTE

17. THE MINISTER OF NATIONAL DEFENCE reported that modified proposals had now passed the Combined Planning Committee. As submitted for approval by the Combined Chiefs of Staff, the scheme now involved the conversion of the original fighter route via Regina, The Pas, Churchill, etc. to a bomber route, the abandonment of the proposed route via Kapuskasing, Moosonee, Chimo, etc., and the further development of the existing route via Presque Isle and Goose Bay.

The question of Canadian participation in the construction of new aerodromes and their defence had been considered further with the Chiefs of Staff who had now prepared a further report, copies of which had been circulated.

The Chiefs of Staff recommended that, subject to the provisions of the Twenty-sixth Recommendation of the Permanent Joint Board on Defence, Canada undertake and pay for completion of facilities at Goose Bay (as arranged) and construction at Regina, The Pas and Churchill, and that the United States develop Southampton Island and the winter fields at Chimo, Frobisher Bay or Cape Dyer. As to defence, they recommended that Canada accept responsibility for aerodromes at Regina, The Pas and Churchill. In fact, this involved defence at Churchill only, defence of the other two points being regarded as unnecessary.

(Chiefs of Staff memorandum, undated, to the Ministers — C.W.C. document 208).†

8. MR. RALSTON expressed the view that the Canadian government need not undertake financial responsibility for the construction of any of the new aerodromes involved. Further, the United States should be asked to provide, for these stations, defences adequate to Canadian requirements. Construction, maintenance and administration by the United States should be carried on in collaboration with Canadian authorities so as to take into account all considerations of defence, labour and material supply, and other conditions affecting Canadian war activities.

9. THE CHIEF OF THE AIR STAFF expressed the opinion that the recommendation of the Chiefs of Staff was in line with government policy regarding construction of U.S.-Canada joint defence projects. They provided for concurrent financial and defence responsibilities.

10. THE MINISTER OF FINANCE said that the project was an American one and there was nothing whatever to prevent the United States paying for the whole of it. Canadian financial commitments connected with the war were already enormous and the task of raising the money required for all war needs was already critical. To permit the United States to bear the whole cost of this development might later prove embarrassing, but it must be done nevertheless if other obligations of the Canadian war effort were to be performed.

In the circumstances, Mr. Ralston's suggestions should be accepted.

11. THE MINISTER OF MINES AND RESOURCES was inclined to the view that Canada should undertake defence of Churchill and Canadian points. There was no objection to the United States paying the costs involved in construction. There might, however, be difficulties in accepting American administration.

12. THE MINISTER OF NATIONAL DEFENCE FOR AIR agreed with Mr. Ralston's proposals. As for Regina, it was already constructed and would be under Canadian control. It was important that the Canadian staff should have recognized authority to decide upon the standards of defences to be provided.

13. THE WAR COMMITTEE, after further discussion, agreed that the U.S. government be informed that Canada would co-operate fully in granting permission for the construction, maintenance and administration during the war, of additional aerodromes and facilities included in the modified North Atlantic ferry routes project, provided —

(a) that all costs of new aerodromes and facilities involved were borne by the United States;

(b) that construction, maintenance and administration were carried on in collaboration with Canadian authorities so as to take into account considerations of defence, labour and material supply, and other conditions affecting Canadian war activities; and

(c) that defences for all aerodromes and facilities were provided by the United States to the extent regarded as adequate by the Canadian authorities.

1029.

W.L.M.K./Vol. 321

*Le président, la section canadienne, CPCAD,
au secrétaire, le Comité de guerre du Cabinet*

Chairman, Canadian Section, PJBD, to Secretary, Cabinet War Committee

Ottawa, July 4, 1942

Dear Mr. Heeny,

I have just now received your letter[†] of yesterday on the subject of the construction and defence of aerodromes on the projected North Atlantic ferry routes.

I venture to suggest that the decision as to the defence of the two aerodromes at Le Pas and Churchill might usefully be reconsidered. These aerodromes stand in a special position in that both are situated far from the Canada-United States border and on Canadian railway lines. These circumstances are no doubt relevant to the question of which Government should undertake their construction, but still more relevant to the question of their defence.

The handing of them altogether over to the United States forces might constitute a somewhat awkward precedent. Moreover I understand that their defence is a matter involving only negligibly small, if indeed any, forces, and that whatever forces are necessary for the aerodrome at Regina, which may be used as part of the route, are already available there.

Had the subcommittee before it the Department of Transport's preliminary estimate of the cost of preparing the two fields apart from the buildings, for which, according to the Northwest Airway precedent, the United States might assume responsibility? This estimate is, as I understand, that the cost would be of the order of \$3,000,000.

Yours very truly,

O. M. BIGGAR

NON CIRCULATING
 COMITÉ DE GUERRE DU CABINET

1030.

W.L.M.K./Vol. 321

*Mé morandum du secrétaire, le Comité de guerre du Cabinet,
au Premier ministre*

*Memorandum from Secretary, Cabinet War Committee,
to Prime Minister*

SECRET

Ottawa, July 6, 1942

RE: NORTH ATLANTIC FERRY ROUTES —
DEFENCE OF AERODROMES IN CANADA

You will remember that at last week's meeting of the Cabinet War Committee, it was decided that the construction of all new aerodromes on the proposed ferry routes should be paid for by the United States, whose forces should undertake their defence, subject to compliance with Canadian requirements.

On being informed of this decision, Colonel Biggar has written me the attached letter, urging that any defence necessary at The Pas and Churchill be undertaken by Canadian forces.

It seems to me that there is a good deal in Colonel Biggar's contentions. The defence problems at these two points are almost negligible and would cost little, if anything, in men and money. On the other hand, the presence of American troops at these two points for defence purposes might, at the least, prove to be embarrassing. Our Chiefs of Staff have said that, in present circumstances, no defence facilities are necessary at The Pas or Churchill.

I am sending copies of Colonel Biggar's letter to Mr. Ralston and Mr. Power, also to Mr. Robertson, and propose to put the subject on the agenda for this week's regular meeting of the War Committee.

A. D. P. H[EENEY]

1031.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 8, 1942

NORTH ATLANTIC FERRY ROUTES

37. THE SECRETARY reported that he had received a communication from the Chairman of the Canadian Section of the Permanent Joint Board on Defence, expressing concern as to the effect of the War Committee's decision of July the 1st with regard to the defence of the two aerodromes to be built at The Pas and Churchill. In view of the fact that both of these points were far from the international boundary, and as the defence problem involved was not serious, Colonel Biggar suggested that the question of responsibility for defence be reconsidered. Otherwise, he felt a somewhat awkward precedent would be established. An explanatory note had been circulated.

(Secretary's note, July 7, 1942 — C.W.C. document 220).†

38. THE MINISTER OF MUNITIONS AND SUPPLY expressed the view that reconsideration should also be given to responsibility for constructing these two aerodromes. The effect of introducing U.S. labour at higher wages for construction at The Pas would inevitably interfere with the labour supply of important base metal producers. In the circumstances, it would be better for Canada to undertake construction at The Pas and permit the United States to build the aerodrome at Churchill. The cost at The Pas would be about \$1,000,000.

39. THE WAR COMMITTEE, after discussion, agreed to amend the decision taken on July the 1st, in the following sense —

(a) that Canada accept responsibility for the construction and defence of the aerodrome to be built at The Pas; and,

(b) that construction of the aerodrome at Churchill be undertaken by the United States who should be asked to accept responsibility for the provision of such defences as Canada was not in a position to provide and the Canadian Staff might deem necessary.

1032.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, August 19, 1942

NORTH ATLANTIC FERRY ROUTES —
CANADIAN DEFENCE RESPONSIBILITIES

3. THE SECRETARY submitted a report of the Chiefs of Staff regarding the defence of aerodromes at Regina, The Pas and Churchill, copies of which had been circulated.

Provision of defences at Regina and The Pas had been considered unnecessary. After reviewing the situation at Churchill, the Chiefs of Staff had concluded that there was, at present, no need for defence at this aerodrome (other than the personal weapons of the U.S. Air Corps ground crew stationed there), and that provision of the small Canadian garrison and anti-aircraft troop, previously contemplated, could, therefore, be left in abeyance.

It was, accordingly, recommended that the U.S. War Department be advised that, under present conditions, Canadian requirements for U.S. participation in the defences of Churchill were limited to preparation for demolitions, but that it was noted that U.S. Air Force ground personnel would be armed and available for local protection, also that provision of Canadian Army defences at Churchill would be left in abeyance.

(Chiefs of Staff's report to the Ministers, August 13, 1942 — C.W.C. document 251).

4. The War Committee approved the Chiefs of Staff recommendation.

1033. W.L.M.K./Vol. 319

*Extrait du compte rendu des débats et des décisions de la CPCAD**Extract from Journal of Discussions and Decisions of PJBD*

New York, January 13, 1943

MEETING OF THE BOARD, NEW YORK, JANUARY 13, 1943

2. The Board adopted the following as its TWENTY-EIGHTH RECOMMENDATION:

The Board considered the question of the post-war disposition of the defence projects and installations which the Government of the United States has built or may build in Canada. The Board noted that the two Governments have already reached specific agreements for the post-war disposition of most of the projects and installations thus far undertaken. It considers that such agreements are desirable and should be made whenever possible.

The Board recommends the approval of the following formula as a generally fair and equitable basis to be used by reference whenever appropriate in the making of agreements in the future and to cover such defence projects, if any, the post-war disposition of which has not previously been specifically provided for:

"A - All immovable defence installations built or provided in Canada by the Government of the United States shall within one year after the cessation of hostilities, unless otherwise agreed by the two Governments, be relinquished to the Crown either in the right of Canada or in the right of the province in which the same or any part thereof lies, as may be appropriate under Canadian law."

"B - All movable facilities built or provided in Canada by the Government of the United States shall within one year after the cessation of hostilities, unless otherwise agreed by the two Governments, at the option of the United States Government:

- (1) be removed from Canada; or
- (2) be offered for sale to the Government of Canada, or with the approval of the Government of Canada, to the Government of the appropriate Province at a price to be fixed by a Board of two appraisers, one to be chosen by each country and with power to select a third in the case of disagreement."

"C - In the event that the United States government has foregone its option as described in B(1), and the Canadian Government or the Provincial Government decides to forego its option as described in B(2), the facility under consideration shall be offered for sale in the open market, any sale to be subject to the approval of both Governments."

"D - In the event of no sale being concluded the disposition of such facility shall be referred for recommendation to the Permanent Joint Board on Defence or to such other agency as the two Governments may designate."

The principles outlined above shall reciprocally apply to any defence projects and installations which may be built in the United States by the Government of Canada.

All of the foregoing provisions relate to the physical disposition and ownership of projects, installations, and facilities and are without prejudice to any agreement or agreements which may be reached between the Governments of the United States and Canada in regard to the post-war use of any of these projects, installations, and facilities.⁶⁵

1034.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, February 24, 1943

CONTROL OF AERODROMES IN CANADA

3. THE MINISTER OF NATIONAL DEFENCE FOR AIR raised the question of control of aerodromes on the Northwest and Northeast Staging routes.

Original plans for development of these routes had not included definition of responsibility for operational control. On the Northwest Staging [route], where all bases were jointly used by Canadian and U.S. aircraft, the R.C.A.F. had assumed control. On the other hand airfields developed in connection with the Canol project were apparently under U.S. control. On the Northeast Staging route, some bases were used jointly, others intended only for U.S. use; the R.C.A.F. had assumed control only at Goose Bay.

Similar problems of control existed with regard to the U.S. base at Mingan, P.Q., and other bases such as Dorval, used by the British Ferry Command, and Edmonton, used by T.C.A.

The Chiefs of the Air Staff recommended that aerodromes, used jointly by U.S. and Canadian forces, be controlled by the R.C.A.F., and that airports, used exclusively by the United States, be considered as Canadian airports with an R.C.A.F. liaison officer attached in each case. These proposals might be taken up by the Permanent Joint Board on Defence now meeting in Montreal.

(Memorandum C.A.S. to Minister, Feb. 24, 1943).¹

4. THE WAR COMMITTEE, after discussion, agreed that arrangements for control of aerodromes in Canada be concluded in accordance with the following principles:

(a) the right to exercise operational control over all aerodromes in Canada is vested in the Canadian government;

⁶⁵ L'entente entre le Canada et les États-Unis sur les principes fut signalée par un échange de notes le 27 janvier. Voir Canada, *Recueil des traités*, 1943, N° 2.

⁶⁵ The agreement between Canada and the United States on the principles was embodied in an exchange of Notes on January 27. See Canada, *Treaty Series*, 1943, No. 2.

- (b) operational control at all bases used jointly by Canadian and U.S. forces shall be exercised by the R.C.A.F.;
- (c) subject to (a) above the United States may exercise operational control at aerodromes used solely by the U.S. forces (with the exception of Mingan, P.Q.), a Canadian liaison officer to be appointed to each of such aerodromes;
- (d) for the duration of the war U.S. forces have the right to make full use of all air facilities which the United States has established.

5. THE WAR COMMITTEE also agreed:

- (1) that the Canadian representatives on the Canada-U.S. Permanent Joint Board on Defence be directed to inform the Board of the decisions set out in paragraph 4 above;
- (2) that the U.S. government be approached with a view to the conclusion of an agreement in accordance with the above principles;
- (3) that the Minister of National Defence for Air examine further the position of the U.S. base at Mingan and report, at a later meeting, as to what special arrangements for control should be made in that case;
- (4) that the Ministers of National Defence for Air and Munitions and Supply confer upon operational questions at aerodromes used jointly by Service and civilian aircraft.

1035.

W.L.M.K./Vol. 319

Extrait du compte rendu des débats et des décisions de la CPCAD

Extract from Journal of Discussions and Decisions of PJBD

Montreal, February 25, 1943

MEETING OF THE BOARD, MONTREAL, FEBRUARY 24 AND 25, 1943

5. The Board considered the report^t of a meeting between representatives of the directly interested departments of the two Governments which had been held in Ottawa on February 18-20, 1943, to discuss certain proposals regarding the expansion of facilities on the Northwest Airway.

It was explained by the senior United States Army Member that work had been greatly delayed on much of the already approved programme of construction along the Airway, that this had interfered with the delivery of aircraft to the U.S.S.R.; that it had delayed the reinforcement of the United States Forces operating from Alaska, and that the prospective utilization of this route in connection with plans for the defeat of Japan make it necessary to supplement the original construction programme by extensive and immediate additions.

After careful consideration of the proposals emanating from the meeting mentioned above, the Board agreed to adopt the following as its TWENTY-NINTH RECOMMENDATION:

The Governments of Canada and the United States having a mutual interest in the expeditious completion of the airway from the United States to Alaska, including the necessary installations thereon such as airports, housing, air navigation and other facilities, and in the expansion of this route with a view to its utilization in facilitating offensive operations against Japan, it is recommended:

1. that the Department of Transport (Canada) be responsible for the completion of all facilities on this route presently in process of actual construction by contractors under contract to the Department of Transport, but that wherever possible and in order to expedite construction, United States Engineer troops be used to assist in such construction;

2. that the construction of the following facilities be approved by the Canadian Government, subject to the submission to the Department of Transport of a detailed plan showing the location of such facilities at the respective airports.

EDMONTON**PRIORITY**

4 Barracks — 68-man capacity each	A
1 Transient Officers Quarters — 40-man capacity	B
1 Mess Hall — 1,000-man capacity	C
1 Laundry — 3,000 capacity	D
2 Hangars — 150' X 200'	E
2 Warehouses — 50' X 400'	F
1 Garage — 70' X 200'	G
1 Recreation Hall and Gymnasium	H
Doors on north end of present #1 Hangar	I

WHITEHORSE

4 Barracks — 68-man capacity each	A
2 Transient Officers Quarters — 40-man capacity	B
1 Mess Hall — 500-man capacity	C
1 Laundry — 2,000 capacity	D
1 Hangar and 20,000 sq. ft. office space 220' X 200'	E
1 Warehouse — 40' X 200'	F
1 Garage — 70' X 200'	G
1 Recreation Hall and Gymnasium	H

3. that the United States Army Air Forces be responsible for the construction of all facilities set forth in 2; (construction to be accomplished by United States Engineer troops or by contract with Canadian or United States contractors, except that at Edmonton airport no construction shall be undertaken by a United States contractor except with the prior approval of appropriate Canadian authorities. If United States contractors are employed, Canadian and United States civilian labour will not be used on the same specific project at Edmonton.)

4. that, inasmuch as speed of completion of these projects is of the highest importance, it be understood that contracts with Canadian contractors may require the employment of Canadian labour on a basis of three shifts daily.

NON-CIRCULATING

5. that if, in the course of construction of the various projects at Edmonton airport, it becomes apparent that United States Engineer troops, or Canadian contractors, or both, are unable to complete any project within the time required, or are unable to undertake the construction of necessary additional facilities, upon appropriate representation the Canadian Government authorize the use of United States contractors, employing United States labour;

6. that the United States Forces be authorized further to expand the facilities, including airports, on this route as may be required, subject to the following conditions:

a. the submission of a detailed plan showing the location of the proposed facilities and the approval thereof by appropriate Canadian officials;

b. no United States contractor or labour other than the United States Engineer troops shall be employed at Edmonton without the prior approval of the Canadian Government;

7. that in the construction of any such additional facilities, including airports, at any point north of Edmonton, United States Engineer troops, or Canadian or United States contractors employing United States labour may be employed, except that Canadian and United States contractors be not engaged in the same specific project. (At Edmonton work is to be performed by United States Engineer troops or Canadian contractors within the limit of the ability of such contractors to perform the services required.);

8. that in all cases where civilian labour is employed, if Canadian contractors are available, their services shall be utilized, within the limit of their abilities, in the construction of these projects;

9. that in any case where Canadian contractors are employed by the United States Forces in the construction of any projects, the United States Forces be responsible for the administration and supervision of the contract;

10. that the Department of Transport (Canada) designate a responsible official to be stationed on this route with authority to make decisions with respect to location of buildings and any other matters which properly may be brought to his attention.

1036.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 3, 1943

CANADA-U.S. PERMANENT JOINT BOARD ON DEFENCE,
REPORT OF MEETING, FEBRUARY 24TH AND 25TH, 1943

(a) TWENTY-NINTH RECOMMENDATION

17. THE SECRETARY reported that the Journal of the Board's Discussions and Decisions, covering a meeting held in Montreal on February 24th and 25th,

had, on March 1st, been submitted to the Prime Minister. In accordance with the usual practice, copies had been sent to the Ministers of National Defence and the Minister of Munitions and Supply.

(P.J.B.D. Journal, Feb. 24 and 25, 1943).

18. MR. HEENEY pointed out that the Journal contained the Board's Twenty-ninth Recommendation dealing with the completion and expansion of construction on the Northwest Staging route.

19. THE MINISTER OF NATIONAL DEFENCE FOR AIR said that the United States were evidently planning construction on a very wide scale. These plans would require substantial quantities of Canadian lumber and other materials at a time when Canadian projects, some possibly of greater importance, were already being delayed by shortages of the same building supplies. These U.S. projects should be examined carefully by the Services with a view to determining relative priorities. It was requested, therefore, that action on this recommendation be deferred.

20. THE WAR COMMITTEE, after further discussion, agreed to defer action on the Board's Twenty-ninth Recommendation.

1037.

DEA/3634-40

*Mémorandum du ministère des Affaires extérieures
au Comité de guerre du Cabinet*

*Memorandum from Department of External Affairs
to Cabinet War Committee*

SECRET

Ottawa, April 5, 1943

A PROPOSAL THAT CANADA SHOULD TAKE OVER THE UNITED STATES OUTLAY ON AIRFIELD CONSTRUCTION IN CANADA

1. Canada, through the Department of Transport, has undertaken the construction of air facilities in Canada for the United States Government. This construction has included the building of airfields and the cost of extending runways on already existing airfields. It has also included the construction of barracks and other ancillary equipment at airports. In addition the United States has itself constructed extensive air facilities in Canada, using its own troops for the construction work.

2. On the basis of present and probable future commitments the total cost of the air facilities which the Department of Transport is constructing in Canada for the United States will be about \$25,000,000. The commitments to date amount to \$18,000,000. It is probable that an additional commitment of \$7,000,000 on United States account will shortly be incurred. Of the estimated total expenditure of \$25,000,000 about two-thirds will be spent in the Canadian North-West. (The Department of Transport supplies the United States with quarterly statements of the estimated cost of the work done by them on behalf of the United States but the United States has not yet been billed for payment.)

3. The total cost of the air facilities which the United States is constructing or has constructed in Canada might be as much as \$25,000,000 but we have no information on which to base a reliable estimate. The direct United States construction is chiefly at Mingan (P.Q.), Churchill (Manitoba), Coral Harbour (Southampton Island) and on the alternative Northwest Staging Route down the Mackenzie River.

4. The post-war disposition of these air facilities is governed by the exchange of notes of January 27, 1943, under which "all immovable defence installations" revert to Canada or a Canadian province and "movable facilities" are either removed from Canada or offered for sale to the Government of Canada or of a Canadian province.⁶⁶

5. This agreement thus makes it clear that the United States has acquired as a result of its expenditures no continuing rights over Canadian air bases and other air facilities. Regardless, however, of this formal intergovernmental assurance, it is clear that many people in the United States, some of them occupying important positions in the United States Government, feel now and will continue to feel that the United States should get some permanent advantage out of these expenditures. Mayor La Guardia, for example, at the meeting of the Permanent Joint Board on Defence on January 13, 1943, said, "Of course, American planes would be able after the war to use the bases in Canada which are being built with American money." Representative Vorys of Ohio said on February 15 that the United States should have the right to civilian use of air bases built by the United States in foreign countries. Mr. A.A. Berle, the Assistant Secretary of State who is particularly charged with relations with Canada, said on February 15, 1943, before the House of Representatives Committee on Foreign Affairs that he believed that the United States expenditures made during the war on airfields in foreign countries "to the extent that they have permanent utility represent an item of equity which can and should be urged in the ensuing negotiation" on the post-war use of airfields in foreign countries. When a member of the committee asked whether Mr. Berle did not grant that "it (the expenditure) is a chip in the game which we should not simply throw out of a jackpot and forget about", Mr. Berle said "certainly".

6. It should also be recalled that the United States members of the Permanent Joint Board on Defence insisted on the inclusion of the following paragraph in the Twenty-eighth Recommendation of the Board concerning the post-war disposition of war facilities constructed or installed in Canada by the United States:

"All of the foregoing provisions relate to the physical disposition and ownership of projects, installations, and facilities and are without prejudice to any agreement or agreements which may be reached between the Governments of the United States and Canada in regard to the post-war use of any of these projects, installations, and facilities."

7. There is thus danger that the United States may try to obtain special air concessions in Canada after the war and that they will argue that their expendi-

⁶⁶ Voir Canada, *Recueil des traités*, 1943, N° 2.

⁶⁶ See Canada, *Treaty Series*, 1943, No. 2.

tures on air facilities in Canada entitle them to special concessions. So far as the rights and wrongs of the argument are concerned, a sufficient Canadian reply would be that the fifty million dollars or so which the United States has spent on air facilities in Canada should be considered as a United States contribution to the common Canadian-United States defence of North America. It may, however, be difficult to persuade certain sections of the American public that this Canadian reply is in fact a sufficient answer to United States claims of a moral right to use these facilities after the war.

8. In order to preserve our freedom of action after the war, serious consideration might be given to Canada now meeting all the expenses which have been incurred in the construction by or on behalf of the United States of immovable air facilities in Canada. If this course were decided on Canada would be expected to assume financial responsibility for all further immovable air facilities to be constructed in Canada whether they were built by Canadian or United States contractors.

9. The adoption of this recommendation would in effect mean that Canada would pay for the construction and extension of all airfields in Canada (i.e. runways, pavements etc.) but would not pay for the cost of constructing such temporary movable equipment as buildings. (We do not have to worry about movable facilities since, under the agreement of January 27, 1943, movable facilities will either be removed from Canada after the war or offered for sale to the Government of Canada or of a Canadian province.)

10. On the basis that there have been or will shortly be constructed in Canada by or on behalf of the United States air facilities costing about \$50,000,000 it is possible that the cost of the immovable facilities, which would under this arrangement be paid for by Canada, would be \$35,000,000.

11. Since the primary purpose of the proposed new agreement with the United States is to convince the United States public that the United States is not entitled to any special air concessions in Canada after the war because of expenditures made in Canada during the war, the new agreement should be made public though certain annexes to the agreement setting forth how some of the amounts of money involved had been arrived at would have to be confidential.

12. The United States has constructed or is constructing in Canada the following facilities in addition to air facilities:

(1) The Alaska Highway and works incidental to the construction of the Highway, i.e. the development of the White Pass and Yukon Railway and the construction of a feeder highway from Haines to Champagne;

(2) The Canol pipeline and works incidental to its construction, i.e. the development of the land and water transportation routes from Edmonton down the Mackenzie River to Norman Wells and thence to the Yukon River, by the construction of winter roads down the Mackenzie and to connect the Mackenzie and Yukon Rivers and by the improvement of shipping facilities along the Mackenzie River waterway;

(3) About thirty meteorological stations in the north;

NON - CIRCULATING /

(4) Extensive storage facilities at Prince Rupert. (The extensive storage facilities elsewhere are considered part of the other projects.)

In addition the United States spent about \$2,500,000 surveying a route for a possible railway to Alaska. The question whether there is any cause for concern lest the United States assert a claim in equity because of its wartime expenditures on these facilities will be considered in a subsequent memorandum to the War Committee.⁶⁷

1038.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 7, 1943

PAYMENT TO THE UNITED STATES FOR
AERODROME CONSTRUCTION IN CANADA

25. THE SECRETARY submitted a proposal for the assumption by Canada of the cost of U.S. expenditures on airfield construction in Canada. An explanatory memorandum had been circulated.

It was estimated that the total cost of air facilities which Canada was constructing for U.S. account would amount to about \$25,000,000; in addition, the total cost of facilities which the United States was itself undertaking would probably reach a similar total.

Under existing agreements immovable defence installations would revert to Canada after the war, while movable facilities paid for by the United States would be removed by the United States, or offered for sale. It was feared that despite these agreements the United States, after the war, might seek to base an equitable claim to special concessions upon these large expenditures in Canada. It was suggested, therefore, that the government might take advantage of the present favourable U.S. dollar position by undertaking now to pay the United States for immovable facilities undertaken in Canada, particularly for the cost of construction and extension of all airfields and thus ensure our post-war freedom of action. The cost involved might be in the neighbourhood of \$35,000,000.

(External Affairs memorandum, Apr. 5, 1943 — C.W.C. document 474).

26. THE MINISTER OF JUSTICE suggested that it would be difficult to explain to the Canadian public why this money was being given to the United States instead of being used for projects more important from our own viewpoint. Why, it would be asked, should the Canadian government pay these large sums to the United States, at this time, for undertakings in the location and planning of which we had had no voice.

⁶⁷ Non trouvé.

⁶⁷ Not located.

27. THE MINISTER OF FINANCE pointed out that the funds that would be employed from this purpose could not be used for other purposes. They represented the excess over the favourable U.S. balance which we could retain. There might be unfavourable political reactions in Canada in the short run, but the proposal advanced would be sound, both politically and economically, in the long run.

28. THE MINISTER OF MUNITIONS AND SUPPLY and the MINISTER OF NATIONAL DEFENCE FOR AIR expressed themselves as generally favourable to the proposal, if it were financially feasible.

29. THE PRIME MINISTER expressed general approval of the principle of establishing as strongly as possible the Canadian post-war position in regard to developments on Canadian soil.

30. THE WAR COMMITTEE, after further discussion, agreed that the matter be deferred for further consideration.

1039.

PCO

*Mémoire du secrétaire, le Comité de guerre du Cabinet,
au Comité de guerre du Cabinet*

*Memorandum from Secretary, Cabinet War Committee,
to Cabinet War Committee*

SECRET

Ottawa, April 27, 1943

RE: STATEMENT ON CONTROL OF AIRFIELDS IN CANADA

The right of control over all airfields in Canadian territory is vested in Canada. In the interests of the joint defence of North America and the effective prosecution of the war it is, however, desirable that special arrangements be made between the government of Canada and the government of the United States in regard to control, use, maintenance and defence of airfields in which the two nations have a common operational or defence interest.

It is, therefore, agreed that the following principles shall apply in regard to airfields in Canada used by U.S. aircraft.

1. At airfields used principally by U.S. forces, control shall be exercised by the United States; at all other airfields control shall be exercised by Canada.

2. U.S. forces shall have full use, for the duration of the war, of all air facilities established in Canada by the United States with the approval of the Canadian government.

3. Canada shall be responsible for the maintenance and defence of airfields where control is exercised by Canada. The United States shall be responsible for maintenance and defence of airfields at which control is exercised by the United States. Standards of defence shall in no instance fall below the minimum requirements set by the Canadian Chiefs of Staff Committee.

4. No airfield under the control of the United States shall be abandoned without reasonable notice to the Canadian government, and until completion of either arrangements for transfer of control to Canada or arrangements for demolition acceptable to the Canadian Chiefs of Staff Committee.

5. The U.S. government may station a liaison officer at any airfield in Canada used by U.S. forces; the Canadian government may, likewise, station a liaison officer at any airfield, the control of which is exercised by the United States.

It is understood that the Canadian government may, at any time, review arrangements made in respect of any airfield, in accordance with the above conditions.

A. D. P. HEENEY

1040.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 28, 1943

CONTROL OF AERODROMES IN CANADA

1. THE SECRETARY submitted a revised draft statement with regard to control, use, maintenance and defence of aerodromes in Canada. This had been prepared in consultation with officials of departments concerned, following the meeting of April 21st. Copies had been circulated.

The Air Staff had recommended certain modifications in the draft submitted.

(Minutes of meeting of April 21st, paras. 12-13; Secretary's memorandum, April 27 - C.W.C. document 497^t; memorandum, A.V.M. Cowley to the Minister, April 28, 1943^t).

2. THE WAR COMMITTEE, after discussion, approved, with certain amendments, the revised draft statement submitted, as suitable for inclusion in an exchange of notes with the United States.

1041.

W.L.M.K./Vol. 319

Extrait du compte rendu des débats et des décisions de la CPCAD

Extract from Journal of Discussions and Decisions of PJBD

Montreal, May 7, 1943

MEETING OF THE BOARD, MONTREAL, MAY 6 AND 7, 1943

9. The Board gave renewed consideration to the problems arising from the fact that, although the right of control over all airfields in Canadian territory is

an inalienable attribute of Canadian sovereignty, it has been found desirable, for the effective prosecution of the war, to make special arrangements for the assumption by the United States of responsibility for the administration, defence, traffic control and maintenance of certain airfields on Canadian territory.

The Board therefore decided to propose the acceptance of the following general principles defining the respective responsibilities of the two countries as its **THIRTY-FIRST RECOMMENDATION:**

1. In cases in which the airfield is used principally or exclusively by U.S. forces the United States shall normally be responsible for defence, maintenance and control.
2. In all other cases, unless some special arrangement has been made, Canada shall be responsible for defence, maintenance and control.
3. Provision for the defence of airfields shall, in all cases, be of a standard acceptable to the Canadian Chiefs of Staff.
4. The assignment of responsibilities in respect of any airfield shall remain unchanged during the war except by mutual agreement; provided that should Canada inform the United States that it is prepared to assume such responsibilities in respect of any airfield previously controlled by the United States, the necessary arrangements shall be concerted between the two Governments.
5. The United States Government may station a liaison officer at any airfield in Canada used by United States forces; and the Canadian Government may station a liaison officer at any airfield in Canada the control of which is exercised by the United States.

It was agreed that upon acceptance of this Recommendation the Air Members of the Board should prepare a schedule showing the application of these principles to each airfield affected for submission to the Board as a basis for a further recommendation.

1042.

PCO

Extraits du procès-verbal du Comité de guerre du Cabinet

Extracts from Minutes of Cabinet War Committee

SECRET

Ottawa, May 13, 1943

CANADA-U.S. PERMANENT JOINT BOARD ON DEFENCE —
REPORT OF MEETING, MAY 6TH AND 7TH, 1943

(I.) THE SECRETARY reported that the Journal of the Board's discussions and decisions, covering a meeting held in Montreal on May 6th and 7th, had been submitted to the Prime Minister. In accordance with the usual practice, copies had been sent to the Ministers of National Defence and the Minister of Munitions and Supply.

(P.J.B.D. Journal, meeting May 6 and 7, 1943).

A number of items contained in the Journal were drawn to the particular attention of the meeting, read and dealt with as follows.

(F) THIRTY-FIRST RECOMMENDATION — CONTROL OF AERODROMES

12. The Board's Thirty-first Recommendation proposed a statement of general principles defining the rights and responsibilities of the United States and Canada in respect of certain airfields in Canadian territory.

(P.J.B.D. Journal, para. 9).

13. MR. HEENEY said that the draft statement, approved by the War Committee on April 28th, had been communicated to the Canadian Section of the Board as an indication of the government's views on the subject. The Thirty-first Recommendation, subsequently agreed upon by the Board, differed in certain respects from the document approved by the War Committee. (War Committee Minutes, para. 2, April 28, 1943).

14. THE CHIEF OF THE AIR STAFF drew attention to certain features in the Recommendation which were unsatisfactory to the Air Staff.

No statement of Canada's right of control over all airfields in Canadian territory was included in the Recommendation, though included in an introductory paragraph in the Journal. The Recommendation gave control to the United States of airfields used "principally" by U.S. forces. Such control should be conceded only in relation to airfields constructed by or for the United States, not to airfields of the R.C.A.F. or the Department of Transport. The Recommendation did not make it sufficiently clear that it would apply only for the duration of the war.

(Memorandum, Chief of the Air Staff to the Minister, May 12, 1943).

15. THE WAR COMMITTEE, after discussion, referred the Thirty-first Recommendation to the Secretary for consultation with External Affairs and the Air Staff, and report.

1043.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 19, 1943

ADDITIONAL AERODROME CONSTRUCTION FOR
UNITED STATES IN CANADA

3. THE MINISTER OF MUNITIONS AND SUPPLY reported that the U.S. Corps of Engineers had indicated their desire to let, directly, all contracts for construction and expansion of aerodromes in Canada to meet U.S. requirements.

Such procedure would be contrary to government policy. The U.S. Corps of Engineers had, accordingly, been informed that while there was no objection to

the United States letting, directly, contracts for movable and temporary construction, construction of a permanent nature would continue to be done by Canadian authorities, through Canadian contractors.

4. THE WAR COMMITTEE noted with approval the Minister's report.

FINANCIAL RELATIONS WITH THE UNITED STATES;
PAYMENT FOR U.S. DEFENCE CONSTRUCTION IN
CANADA, LABRADOR AND NEWFOUNDLAND

5. THE DEPUTY MINISTER OF FINANCE described the agreement made recently, with the U.S. Treasury with regard to Canadian holdings of United States exchange.⁶⁸

The U.S. Treasury were prepared to ensure to us the maintenance of a minimum balance of U.S. \$300 million, provided that, in return, we did not allow the balance to accumulate beyond a maximum of U.S. \$350 million. This was the essence of the present arrangement.

As at April 30th, however, Canadian holdings of U.S. dollars (including gold) amounted to \$506 million and since that date an additional amount of some \$15 to \$16 million had been accumulated.

It had been agreed that an amount equivalent to U.S. funds accumulating from the sale of Canadian securities to U.S. holders could be used by the government to redeem Dominion government obligations in the United States. Some \$70 million was at present available for this purpose and this amount was likely to increase, so that Canada would be able to pay off, in full, two issues in the United States, this year, to a total amount of \$106 million. After redemption of these securities, however, our balance of U.S. exchange would still be substantially in excess of the \$350 million maximum.

The United States had been informed that, upon passage of the Mutual Aid Bill Canada would be prepared to assume (and charge to Mutual Aid) liability for Canadian-produced munitions ordered by the United States for lease-lend to Britain. This would have the effect of substantially reducing our U.S. dollar balances, though the extent to which this would result was as yet undetermined because of the lack of precise knowledge of the extent and timing of the curtailment planned in the production concerned.

6. THE MINISTER OF FINANCE expressed concern as to capital movements from the United States through U.S. purchases of Canadian securities. At the same time Canadians were liquidating their holdings of U.S. securities. The net result was to increase Canada's foreign debt.

If this movement continued and more than U.S. \$106 million were built up in this way, consideration would have to be given to a ban on American purchases of Canadian securities.

7. THE SECRETARY submitted a memorandum on defence construction in Canada by or for the account of the United States. Copies of the memorandum had been circulated.

⁶⁸ Voir le document 1158. ⁶⁸ See Document 1158.

The memorandum suggested that surplus U.S. exchange might be used to reimburse the United States for expenditure on "movables" which, under the terms of the existing agreement were to be returned to the United States or offered for sale to the Canadian government after the war. The total expenditure involved might be \$10 million.

Further defence construction, totalling close to \$25 million had been undertaken by Canada on U.S. account. A decision was required as to whether now or at any future date a bill was to be submitted to the United States for this expenditure.

(Secretary's note, May 18, 1943 — C.W.C. document 515).†

8. THE MINISTER OF NATIONAL DEFENCE FOR AIR expressed the view that, after the war, it would be advantageous for Canada to have constructed and paid for all air bases in Canadian territory. If this were financially possible, it should be done.

9. THE DEPUTY MINISTER OF FINANCE felt that the use of surplus U.S. funds for the purposes indicated would strengthen Canada's post-war position and prevent the possibility of the United States seeking to base claims to special advantage upon the argument of investment on Canadian territory.

10. THE MINISTER OF JUSTICE questioned whether payment now to the United States would be likely to improve the Canadian post-war position in the circumstances contemplated.

11. THE WAR COMMITTEE, after further discussion, agreed:

(a) that no accounts for payment be now presented to the U.S. government in respect of defence construction carried out by Canada for U.S. account; that the U.S. government be informed that the question of settlement of such expenditures would be left until after the war; that the U.S. government should, if they so desired, be informed from time to time as to the amounts involved in such construction;

(b) that the question of reimbursement of the United States in respect of construction undertaken in Canada by the U.S. government be deferred.

1044.

DEA/72-FX-40

*Le chargé d'affaires des États-Unis au sous-secrétaire d'État
aux Affaires extérieures*

*Chargé d'Affaires of United States to Under-Secretary of State
for External Affairs*

Ottawa, May 24, 1943

Dear Mr. Robertson,

It will be recalled that in conversations during February between officers of the United States Army and officers of the Canadian Government, as well as during the recent conversations on the subject of United States projects in

Canada, there was mention of a so-called Plan "B" program of construction, Alaskan Wing in Canada.

I have now been instructed to say that in accordance with a directive from the Commanding General, United States Army Service Forces, the Corps of Engineers desires to erect certain facilities as indicated in the enclosed Plan "B" Program of construction¹ at the following locations:

Edmonton, Alberta
 Grande Prairie, Alberta
 Fort St. John, British Columbia
 Fort Nelson, British Columbia
 Watson Lake, Yukon Territory
 Whitehorse, Yukon Territory.

I have been directed to endeavor to obtain the approval of the Canadian authorities for the six projects described in Plan "B", and to express the hope that the matter will be given consideration as expeditiously as may be feasible.

I have been further instructed to say that the determination of the ultimate requirements may indicate the necessity of considerable expansion of these facilities, and that if this determination does indicate such a necessity, an additional clearance will be sought from the Canadian Government prior to proceeding with the work.

Sincerely yours,

LEWIS CLARK

1045.

PCO

*Mémorandum du secrétaire, le Comité de guerre du Cabinet,
 au Comité de guerre du Cabinet.*

*Memorandum from Secretary, Cabinet War Committee,
 to Cabinet War Committee*

SECRET

Ottawa, May 25, 1943

CONTROL OF AIRFIELDS IN CANADA

The following recommendation would be acceptable to the Department of National Defence for Air:

1. For the duration of the present war at airfields constructed for or by the U.S. forces on Canadian territory and used principally or exclusively by them, the U.S. shall normally be responsible for control, for maintenance, and, except where otherwise specified by the Canadian Chiefs of Staff, for defence.
2. In all other cases, unless some special arrangement has been made, Canada shall be responsible for defence, maintenance and control.
3. Provision for the defence of airfields shall, in all cases, be of a standard acceptable to the Canadian Chiefs of Staff.
4. The assignment of responsibilities in respect of any airfield shall remain unchanged during the war except by mutual agreement; provided that should

Canada inform the United States that it is prepared to assume such responsibilities in respect of any airfield previously controlled by the United States, the necessary arrangements shall be concerted between the two Governments.

5. The United States Government may station a liaison officer at any airfield in Canada used by United States forces; and the Canadian Government may station a liaison officer at any airfield in Canada the control of which is exercised by the United States.

A. D. P. HEENEY

1046.

PCO

Extraits du procès-verbal du Comité de guerre du Cabinet

Extracts from Minutes of Cabinet War Committee

SECRET

Ottawa, May 26, 1943

CANADA-U.S. PERMANENT JOINT BOARD ON DEFENCE —
THIRTY-FIRST RECOMMENDATION (CONTROL OF AERODROMES)

17. THE SECRETARY, in accordance with the decision of May 13th, submitted a revised draft of the Thirty-first Recommendation.

The first clause of the Thirty-first Recommendation had been rewritten to meet objections raised by the Department of National Defence for Air. In other respects, the Recommendation remained unchanged. Copies of the revised draft were circulated.

(Secretary's memorandum, May 25, 1943 — C.W.C. document 527).

18. THE WAR COMMITTEE, after discussion, approved the revised draft submitted, on the understanding that the Board be informed that the Canadian government were prepared to approve a recommendation by the Board, with the revisions indicated, and with the inclusion of a preamble along the lines of the paragraph immediately preceding the Recommendation in the Board's Journal.

SETTLEMENT FOR U.S. DEFENCE CONSTRUCTION IN CANADA

34. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS submitted a draft despatch to the Canadian Minister in Washington instructing him to inform the U.S. government that the question of settlement for Canadian expenditures for U.S. account on defence construction in Canada would be left until after the war.

(War Committee Minutes, May 19, para. 11).

(Draft despatch, External Affairs to Canadian Minister, Washington, May 22, 1943).

35. THE WAR COMMITTEE approved in principle the draft submitted.

1047. DEA/3634-40*Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis**Secretary of State for External Affairs to Minister in United States*

DESPATCH 585

Ottawa, May 27, 1943

Sir,

I have the honour to inform you that the Government has recently been giving consideration to certain questions arising out of the expenditure of Canadian funds for the construction in Canada of defence facilities desired by the United States and, in most cases, recommended by the Permanent Joint Board on Defence. Under present arrangements the money thus expended is recoverable from the United States Government.

The most extensive expenditures of the kind under reference are those involved in the construction by the Department of Transport of airfield facilities, barracks, hangars, and other related buildings at Canadian airports, particularly those between and including Edmonton and Whitehorse.

At a meeting of the Cabinet War Committee held on May 19th, 1943, it was decided the United States Government should be informed that the Canadian Government believes that the settlement of all accounts arising from Canadian expenditure on behalf of the United States for the acquisition or construction of defence facilities in Canada should be left for discussion and disposition at the end of the war. You are therefore authorized to communicate officially with the United States Government in this sense, indicating that the Canadian Government is not disposed at present to submit to the United States claims for payment for defence facilities of the kind under reference, and proposes instead that the whole matter of the settlement of these accounts be postponed for consideration at the end of the war.

A detailed statement of the accounts concerned can be supplied to the United States Government at any time on request.

I have etc.

[N. A. ROBERTSON]
for the Secretary of State
for External Affairs

1048.

DEA/72-PE-40

*Le secrétaire, le Comité de guerre du Cabinet,
au président, la section canadienne, CPCAD*

Secretary, Cabinet War Committee, to Chairman, Canadian Section, PJBD

SECRET

Ottawa, May 28, 1943

Dear Colonel Biggar,

The Cabinet War Committee, at meetings held on May 13th and 26th, gave careful consideration to the Thirty-first Recommendation contained in the Board's Journal for May 6th and 7th.

The War Committee felt unable to approve the Thirty-first Recommendation, in the form submitted, for the following reasons:

1. The inclusion of the word "principally" in paragraph 1 of the Recommendation would have the effect of giving to the United States control of certain aerodromes at which it is intended that control be exercised by the Department of National Defence for Air; the qualifying word "normally" is not regarded as a satisfactory safeguard.
2. In the same paragraph, control, maintenance and defence are linked. There may be cases where control will be turned over to the United States but where Canada will wish to retain responsibility for defence. Provision should be made for such circumstances.
3. The War Committee were of the opinion that there should be specific reference to the fact that the Recommendation shall have effect only for the duration of the war.
4. Approval of the Recommendation by the governments of Canada and the United States would not extend formally beyond the text of the Recommendation. For this reason, War Committee were of the opinion that there should be included a brief preamble along the lines of the explanatory paragraphs immediately preceding the Recommendation in the Board's Journal. Accordingly, with these considerations in mind, the War Committee, at their meeting of May 26th, approved in principle a modified draft recommendation to which they would be prepared to give approval on behalf of the Canadian government. I am enclosing a copy of this draft.⁶⁹

Yours sincerely,

A. D. P. HEENEY.

1049.

DEA/72-PE-40

*Le président, la section canadienne, CPCAD, au secrétaire,
le Comité de guerre du Cabinet*

Chairman, Canadian Section, PJBD, to Secretary, Cabinet War Committee

Ottawa, May 31, 1943

Dear Mr. Heeney,

I have your letter of the 28th dealing with the Thirty-First Recommendation of the Board, and am writing the Prime Minister suggesting that I should see him on the subject.

There is, I think, no difference of substance between the recommendation as made and a recommendation in the terms of the draft enclosed in your letter, and it seems to me both practically unnecessary and very inadvisable that approval of the recommendation should be delayed, since steps should be taken immediately to prepare the contemplated schedule for submission to the Board at its next meeting in the early days of July.

⁶⁹ Voir le document 1045.

⁶⁹ See Document 1045.

The position with regard to the four points which you specify seems to be as follows:

(1) This comment seems to overlook the fact that the principles laid down are only to operate as a guide to the preparation of a schedule to be submitted as a subsequent recommendation. There are in fact no aerodromes in respect of which any question can presently arise, and no prospect that there could hereafter be any.

(2) The same remarks apply to this point.

(3) This point is covered by the preamble and the expressions used in the first clause of the paragraph of the recommendation numbered 4, but if there were any doubt about this the approval of the recommendation might be expressly confined to the duration.

(4) This point does not seem to be well taken, as the second unnumbered paragraph of the paragraph of the Journal numbered 9⁷⁰ is meaningless without the introductory paragraph. (The only difference in this respect between the draft attached to your letter and paragraph 9 of the Journal is that the former has a descriptive heading followed by the word "Recommendation").

The whole situation would, I think, be adequately dealt with from every point of view if the Minute of Council with regard to the recommendation was in some such terms as the following: —

"The general principles to be applied to responsibility for administration, defence, traffic control and maintenance of airfields on Canadian territory during the war as set out in the Thirty-first Recommendation of the Permanent Joint Board on Defence are approved as the basis for the preparation and submission of a recommendation scheduling the respective obligations of Canada and the United States in respect of the aerodromes presently in use, and subject to the consideration of the proposed further recommendation."

Yours sincerely,

O. M. BIGGAR

1050.

DEA/72-PE-40

*Le président, la section canadienne, CPCAD, au Premier ministre
Chairman, Canadian Section, PJBD, to Prime Minister*

Ottawa, May 31, 1943

My dear Prime Minister,

Mr. Heeney has written me indicating some difficulties the Cabinet War Committee felt about the Thirty-first Recommendation of the Board, and in my reply I have pointed out that these appear to relate only to questions of form, not of substance.

I am afraid that if recommendations made by the Board are refused approval on formal grounds there is grave danger that the Board's usefulness will be impaired.

⁷⁰ Voir le document 1041.

⁷⁰ See Document 1041.

DOCUMENTS
 NON-CIRCULATING
 DOCUMENTS
 NON-CIRCULATING

The difficulties in this case would, I feel sure, disappear if I were given an opportunity to explain the facts of the situation either to you or to the War Cabinet, and I should very much appreciate an opportunity of speaking to you on the subject at any time that would be convenient to you.

Yours faithfully,

O. M. BIGGAR

1051.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, June 2, 1943

NORTHWEST STAGING ROUTE — ADDITIONAL CONSTRUCTION

1. THE SECRETARY reported that, on May 24th, a request had been received, through the U.S. Legation, for permission to undertake certain additional construction on the Northwest Staging Route ("Plan B").

The additional facilities desired by the United States included extension and improvement of airfields and the construction of hangars, warehouses, barracks and other buildings. Departments concerned had been consulted and raised no objections, although Transport stipulated that location plans be subject to approval by Canadian authorities.

Hitherto, as a matter of policy, the Canadian government had carried out most of the construction on the Northwest Staging Route, including all construction of a permanent nature. If the U.S. Plan B were approved, it would be necessary to decide whether this policy would be maintained.

An explanatory note has been circulated.

(Secretary's memorandum, June 1, 1943 — C.W.C. document 529).

2. THE MINISTER OF MUNITIONS AND SUPPLY, referring to his statement on this subject at the meeting of May 19th, 1943, expressed the opinion that the policy then approved of having additional construction of a permanent nature done exclusively by Canadian authorities, through Canadian contractors, should be continued with regard to the present U.S. request (Plan B).

However, a much larger scheme of construction ("Plan C") was now under consideration and it was possible that the United States might, in the near future, submit a request for its approval. This Plan C, if proceeded with, would be so extensive that it would then be impossible for Canada to hold to the present policy and assume responsibility for the work involved.

3. THE WAR COMMITTEE, after further discussion, agreed that the U.S. request (Plan B) be approved, on the understanding:

(a) that no work be undertaken until competent Canadian authorities had approved location plans;

(b) that construction of a permanent character, specifically extension and improvement of airfields, be undertaken by the Canadian government, employing Canadian contractors and Canadian labour; and

(c) that other construction be undertaken by the U.S. government, employing U.S. contractors and U.S. labour.

1052.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, June 2, 1943

CANADA-U.S. PERMANENT JOINT BOARD ON DEFENCE —
 THIRTY-FIRST RECOMMENDATION (CONTROL OF AERODROMES)

15. THE SECRETARY reported that, following the meeting of May 26th, the War Committee's decision had been communicated to the Canadian Section of the Board, together with a revised draft of the Thirty-first Recommendation.

The Chairman of the Canadian Section, in reply, had suggested that the views of the War Committee might be met by appropriate qualifications in the terms of approval of the Thirty-first Recommendation.

(Letter, Secretary to Chairman, Canadian Section, P.J.B.D., and enclosure, May 28, 1943; also reply, May 31, 1943).

16. THE CHAIRMAN, CANADIAN SECTION, CANADA-U.S. PERMANENT JOINT BOARD ON DEFENCE pointed out that, while the War Committee might find certain difficulties in the phraseology of the Thirty-first Recommendation, there would, in fact, be no such difficulties in its application, since the Recommendation provided that a schedule covering all aerodromes was to be drawn up and made the subject of a subsequent recommendation.

It would be preferable, as a matter of procedure if, in dealing with Recommendations of the Board, the War Committee would stipulate such reservations as might be desired, rather than return them to the Board for revision.

17. THE WAR COMMITTEE, after discussion, agreed, in this instance, to proceed in the manner recommended by Colonel Biggar and, in respect of the Board's Thirty-first Recommendation, agreed that the general principles to be applied to responsibility for administration, defence, traffic control and maintenance of airfields on Canadian territory during the war, as set out in the Thirty-first Recommendation, be approved by the Canadian government as the basis for the preparation and submission of a recommendation scheduling the respective obligations of Canada and the United States in respect of the aerodromes presently in use, and subject to the consideration of the proposed further recommendation.

NON CIRCULATING /
 SECRETARY'S OFFICE

1053.

DEA/72-FX-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au chargé d'affaires des États-Unis*

*Assistant Under-Secretary of State for External Affairs
to Chargé d'Affaires of United States*

Ottawa, June 3, 1943

Dear Mr. Clark,

It gives me pleasure to inform you that the Canadian Government has agreed to the construction of certain additional facilities on the Northwest Staging Route as set forth in "Plan B" which was submitted under cover of your letter to me of May 2, 1943.⁷¹

This agreement is based on the understanding that:

(a) no work be undertaken until competent Canadian authorities have approved location plans;

(b) construction of a permanent character, specifically extension and improvement of airfields, be undertaken by the Canadian Government, employing Canadian contractors and Canadian labour; and

(c) other construction be undertaken by the United States Government, employing United States contractors and United States labour.

I trust that this arrangement will be acceptable to the Government of the United States.

Yours sincerely,

H. L. KEENLEYSIDE

1054.

DEA/72-FX-40

*Le chargé d'affaires des États-Unis au sous-secrétaire d'État
aux Affaires extérieures*

*Chargé d'Affaires of United States to Under-Secretary of State
for External Affairs*

CONFIDENTIAL

Ottawa, June 11, 1943

Dear Mr. Robertson,

In my letter to you of May 24, 1943, I requested Canadian approval for six projects described in Plan "B" of the Program of Construction, United States Alaskan Wing in Canada, and in Mr. Keenleyside's reply of June 3 he communicated to me Canadian approval of this project. You will recall that in my note of May 24th I pointed out that the determination of the ultimate requirements might indicate the necessity of considerable expansion of these facilities.

⁷¹ Document 1044.

Under instructions of my Government, I am now enclosing a copy of a letter, dated June 8, 1943, from Major-General Guy V. Henry, Senior United States Member of the Permanent Joint Board on Defense¹, together with a copy of the enclosures thereto, being Plan "C" of the Program of Construction¹ which is an addition to Plan "B".

I have been directed to endeavor to obtain the approval of the Canadian authorities for the projects described in Plan "C" and to express the hope that the matter may be given consideration as expeditiously as may be feasible. May I draw your particular attention to the statement contained in General Henry's letter to the effect that "it is desired that all work be undertaken by United States Engineers Department, with direct liaison with the proper representatives of the Department of Transport."

Yours sincerely,

LEWIS CLARK

1055.

PCO

Extraits du procès-verbal du Comité de guerre du Cabinet
Extracts from Minutes of Cabinet War Committee

SECRET

Ottawa, June 18, 1943

ADDITIONAL CONSTRUCTION ON NORTHWEST STAGING ROUTE

9. THE SECRETARY submitted a formal request from the U.S. government for permission to construct further additional facilities on the Northwest Staging Route.

The new programme (Plan C), details of which had been made available to departments concerned for their examination, involved large extensions of the programme (Plan B), approved by the War Committee on June 2nd, 1943.

In requesting permission, the U.S. government asked that the U.S. Engineers be permitted to undertake all construction involved, maintaining direct liaison with representatives of the Department of Transport.

The United States had also asked permission to use U.S. contractors and labour in constructing facilities required at Edmonton, approved by the War Committee on June 2nd, 1943.

The Departments of Transport and National Defence for Air had recommended that the request be approved, on the understanding that the work would not be begun until detailed plans had been approved by Canadian authorities. The Special Commissioner for Defence Projects in Northwest Canada had reported that the available Canadian labour and Canadian equipment would not be adequate to carry out the new and greatly enlarged programme.

An explanatory memorandum had been circulated.

(Secretary's memorandum, 1943 - C.W.C. document 539¹; also memorandum Deputy Minister of National Defence for Air, to Secretary, June 17, 1943¹.)

NON-CIRCULATING / COMITÉ DE GUERRE DU CABINET

10. THE MINISTER OF MUNITIONS AND SUPPLY said that the extent of the new programme was such that it would be impossible, in present circumstances, to have Canadian contractors and Canadian labour carry it out in the time available. The United States should, therefore, undertake all the work involved and Canadian contractors and labour should be withdrawn, except at Edmonton, where the employment of American labour would cause serious wage difficulties.

The U.S. request should be approved, subject to the condition that all construction required in Edmonton would be carried out by Canadian contractors and Canadian labour.

11. THE MINISTER OF NATIONAL DEFENCE FOR AIR concurred in the view expressed by Mr. Howe.

12. THE WAR COMMITTEE, after further discussions, agreed that the U.S. request (Plan C) be approved, subject to the following conditions:

(a) that all construction involved, except in the Edmonton area (including such as remained unfinished under the earlier Plans A and B), be carried out by U.S. labour, and that Canadian contractors and labour now engaged in airfield construction north of Edmonton, be withdrawn;

(b) that all construction in the Edmonton area be carried out solely by Canadian contractors and Canadian labour.

It was also agreed that the U.S. government be informed that the Canadian government attached great importance to the condition that only Canadian contractors and Canadian labour be employed in the Edmonton area and also to the taking of adequate steps to prevent the employment of Canadian labour or contractors in other construction on the Northwest Staging Route.

U.S. TENURE OF LAND IN CANADA

38. THE SECRETARY stated that while the government had, in most cases, taken the view that the U.S. government should not hold title to property in Canada, and that land and premises required should be taken over by the government and then leased or otherwise made available to the United States, there had been no general statement of policy to that effect. Officials concerned agreed that it would be helpful to have such a statement on record. An explanatory note had been circulated.

(Secretary's memorandum, June 10, 1943 — C.W.C. document 535).†

39. THE WAR COMMITTEE, after discussion, agreed that the government should purchase, lease or otherwise acquire property required in Canada by the U.S. government to which such property should then be made available, upon appropriate conditions, as from the Crown.

1056. DEA/72-FX-40

*Le sous-secrétaire d'État aux Affaires extérieures
au chargé d'affaires des États-Unis*

*Under-Secretary of State for External Affairs
to Chargé d'Affaires of United States*

Ottawa, June 22, 1943

Dear Mr. Clark,

On June 11, 1943, you wrote to me with regard to a new programme of construction described as Plan C which the United States authorities wish to inaugurate along the line of the Northwest Staging Route. This proposal was considered at the meeting of the Cabinet War Committee held on June 18 and the United States request was approved subject to the following conditions:

(a) that all construction involved, except in the Edmonton area, (including such as remains unfinished under the earlier plans A and B), be carried out by U.S. labour, and that Canadian contractors and labour now engaged in airfield construction north of Edmonton be withdrawn;

(b) that all construction in the Edmonton area be carried out solely by Canadian contractors and Canadian labour.

It was also agreed that the United States government be informed that the Canadian government attach great importance to the condition that only Canadian contractors and Canadian labour be employed in the Edmonton area, and also, in view of the new conditions which will exist as a result of the above decision, to the taking of adequate steps to prevent the employment of Canadian labour or contractors in other construction on the Northwest Staging Route.

Yours sincerely,

[N. A. ROBERTSON]

1057. DEA/72-FX-40

*Le sous-secrétaire d'État aux Affaires extérieures
au chargé d'affaires des États-Unis*

*Under-Secretary of State for External Affairs
to Chargé d'Affaires of United States*

Ottawa, June 26, 1943

Dear Mr. Clark,

With reference to my letter of June 22nd with regard to "Plan C", it has been brought to my attention that the Department of Transport is constructing, as purely Canadian projects, certain intermediate airfields and radio ranges at Beaton River, Smith River, Teslin, Aishihik and Snag, and that it had been understood in discussions with United States officials on May 18, 1943, that the

NON CIRCULATING /
 CONSULTER QUIR PLACE

construction proposed under Plan C would not affect completion of these works under Canadian contracts. To avoid possible misunderstanding, I should therefore like to add to the conditions set forth in my letter under reference a further paragraph reading as follows:

"(c) that the Department of Transport will carry on to completion the Canadian contracts now in progress at the Canadian projects at Beaton River, Smith River, Teslin, Aishihik and Snag."

Canadian contractors and labour will, of course, be used under present contracts to complete this work.

Yours sincerely,

HUGH L. KEENLEYSIDE
for the Under-Secretary of State
for External Affairs

1058.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 2, 1943

CONSTRUCTION ON NORTHWEST STAGING ROUTE —
SUPERVISION; FINANCIAL ARRANGEMENTS

3. THE SECRETARY reported that decisions were required on the following additional questions which had arisen in connection with construction under Plan C:

- (a) whether Canadian contractors and labour employed in the Edmonton area should be under the supervision of the Department of Transport or that of the U.S. Engineers;
- (b) whether the Canadian government should pay for any part of the construction involved; and,
- (c) what special steps, if any, should be taken to ensure maintenance of the Canadian wage ceiling in connection with employment of Canadian contractors and labour by the United States.

An explanatory note had been circulated.

(Secretary's memorandum, June 29, 1943 — C.W.C. document 551).¹

4. THE WAR COMMITTEE, after discussion, agreed:

- (a) that all contracts under the new programme of construction, including those in the Edmonton area, be let directly by U.S. authorities;
- (b) that the funds required for construction under the new programme be provided by the U.S. government who should, however, be informed that the Canadian government might, at a later date, wish to consider repayments for certain permanent parts of the construction involved; and,

(c) that the Special Commissioner for Defence Projects in Northwest Canada be directed to take any necessary steps to provide for the observance of the wage ceiling in construction in the Edmonton area.

1059.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 7, 1943

TITLE TO PROPERTY IN CANADA REQUIRED
FOR UNITED STATES PURPOSES

12. THE SECRETARY submitted a report¹ from officials of departments concerned on implementation of the decisions of War Committee of June 18th, 1943, regarding the acquisition of title to properties required in Canada by the United States for defence projects. Copies of this report had been circulated.

It was recommended:

(a) that the Department of Mines and Resources assume responsibility for acquiring properties located in the Northwest Territories, the Yukon Territory, the Dawson Creek area, B.C., including Fort St. John, the Fitzgerald area, Alberta, and in any case connected with rights-of-way for the Alaska highway;

(b) that the Department of Transport take action in all other cases.

The Department of External Affairs was preparing a draft Exchange of Notes with the United States to establish the general principles on which properties would be made available to the U.S. government.

(Secretary's note, July 6, 1943 — C.W.C. document 557).¹

13. THE WAR COMMITTEE, after discussion, approved in principle the report submitted and agreed on the following specific points:

(a) that the government take action to acquire properties only when they were intended for the direct use of the U.S. government; U.S. contractors to make their own arrangements on the understanding that they would not acquire property in the name of the U.S. government;

(b) that government action be limited to cases where the United States wished to acquire land for building or a complete building together with the land on which it stood;

(c) that all leases to property already acquired by the U.S. government be taken over by the government;

(d) that the government assume the cost of all properties acquired for the U.S. government making them available to the U.S. government without cost;

(e) that the Department of Transport be authorized to purchase the Jesuit College in Edmonton (at present being used as headquarters for the U.S. Army Engineers) at an approximate cost of \$115,000.

NON CIRCULATING / COMITE DE GUERRE

1060.

DEA/3634-40

*Le secrétaire d'État des États-Unis au ministre aux États-Unis**Secretary of State of United States to Minister in United States*

Washington, July 10, 1943

The Secretary of State presents his compliments to the Honorable the Minister of Canada and has the honor to refer to the Minister's note No. 288, May 31, 1943,⁷² in regard to the question of payment for defence facilities in Canada desired by the Government of the United States and constructed by the Canadian Government.

The Canadian Government's statement that it is not disposed at present to submit to this Government claims for payment for defence facilities of the kind under reference and its proposal that the matter of settlement of those accounts be postponed for consideration at the end of the war were referred to the Secretary of War. Mr. Stimson has now informed Mr. Hull that the Canadian Government's proposal is entirely satisfactory to the War Department. He adds, however, that it would be appreciated if the Canadian Government would furnish the United States Army Chief of Engineers a statement of the status of these accounts at approximately quarterly intervals.

1061.

DEA/72-AN-40

*Mémoire du représentant principal de
l'armée américaine, CPCAD, à la CPCAD**Memorandum from Senior United States Army Member, PJBD, to PJBD*

Washington, July 29, 1943

SUBJECT: MODIFICATION OF CRIMSON PROJECT

1. At the meeting of the Permanent Joint Board on Defense, Canada-United States, May 6-7, 1943, the Senior U.S. Army Member presented a memorandum which set forth proposals of the U.S. War Department with respect to the modification of the program envisaged in the twenty-sixth recommendation⁷³ which had to do with the Northeast Ferry Route to Europe (Crimson Project). The contents of this memorandum are set forth in paragraph 10 of the Journal of the Board's meeting for these dates.¹
2. Shortly after this meeting, the Senior U.S. Army Member notified the proper Canadian authorities that the War Department had given further consideration to the Crimson Project. In light of this further consideration, the Department requested that no action be taken on the memorandum set forth in paragraph 10 of the Journal and above referred to.
3. At the meeting of the Board, 5 July 1943, the Senior U.S. Army Member notified the Board that the War Department had reconsidered the modification

⁷² Voir le document 1047.⁷² See Document 1047.⁷³ Voir le document 1027.⁷³ See Document 1027.

of the Crimson Project as was set forth in paragraph 10 of the Journal covering the meeting of the Board on May 6-7, 1943, in order that the Crimson Route may be made available for sending planes to Europe if, at a later date, strategic conditions render such a movement over that route advisable, and he further stated that he would present the details of this new proposal in a memorandum to various members of the Board.

The following is the War Department's present proposal:

The Pas, Churchill, Southampton Island:

- a. All construction at The Pas, Churchill and Southampton Island fifty per cent or more completed will be finished in accordance with the original plan.
- b. All construction at the above-named points less than fifty percent completed and not essential to health or sanitation will be discontinued.
- c. United States Army Air Forces servicing detachments, including provision for first and second echelon maintenance, will be stationed at the three above-named points. (Approximately 100 men per station.)
- d. A runway 5,000' X 150' capable of withstanding a gross load of 62,000 pounds will be completed at Southampton Island and provision made during construction for demolition.

Fort Chimo, P.Q.:

Facilities will be completed for station complement of 36 officers, 200 enlisted men and for 203 transients. One Northeast/Southwest 5,000' X 150' paved runway. One East/West 5,000' X 150' hard-surfaced water bound macadam runway. Necessary hard-surfaced parking areas and service aprons. Runways, parking areas and service aprons to support a gross load of 74,000 pounds. One standard steel hangar, 120' X 200'. One nose hangar, 120' X 77'.

Frobisher Bay, Baffin Island:

Installations approximately as indicated at Fort Chimo, P.Q.

The following, although not distinctly a portion of the Crimson Project, is nevertheless closely allied thereto and the information is given in order to complete the picture.

Mingan, P.Q.:

Necessary facilities for station complement of 12 officers and 155 enlisted men and 20 transient officers. A runway 5,000' X 150' paved. One runway 5,000' X 150' hard-surfaced water bound macadam. One taxiway 50' wide, hard-surfaced from Lake Paterson to runway. Necessary parking areas and service aprons. Runways, parking areas, service aprons, and taxiways to support a gross load of 74,000 pounds. One nose hangar.

Padloping Island

Facilities for station complement of two officers and 28 enlisted men. The installation of a radio range.

The United States accepts the responsibility for the control, maintenance and defense of all of the above-named installations. The War Department believes that the station complements in each locality, with proper Arms, will be sufficient for the local security of the station concerned.

NON-OPERATING / SANCHEZ QIB PLACE

4. Copies of a letter addressed to Mr. Keenleyside, 23 July 1943[†] have already been submitted to the interested members of the Board, giving the War Department's revised weather installations and weather reporting service for this area.

GUY V. HENRY
Major-General

1062.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, August 20, 1943

MODIFICATION OF NORTHEAST AIR STAGING ROUTE

12. THE SECRETARY submitted a report of the Chiefs of Staff on new proposal of the U.S. War Department, the purpose of which was to make the Northeast Route available for sending planes to Europe if, at a later date, strategic conditions rendered such a movement advisable.

After setting out the U.S. proposals as described in a memorandum of July 29 from the senior U.S. Army member of the Permanent Joint Board on Defence, the Chiefs of Staff recommended that:

- (a) the Northeast Staging Route programme of development as modified by the said memorandum, be approved;
- (b) responsibility for the defence of Northeast Staging Route aerodromes remain as at present designated, until the recommendations of the Permanent Joint Board were received in consequence of the Board's Thirty-first Recommendation;⁷⁴ and
- (c) decision on control and maintenance of these aerodromes be left until the recommendations of the Permanent Joint Board were received in consequence of the Board's Thirty-first Recommendation.

Copies of the Chiefs of Staff report were circulated.

(Chiefs of Staff report to the Ministers, Aug. 13, 1943 — C.W.C. document 591).[†]

13. THE WAR COMMITTEE, after discussion, approved the recommendations contained in the report of the Chiefs of Staff.

[†]Voir le document 1041.

⁷⁴See Document 1041.

1063.

W.L.M.K./Vol. 319

Extrait du compte rendu des débats et des décisions de la CPCAD
Extract from Journal of Discussions and Decisions of PJBD

New York, August 25, 1943

MEETING OF THE BOARD, NEW YORK, AUGUST 24 AND 25, 1943

4. The Board discussed the matter of the application of the principles of its Thirty-first Recommendation, approved at the meeting of the Board in Montreal on May 6th and 7th, 1943, for the control, maintenance and defence of certain airfields in Canadian territory used jointly by the armed forces of both countries. It will be recalled that upon the approval by the Board of the Thirty-first Recommendation the air members of the Board were requested to prepare a schedule setting forth the application of these principles for submission to the Board as a basis for further recommendation. The Board had before it a detailed report on this subject¹ which was prepared at a meeting in Ottawa on August 19, 1943, by representatives of the interested agencies of the two countries.

After detailed discussion of this report, the Board approved the following as its THIRTY-SECOND RECOMMENDATION:

**APPLICATION OF PRINCIPLES SET FORTH IN THE
 BOARD'S THIRTY-FIRST RECOMMENDATION**

PART I

DEFINITIONS

That for the purposes of this Recommendation, the following definitions apply:

1. CONTROL:

Control of airport and airways traffic, and airport administration, provided that regulations applicable to airway and airport traffic control shall be prepared jointly by the using services, and shall be limited to those matters essential to the orderly control of traffic movement, and shall not include ceiling and visibility limitations for take-off and landing.

Note: Airport administration, in the military sense, consisting of those functions pertaining to command.

2. MAINTENANCE

a. Airfields

Maintenance of airfield surfaces including runways, taxiways, parking areas, hardstandings, and snow removal according to the standard of the principal user. The priority of such snow removal shall be as prescribed by the principal user.

Maintenance of access roads used solely, or nearly so, for the servicing of the airport and of roads and drainage ditches within and adjacent to the airport area, including snow clearance.

NON-CIRCULATING

b. *Other Facilities*

Maintenance of local airport landline communication systems, power, heating, lighting, water, fire-fighting and sewage systems, with the exception of that part of these systems installed in buildings.

c. *Responsibility of Using Service*

Proper maintenance of all buildings and facilities installed therein is the responsibility of the using Service. When facilities are provided by the Government of one country for the occupation of forces of the other, the principles set forth in the Twenty-first Recommendation⁷⁵ of the Board apply to the maintenance, upkeep and servicing of such facilities.

d. *Responsibility of Officers Commanding*

In the discharge of the above responsibilities, Officers Commanding will be authorized to make such definitions or modifications as local circumstances may require.

3. *Defence*

Defence of the airport area in conformance with standards acceptable to the Canadian Chiefs of Staff.

Note: Local security of aircraft, technical installations and building areas is the responsibility of the using Service.

PART II

SCHEDULE OF RESPONSIBILITY

1. NORTHWEST STAGING ROUTE:

a. That Canada be responsible for the *control, maintenance and defence* of the following airports:

Feeder: Prince George, Kamloops, B.C.; Lethbridge and Calgary, Alta.; Regina, Sask.

Main: Edmonton, Alta.; Grande Prairie, Alta.; Fort St. John and Fort Nelson, B.C.; Watson Lake and Whitehorse, Y.T.

Intermediate: Beaton River and Smith River, B.C.; Teslin, Aishihik and Snag, Y.T.; (Whitecourt, Alta., when constructed).

b. That the United States be responsible for the *maintenance, local airport control and defence* of the following airports:

Main: Edmonton Satellite.

Note: Edmonton Satellite will be subject only to airways traffic control by Canada under mutually acceptable regulations.

2. That the United States be responsible for the *control, maintenance and defence* of the following flight strips:

a. *Canol Project (N.W.T.)*

⁷⁵ Recommendation du 10-11 novembre 1941. Voir S.W. Dzuiban, *Military Relations between the United States and Canada, 1939-1945*. Washington, D.C.: U.S. Government Printing Office, 1959, pp. 355-6.

⁷⁵ Recommendation of November 10-11, 1941. See S.W. Dzuiban, *Military Relations between the United States and Canada, 1939-1945*. Washington, D.C.: U.S. Government Printing Office, 1959, pp. 355-6.

(i) *Canol 1A*

Waterways, Alta.; Embarrass, Alta.; Fort Smith, Providence, Resolution, Hay River, Fort Simpson, Wrigley, Norman Wells, Canol Camp, N.W.T.

(ii) *Canol 1 East and West*

Goodland Lake and Twitya River, N.W.T.; Sheldon Lake, Pelly River and Quiet Lake, Y.T.

b. *Alaska Highway*

Dawson Creek, Prophet River, Sikanni Chief River, Trout River and Pine Lake, B.C.; Squanga Lake, Pon Lake and Burwash, Y.T.

3. **NORTHEAST SHORT-RANGE FERRY ROUTE TO UNITED KINGDOM**

a. That the United States be responsible for the *control, maintenance and defence* of the following airports:

Western Sector: The Pas, Churchill, Man.; Southampton Island, N.W.T.

Eastern Sector: Fort Chimo, P.Q.; Frobisher Bay, N.W.T.

Others: Mingan, P.Q.

Note: Mingan will be subject only to airways traffic control by Canada under mutually acceptable regulations.

b. That Canada be responsible for the *control, maintenance and defence* of the following airports:

Moncton, N.B.; Dorval, P.Q.

...

1064.

DEA/5380-40

Le secrétaire d'État aux Affaires extérieures au ministre des États-Unis

Secretary of State for External Affairs to Minister of United States

No. 106

Ottawa, September 7, 1943

Sir,

I have the honour to refer to earlier correspondence in connection with the construction and development of various defence projects in the Canadian Northwest.

2. As you are aware, the construction of defence projects and the administration connected with them has necessitated in the past, and will necessitate in the future, the use of land in various places by the United States authorities and the acquisition of office space, quarters for personnel, and other types of housing and general buildings. Consideration has recently been given by the authorities of the Canadian Government to the question of the most expeditious and suitable procedure to be adopted in connection with land which is so needed. Depending on the area in which the property is located, the use of which is desired for the United States authorities, it may be one of three types:

(a) It may be Crown land held in the right of Canada. This is normally the case in connection with defence projects in the Yukon Territory or the Northwest Territories;

(b) It may be Crown land held in the right of one or the other of the provinces. This will frequently be the case where defence projects are located in northern British Columbia or Alberta;

(c) It may be property held by a private individual.

From the above you will observe that it is only in a restricted number of cases that the property involved will be property already held by the Dominion Government. Such property can, of course, without any difficulty and very readily be made available for the United States authorities. However, in the other two cases more difficulty arises, and the Canadian authorities have come to the conclusion that it would be most satisfactory, not only from the point of view of convenience and efficiency in acquisition of the desired land, but also from the point of view of the settlement after the war in respect of property that is used during the war by the United States authorities if, in all cases, land to be used for defence projects were acquired by the Canadian Government and then made available for the use of the United States authorities.

3. In accordance with the above view, the Canadian Government suggests that the procedure set forth hereafter should prevail in connection with the acquisition of land, although the arrangements would not, of course, interfere with or limit in any way the procedures adopted for the handling of recommendations made by the Permanent Joint Board on Defence. It is suggested that, in all cases where land is needed by the United States for a major defence project, a request concerning it should be forwarded through the State Department to the Department of External Affairs. In the case of minor projects involving the use of land, the United States authorities should communicate their requirements to Major-General W.W. Foster, D.S.O., Special Commissioner for Defence Projects in Northwest Canada, Edmonton, Alberta. In both cases, assuming the request to be approved, the appropriate authorities of the Canadian Government will take the necessary steps to have the land placed at the disposal of the United States authorities. In cases in which the land needed is Crown land in the right of a province or private property, the Canadian Government will take immediate steps to secure title to or a lease of the land, and will then make it available to the United States authorities in precisely the same way as land originally held by the Canadian Government. It is suggested that this procedure should apply in all cases where land is required, but not in cases where all that is needed is office space or housing quarters comprising part of a building or an entire building but not involving the lease or other acquisition of the land on which the building is constructed.

4. In the absence of any clear-cut understanding on matters of this type until now, the United States authorities have in certain instances taken out leases of property or have bought property for defence projects. In order to have all land involved in such projects held on the same basis, the Canadian Government suggests that it should take over the lease or title at present held in the name of the United States or, if there are such instances, in the name of any contractor or

other person for the use of the United States authorities. If a list of all such property could be provided, either to Major-General Foster or to this Department, setting forth the terms on which it is held and by whom, I have no doubt that it would be a simple matter to arrange a transfer of title or lease, as the case may be, to the Canadian Government.

5. In connection with the construction of the projects there will be a number of cases, I presume, in which the United States contractors engaged in operations for the United States Government will have acquired either leases or title to property utilized by them in connection with their construction work. The view of the Canadian Government is that no difficulty is presented by the holding of such property or leases by United States contractors, providing that this is for the purposes of the contractor involved and not merely a utilization of his name as a method of holding property for the use of the United States authorities. It is assumed that it is not the policy of the United States Government to take over property or leases which have been acquired by United States contractors for their own use in connection with wartime work for the United States Government, and that the United States Government will only make requests for land, or for the use of land, in pursuance of paragraph 3 hereof, when the land is actually to be used by the United States authorities.

6. In all cases in which property is made available by the Canadian Government for the use of the United States authorities, it is suggested that the right of user should be deemed to continue in the United States authorities for the duration of the war subject to termination of such user [sic] at a prior date on six months' notice by either the United States Government or the Canadian Government. In all cases, the land would be made available by the Canadian Government without charge to the United States Government. With regard to installations, buildings, or other structures erected on any property so made available to the United States Government, such installations or structures shall be disposed of in accordance with the principles laid down in the exchange of notes dated January 27, 1943⁷⁶, between the Government of Canada and the Government of the United States. Insofar as it is practicable to do so, the United States Government shall remove from land which has been made available for their use all debris which constitutes a fire hazard or otherwise detracts from the original condition of the land, and shall, as a general principle, endeavour to restore the sites involved to their original state.

7. If the United States Government agrees to the proposals here put forward, I would suggest that this Note, together with your Note of acceptance, should be deemed to constitute an agreement between the United States and Canada for the general treatment of land and property required for defence projects in the Northwest, to the extent that it is not inconsistent with any agreement previously entered into or which may hereafter be entered into providing for the development of defence projects. It is the belief of the Canadian Government that an agreement along these lines would do much to expedite the acquisition

⁷⁶ Voir Canada, *Recueil des traités*, 1943, N° 2.

⁷⁶ See Canada, *Treaty Series*, 1943, No. 2.

NON
CIRCULATING

of the necessary property for defence works and also to avoid misunderstanding and embarrassment in connection with it at the conclusion of the war.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1065.

DEA/72-AN-40

*Le secrétaire, la section canadienne, CPCAD, au représentant
principal de l'armée américaine, CPCAD*

*Secretary, Canadian Section, PJBD, to
Senior United States Army Member, PJBD*

Ottawa, September 8, 1943

Dear General Henry,

I am happy to inform you that the Canadian Government has approved the War Department's latest proposal, embodied in your memorandum of July 29th, for the modification of the Crimson Project. Responsibility for the defence, control and maintenance of the aerodromes on this route will remain as at present until a decision has been reached on the Board's Thirty-second Recommendation, which should be forthcoming in the very near future.

Yours sincerely,

H. L. KEENLEYSIDE

1066.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, September 8, 1943

CANADA-U.S. PERMANENT JOINT BOARD ON DEFENCE —
REPORT OF MEETING, AUGUST 24TH AND 25TH, 1943

4. THE SECRETARY reported that the Journal of the Board's discussions and decisions, covering a meeting held in New York on August 24th and 25th had been submitted to the Prime Minister. In accordance with the usual practice, copies had been sent to the Ministers of National Defence and the Minister of Munitions and Supply.

(P.J.B.D. Journal, meeting Aug. 24 and 25, 1943).

5. MR. HEENEY pointed out that this section of the Journal contained the Board's Thirty-second Recommendation, setting forth a schedule for control, maintenance and defence of airfields in Canadian territory used jointly by the

armed forces of both countries. This schedule had been prepared in accordance with the Thirty-first Recommendation of the Board, approved by the War Committee on June 2nd, 1943.

6. THE MINISTER OF NATIONAL DEFENCE submitted a report from the Chief of the General Staff, suggesting that the Recommendation be studied by the Chiefs of Staff, prior to its final disposition by the War Committee.

(Memorandum, Chief of General Staff to the Minister, Sept. 7, 1943).†

7. THE WAR COMMITTEE, after discussion, referred the Board's Recommendation to the Chiefs of Staff for consideration and report.

1067.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, September 22, 1943

CANADA-U.S. PERMANENT JOINT BOARD ON DEFENCE —
MEETINGS AUGUST 24TH AND 25TH, 1943
THIRTY-SECOND RECOMMENDATION

23. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS presented a report from the Chiefs of Staff, recommending the approval of the Thirty-second Recommendation of the Permanent Joint Board on Defence, prepared in accordance with the decision of the War Committee on September the 8th. Copies of this report had been circulated.

(Report, Chiefs of Staff, Sept. 21, 1943 — C.W.C. document 622)†.

24. THE WAR COMMITTEE, after discussion, approved the Thirty-second Recommendation.

1068.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, November 17, 1943

CANADA-U.S. JOINT DEFENCE CONSTRUCTION
PROJECTS IN NORTHWEST; PUBLICITY

11. THE SECRETARY reported that it had been agreed by senior officials of the departments concerned that, at an early date, suitable official publicity should

NON-CIRCULATING

be made available by the government upon the various defence projects in Northwest Canada, particularly the Canol project. This was felt to be advisable in order to correct public misconceptions, both in Canada and the United States, not only as to the nature of certain of these projects but as to the extent of Canadian participation and agreements between the two countries as to post-war use.

With regard to Canol there was some urgency as public hearings on the subject were to begin, the following week, before a Congressional Committee. Accordingly, it was proposed to make arrangements with the State Department for joint release of the exchanges of notes, if possible, within the next few days.

A detailed résumé of all joint defence works had been prepared by the various departments concerned and it was proposed that this be issued by the Wartime Information Board as an official release by the government for the use of the press.

An explanatory note had been circulated.

(Secretary's memorandum, Nov. 16, 1943 — C.W.C. document 656).†

12. MR. HEENEY said that direction was required as to whether the omnibus release should contain reference to financial arrangements with the United States. It would be recalled that no final decision had been made by the government regarding payment for American undertakings at airfields and elsewhere. Accounts for payment were not being presented to the U.S. government, for the present, but no announcement of this had ever been made.

13. THE WAR COMMITTEE, after discussion, approved the arrangements described by the Secretary for release of information on defence projects in Northwest Canada, it being understood, however, that, for the present, no reference should be made to financial arrangements with the United States with respect to essential payment for American undertakings.⁷⁷

1069.

DEA/3634-40

*Mémorandum du secrétaire, le Comité de guerre du Cabinet,
au sous-ministre des Finances*

*Memorandum from Secretary, Cabinet War Committee,
to Deputy Minister of Finance*

CONFIDENTIAL

Ottawa, November 24, 1943

RE: REIMBURSEMENT TO THE UNITED STATES
FOR DÉFENCE CONSTRUCTION IN CANADA

This matter came up again in the War Committee the other day in relation to the extension of airports on the Northwest Staging Route. The result was a pretty unsatisfactory discussion of the advantages and disadvantages to Can-

⁷⁷ Un communiqué à la presse fut publié le 19 janvier 1944 par la Commission d'information en temps de guerre.

⁷⁷ A press release was issued on January 19, 1944 by the Wartime Information Board.

ada's offering to reimburse the United States for expenditures on this and other defence projects in Canada.

In favour of such a course, the old (to my mind none the less valid) arguments were again put forward — protection against anticipated pressure from Congress and American public opinion that the Stars and Stripes should follow the U.S. dollar. Against the proposal it was argued that, after four years of war, the Canadian public would be exceedingly critical of large expenditures for the purpose of reimbursing a wealthy nation for extravagant undertakings in this country, for which we had felt no need; we had made agreements with the United States and should assume that they would be honoured.

You will have seen that the development which was anticipated has already begun in connection with Canol. Next week, at the request of the U.S. War Department, we are to have conversations with them regarding post-war use of the product of the new wells discovered in the Mackenzie valley. My own feeling is that requests will follow in respect of other developments in which the United States have invested large sums.

I suggest that we should prepare to put before the government, against an analysis of the present U.S.-Canadian dollar position, a statement of American projects payment of which might be made before the situation further deteriorates. Such a statement might be arranged in order of priority of usefulness to Canada. Of these the very first should be the Northwest Staging Route airports in so far as they have been objects of U.S. expenditure. Clearly these will rapidly increase in importance — first, when the German war is over and a concentration through the North against Japan may be expected, and second, in the post-war period of major development in civil air transport.

In any event it is time that the War Committee were brought up to date on the financial picture and I suggest that it would be exceedingly useful if some such document as I have suggested were prepared and made available to the War Committee at an early date. My own feeling is that, while it remains financially possible, we should begin to make payments to the United States, starting with the items which will serve us best.

If you agree, would you have someone bring the financial elements together in a suitable paper.

A. D. P. HEENEY

1070.

DEA/3634-40

*Le sous-ministre des Finances au secrétaire,
le Comité de guerre du Cabinet*

*Deputy Minister of Finance to Secretary,
Cabinet War Committee*

CONFIDENTIAL

Ottawa, November 27, 1943

RE: REIMBURSEMENT TO THE UNITED STATES
FOR DEFENCE CONSTRUCTION IN CANADA

I have read with interest your note on the above subject. I find that my own mind is very much in the same state as that which you report in respect of the War Committee.

I think the argument based upon protection against anticipated pressure from Congress and American public opinion is a very strong one and the argument based on our U.S. dollar position also favours making the payments. On the other hand, it goes against my grain to pay the excessive costs incurred by the United States for the facilities which we would be taking over, particularly those that are likely to have relatively little post-war value.

On the whole, I agree with you that it would be a good thing to prepare a new memorandum outlining the elements of the problem and I am asking Bob Bryce to take responsibility for this, although he will obviously have to have co-operation from Transport and also probably from Mr. Baldwin.

It seems to me possible that our views may be clearer after we have had the discussions next week with U.S. officials in regard to the Canol project. On the other hand, I was planning to go to Washington at the end of next week with a view to discussing with the U.S. Treasury our whole exchange position, and if we were going to do anything in regard to payment for these projects, I would like to be able to tell the Treasury of our decisions during the course of my visit. This might help me in accomplishing the objective I have in mind of discontinuing the maximum-minimum balance arrangement as from the first of the new year.

W. C. CLARK

1071.

DEA/3634-40

*Le secrétaire, le Comité de guerre du Cabinet,
au sous-ministre des Finances*

Secretary, Cabinet War Committee, to Deputy Minister of Finance

CONFIDENTIAL

Ottawa, November 27, 1943

Dear Dr. Clark,

RE: REIMBURSEMENT TO THE UNITED STATES
FOR DEFENCE CONSTRUCTION IN CANADA

Thank you for your note of the 27th. Baldwin will be glad to co-operate with Bryce and help him with Transport.

In the circumstances I think we should try and have something to put before War Committee on Wednesday, so that you may have some fresh guidance before you leave for Washington.

My hope would be that Bryce's paper would open the way to distinguishing between projects of real value to us and those which may be classed as extravagant or of a purely temporary value.

Yours sincerely,

A. D. P. HEENEY

1072.

DEA/3634-40

*Mémorandum du ministère des Finances*⁷⁸*Memorandum by Department of Finance*⁷⁸

SECRET

Ottawa, December 1, 1943

MEMORANDUM ON POSSIBLE REIMBURSEMENT OF UNITED STATES
FOR COST OF AIRFIELDS CONSTRUCTED IN CANADA

Public outcry as a result of the recent trip made abroad by the five United States Senators, and more recently the serious difficulties that have arisen over the Canol project, indicate that, regardless of the friendly spirit of the administration in Washington, serious and troublesome difficulties may arise as a result of the pressure brought by interested groups over U.S. defence expenditures in Canada.

Airfields and related facilities constructed or paid for in Canada by the U.S. are likely to be the most controversial issue in view of the extensive public interest in the development of air transport and air power after the war; and it may well be that the protection afforded Canada by existing legal agreements between Washington and Ottawa may not be sufficient. For example, the U.S. has, regardless of previous exchange of notes, as a result of public pressure, requested reopening of negotiations regarding the Canol project.

The present agreement regarding post-war ownership of these facilities is that permanent construction built or paid for by the U.S. in Canada will become the property of the Canadian Government after the war; and that temporary facilities will either be dismantled and taken back to the U.S. or offered for sale to Canada.

The following construction is involved:

1. Complete air bases at Mingan and Chimo, P.Q., Churchill, Manitoba, Southampton Island and Frobisher Bay. No figures are available from the U.S. on the cost of construction of these bases, but in view of their location and the extensive and costly method of transportation involved, cost would be high. Their immediate value to Canada is doubtful, although they may in a few years become important as possible bases on a short route across northern Canada from Asia to Europe. Costs might be in the neighbourhood of \$15,000,000, and possibly even half as much more.

2. Landing fields down the Mackenzie River Route. Landing fields have been constructed by the U.S. at:

Camp Canol
Norman Wells
Wrigley
Simpson
Providence

⁷⁸ R.B. Bryce.

NON-CIRCULATING

Hay River
Resolution
Fort Smith
Embarrass
Waterways

These are adequate to handle present traffic to serve the Canol project and could be expanded into extensive air bases. Construction of buildings and associated facilities has not been extensive. Total cost might be in the neighbourhood of \$7,000,000, although here again no figures have been made available from the U.S.

3. Landing strips on the Alaska Highway.

Eight gravel-surfaced landing strips have been completed or partially completed on the Alaska Highway and a ninth is contemplated. Cost of these might be in the neighbourhood of \$1,000,000 to \$2,000,000, but no estimates are available from the U.S.

4. Northwest Staging.

The first expansion (Plan "B") of the Northwest Staging has been carried out by the Department of Transport on U.S. account. The War Committee has, however, decided that no bill should be presented to the U.S. for the time being, and strong reasons can be advanced against presentation of a bill at any time if this can be avoided. Total commitments of the Department of Transport at September 30, 1943, were \$17,230,000, of which \$11,500,000 had already been spent.

A further expansion, however, of the staging route (Plan "C") was proposed by the U.S. and the Canadian Government requested the U.S. to carry out this expansion itself at its own expense. No estimates of cost are available. The major part of the program of existing airfields involves the construction of hangar aprons and taxi strips together with certain buildings, although at Edmonton a completely new satellite airport is being constructed at Namao.

The airfields on the Mackenzie River route and on the Northwest Staging will be of great value to Canada since the Northwest Staging is already a major traffic artery on the route to Asia, while the Mackenzie River route possesses great potentialities in this respect both from the point of view of distance and flying conditions.

Inasmuch as Canada has now a large supply of U.S. dollars resulting in part from the beneficial effects of the Hyde Park Agreement, and as means are being sought to adjust our financial arrangements with the United States in order that it will not appear that the United States Government assisted Canada in building up its dollar balances to an unwarranted size, it is suggested that Canada might now offer to meet all, or at least a large part of, the costs of airfield construction in Canada. This would include both the amounts already spent by the Department of Transport on U.S. account, and an agreed estimated amount for the costs of fields constructed by the U.S. authorities themselves. The total sum involved would likely be between \$30,000,000 and \$50,000,000, of which we have already advanced \$11,500,000 on work done. Alternatively, Canada

might offer (a) to pay for all permanent construction involved (which by agreement is to revert to Canadian ownership); or (b) for such part of the permanent construction as is judged to be of post-war value to Canada; or (c) for the temporary facilities constructed and installed (which by agreement are to be offered for sale to Canada if not removed). It is estimated that paying the cost of the temporary facilities might involve as much as \$20,000,000.

In view of the great importance of the Northwest Staging to Canada and the danger that it would become the area which would cause the controversy in the U.S., it would seem desirable at least to clear the Canadian position with regard to that route by taking over as much of the cost of construction as possible.

No satisfactory estimates of the amount spent by the U.S. on the various facilities mentioned above are available, and in view of the difficulties of accounting, particularly in connection with Army construction projects, it has been suggested that it would not be easy to obtain adequate estimates from Washington even if inquiries were made. Moreover, such inquiries might give rise to suspicion or political difficulties. Perhaps a fairer basis for judgment of the Canadian position might be to request the Department of Transport to provide rough estimates, for each of the air bases or landing facilities listed above, of the amount which would have been spent by the Department of Transport had it undertaken similar construction. These estimates would be broken down into permanent and temporary facilities.

It might be argued that reimbursement to the United States Government for the work it has undertaken should be made not on the basis of actual costs incurred, which would be difficult to ascertain, particularly as much of the work was done by Service personnel, but instead on the basis of an agreed valuation based upon war-time costs of such construction in Canada. This would have the additional advantage of avoiding charges that Canada was paying for any wasteful or extravagant action in the construction of these bases.

On the other hand, it seems likely that the United States authorities, for the same reason that prompts Canada to get unquestionably clear title to these bases, will be reluctant to agree to Canada paying for them, and if an attempt were made to do so on the basis of agreed valuations, opportunity would arise for obstruction and delay. Consequently it would seem desirable not to qualify our proposal in this way, but to offer to meet all costs except the actual pay, allowances, rations, etc., for Army personnel employed on the work. Against any alleged waste or extravagance, Canada would be able then to offset the value of the work done by the U.S. Army personnel.

It is necessary to consider the possibility that for Canada to offer to pay for this permanent construction which the United States has agreed to transfer to Canada after the war, would be to imply that the United States might not live up to its obligation, and might also prejudice the position of other items (e.g., defence works or St. Lawrence waterway works) which the United States has constructed or will construct in Canada and which it has agreed to transfer to Canada without payment. To meet this argument it would seem desirable to make clear that the original agreement for return to Canada of the permanent installations did not provide for payment because at the time it was not evident

NON CIRCULATING

that Canada's supply of U.S. dollars would be adequate to enable her to make payment. As it now appears that Canada can provide the United States dollars that are necessary to reimburse the United States Government for these costs, the Canadian Government is now undertaking, it might be said, to meet these costs of all airfield construction in Canada as part of Canada's share in the war and in the joint defence of the Western Hemisphere.

1073.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 1, 1943

PAYMENT FOR U.S. DEFENCE EXPENDITURES IN CANADA —
CANADA-UNITED STATES FINANCIAL POSITION

26. THE SECRETARY submitted a memorandum respecting possible reimbursement to the United States of the cost of airfield construction in Canada.

Serious difficulties might arise as a result of pressures by interested groups in the United States with respect to post-war use and ownership of U.S. defence projects in Canada. The evident potential value after the war of airfields and related facilities might well lead to a request from the United States for the re-opening of the questions of eventual disposition and post-war use.

Five air bases in the north and northeast, ten landing fields on the Mackenzie River, several landing strips on the Alaska highway and the expansion of the Northwest Staging Route had been objects of large expenditures by and on behalf of the United States. No estimate of the cost was available from U.S. sources but the total sum involved might be from \$40 to \$60 millions.

Since Canada now held U.S. dollars considerably in excess of the maximum allowed under the present agreement with the U.S. Treasury, consideration might be given to Canada's offering to pay for the permanent construction involved in these works, even though under existing agreements they were to revert to Canadian ownership after the war. Alternatively, an offer might be made to reimburse the United States the costs of temporary facilities which, by agreement, were to be offered for sale to Canada, if not removed, after the war.

(Memorandum — Privy Council Office, Department of Finance, Dec. 1, 1943).

27. THE MINISTER OF MUNITIONS AND SUPPLY felt that it would be unwise to purchase now temporary facilities which, in the main, would be of little use to Canada after the war. There would be less objection to Canada's paying for permanent construction. On the other hand, any proposal by the Canadian government to do so, at this stage, would probably be resisted by the United States and might give rise to serious embarrassment.

Consideration should be given to modification of the existing agreement limiting Canadian holdings of U.S. dollars. U.S. orders were not now being placed in Canada to assist the Canadian financial position, but with the sole object of obtaining necessary war supplies which could best be obtained by the United States in this country.

28. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS expressed the view that the present reserve of U.S. dollars did not appear too large for future Canadian requirements. Any payment for U.S. construction in Canada, which, by formal agreement, was to become Canadian property after the war, might be interpreted in the United States as a criticism of their good faith. Moreover, if such payment were taken in respect of air bases, difficulties might be created with respect to much more costly projects such as the Alaska Highway and the Canol programme.

29. THE DEPUTY MINISTER OF FINANCE said that Canada now held some \$706 millions in U.S. exchange, of which \$85 millions would be set aside for conversion of Canadian securities in the United States. The balance would still be in excess of the agreed limitation to Canada's holdings.

It had been understood that, in the event of a surplus developing beyond the agreed maximum, we would reduce our holdings by cancellation of American contracts placed in Canada under the Hyde Park Agreement. The procedure had been followed, but it had not brought about the necessary reduction because of the changed situation described by the Minister of Munitions and Supply. The United States were now placing an increasing number of orders in Canada for supplies to meet their actual war needs.

In these circumstances, it would be necessary to propose some readjustment or the complete cancellation of the existing agreement with the United States.

30. THE WAR COMMITTEE, after further discussion, deferred consideration of these problems to an early meeting.

1074.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 3, 1943

PAYMENT FOR U.S. DEFENCE EXPENDITURES IN
 CANADA; CANADA-U.S. FINANCIAL POSITION

8. THE SECRETARY referred to the discussion at the last meeting (December 1st) and reported that, at the request of the U.S. government, a meeting had taken place in Ottawa, the previous day, between U.S. and Canadian officials, regarding possible modification of the existing agreements between the two countries in respect of the Canol project.⁷⁹

⁷⁹ Voir le document 1017.

⁷⁹ See Document 1017.

NON-CIRCULATING / CONSULTER CITE PLACE

In urging that the Canadian government consent to revision of these agreements American representatives had indicated that conditions had altered since the agreements had been negotiated in 1942; the strategic situation in the Pacific had undergone a radical change for the better; there were indications that the oilfields in the Mackenzie area might be much larger than originally anticipated. The U.S. War Department were being violently criticized in the United States for undertaking the large expenditures involved — some \$134 million in all, without economic justification and under arrangements which gave no return to the United States.

No specific proposal had been made but it had been urged that the Canadian government should agree to some new and "equitable" adjustment which would allow some return, after the war, upon the large U.S. capital investment.

9. THE DEPUTY MINISTER OF FINANCE suggested that the course pursued by the United States with regard to the Canol agreement strengthened the case for payment by the Canadian government for all U.S. expenditures upon airfield construction in Canada.

Although these airfields, by agreement, would be ours after the war, our position would be stronger in every way if Canada had paid for the facilities involved.

10. THE MINISTER OF MUNITIONS AND SUPPLY felt that any payment offered by Canada upon American expenditures on airfield construction should be limited to permanent improvements or immovables, in the Northwest, and should not include temporary construction or movables which Canada would, in any case, have an opportunity to purchase after the war.

11. THE MINISTER OF NATIONAL DEFENCE FOR AIR agreed that it would be well for Canada to pay the full cost of all permanent facilities in the Northwest area.

Consideration might also be given to payment for the fields constructed by the United States in Northeast Canada. These would be of importance if Arctic Circle routes were developed.

These payments should be interpreted to the Canadian public, not as unnecessary or extravagant expenditures but as moves in a wise policy of safeguarding Canadian sovereignty and protecting Canadian interests in important air routes within our own borders.

12. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS pointed out that the original policy of the government in relation to airfield construction with the United States had been that Canada would build to Canadian standards and requirements, leaving the United States to assume responsibility beyond those limits.

It would be consistent with this policy to inform the U.S. government that the position had been reviewed and that Canadian standards and requirements had been substantially raised for these air routes in the light of subsequent developments. It would follow, logically, that the Canadian government should undertake, now, payment for the expansions and improvements initiated by the United States.

13. THE MINISTER OF MINES AND RESOURCES agreed that we should take the opportunity of paying in full for the aerodromes which were likely to be of

importance in the post-war period. In this connection, consideration should be given to the probable future value, as well, of the developments in the Northeast.

14. THE WAR COMMITTEE, after further discussion, agreed that the U.S. government be informed:

(a) that it was not the intention of the Canadian government to request or accept payment from the United States for construction of any permanent facilities or improvements made by Canada, on U.S. account, upon airfields in Northwest Canada; and,

(b) that the Canadian government wished to make payment to the U.S. government for all construction of a permanent nature carried out by the U.S. government upon air routes in Northwest Canada.

It was understood that the Deputy Minister of Finance would make reference to the views of the government in the course of discussions, the following week, with the U.S. Treasury, prior to a proposal being made to the U.S. government through the usual channels.

...

1075.

DEA/3634-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures⁸⁰
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs⁸⁰
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa,] December 11, 1943

EVIDENCE RELATING TO UNITED STATES EFFORTS TO OBTAIN
POST-WAR ADVANTAGES FROM WARTIME EXPENDITURES IN CANADA

1. The United States has been spending money on the acquisition or construction of defence facilities in Canada since long before Pearl Harbour. The list of such facilities now covers hundreds of items and the total of expenditure is in the hundreds of millions of dollars.

2. Until comparatively recently the United States authorities have been careful in every case to indicate that they were interested in these facilities only from the point of view of their wartime value. They made no claims to any post-war title in or usufruct from the construction for which they were paying except that, as in the case of Canol, they hoped to recover the then *commercial* value when the facility was disposed of after the war. There was no indication of any desire to obtain any *continuing* right or any special favour or concession.

3. Gradually, however, as the military situation of the United Nations has improved and as the defeat of the Axis becomes a more evident prospect the legislators and people of the United States have begun to think in terms of post-war advantage. As a result, moreover, of individual or organized Congressional investigation there is more knowledge in the United States of the extent to

⁸⁰ H.L. Keenleyside.

NON-CIRCULATING

which American money and effort have been put into construction in other lands. These facts, combined with the common interpretation or misinterpretation of the principles underlying Lease-Lend, have led to a popular feeling in the United States that the Administration will be failing in its duty if it does not provide now for the acquisition of post-war profit from wartime expenditure in foreign countries. So strong has this feeling become that efforts are now being initiated to arrange for the renegotiation of certain international agreements relating to the post-war disposition of such defence projects. In Canada this has taken the initial form of a proposal to re-open the Canol agreements.

4. In all the negotiations between Canada and the United States, either through the Defence Board or the Department of External Affairs, the greatest care was taken to protect the Canadian post-war position. Detailed arrangements for the ultimate disposition of United States projects were written into the text of some of the agreements, and other cases were covered by a general formula embodied in the 28th Recommendation of the Board.⁸¹ Thus, if existing agreements are maintained and executed all Canadian interests will be adequately protected.

5. Even apart from the Canol approach, however, there is accumulating evidence that the United States will endeavour to arrange for modifications in the present agreements with Canada. The weight of this evidence is cumulative when the following items are noted in their chronological sequence:

A. At a meeting of the Permanent Joint Board on Defence on January 13, 1943, in the course of the discussion on the Twenty-eighth Recommendation, Mayor LaGuardia, Chairman of the United States Section, said that "Of course, American planes would be able to use the bases in Canada which are now being built with American money." Now the Mayor knew as well as the rest of the Board that United States expenditure on bases in Canada was part of the United States contribution to the united war effort and that it had been agreed and emphasized again and again that this contribution would not give the United States the right to claim a privileged position in post-war aviation. Apparently, however, he had been influenced by the feeling, prevalent even among people occupying important positions in the Government, that the United States should get some permanent advantage out of wartime expenditures of this kind, and was taking advantage of the opportunity offered by the discussion in the Board to try to reopen the whole question.

B. On the 13th of January in drafting the Twenty-eighth Recommendation, which outlined general rules for the post-war disposition of United States defence projects in Canada, the United States members of the Board insisted on the inclusion of the following paragraph:

"All of the foregoing provisions relate to the physical disposition and ownership of projects, installations, and facilities and are without prejudice to any agreement or agreements which may be reached between the Governments of the United States and Canada in regard to the post-war use of any of these projects, installations and facilities."

⁸¹ Voir le document 1033.

⁸¹ See Document 1033.

C. By letter dated January 27¹ and on February 16, 1943, the United States Government raised through the Legation in Ottawa the question of post-war use of Canadian highways giving access to the Alaska Highway, and of post-war use of these roads and of the Highway itself by United States military vehicles, indicating that it considered these two points to be covered by implication in the exchange of notes authorizing construction of the Highway.⁸² While the Canadian Government was prepared to concede the first point — that it was a natural inference from the language of the notes that United States vehicles should be allowed to use the roads leading from the boundary to the Alaska Highway under conditions and for purposes similar to those governing the use of the Highway itself — it refused to agree to the claim that the notes conferred the right to post-war military use. (This issue had in fact been discussed and decided in the negative when the problem was first before the Board).

D. On February 15, 1943, before the House of Representatives Committee on Foreign Affairs, Assistant Secretary of State A.A. Berle, who is particularly charged with relations with Canada, said that he believed that United States wartime expenditures on airfields in foreign countries "to the extent that they have permanent utility represent an item of equity which can and should be urged in the ensuing negotiation" on the post-war use of airfields in foreign countries. When a member of the Committee asked whether he did not grant that "it (the expenditure) is a chip in the game which we should not simply throw out of a jackpot and forget about", Mr. Berle replied "Certainly".

E. In a report to the Senate on October 28, 1943, Senator Richard B. Russell, speaking for himself and his four colleagues on the now famous tour of world's battlefronts, stated that "All of us are concerned about American rights in air bases and air facilities which have been constructed at our expense all over the world. There should be no delay in having some definite understanding and agreement as to the post-war rights of commercial aviation. We cannot expect to have sovereignty over all bases that we have constructed for military purposes but we should assure to American enterprise an equal chance with others in these bases we have paid for, and the right to operate in all parts of the world."

F. On November 14, 1943, the *Washington Post* said that the Sub-Committee of the Senate Committee on Post Offices and Post Roads had reported that "The United States has made a large investment in the facilities of airfields along the route of the Highway. Improvements made are of permanent value for defense of Alaska, and should remain available to us after the war" and recommended that "The War Department should request the State Department to initiate negotiations at once with the Canadian Government looking to free use of the airfields after the war."

G. [With] Reference to the Canol negotiations it is unnecessary here to recapitulate the arguments advanced by the United States representatives at the meeting on December 2, but it may be of interest to record the attitude of the Hon. H.L. Ickes, Secretary of the Interior, as expressed before the Truman Committee on November 22. "... I would suggest ... that these contracts should be

⁸² Voir Canada, *Recueil des traités*, 1942, N° 13.

⁸² See Canada, *Treaty Series*, 1942, No. 13.

re-examined in the light of present conditions and future possibilities in order that the expenditures of this Government with respect to this project may be repaid. In return for the enormous investments and risks which we alone have assumed from the very beginning, the United States ought to be accorded a permanent peacetime share of the oil and products to be produced upon terms commensurate with the magnitude of the contribution which this Government has made."

6. The purpose of this compilation is to indicate the necessity of giving early and detailed consideration to the position that Canada is to adopt as these approaches become more substantive and more pressing. It emphasizes also the desirability of doing everything possible to reduce the number and the relative importance of the defence facilities in Canada for which the United States taxpayer has to foot the bill. The most pressing case, as has already been indicated to Council, is the matter of United States expenditure on the Northwest Air Route.

1076.

DEA/3634-40

*Mémorandum du secrétaire, le Comité de guerre du Cabinet,
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Secretary, Cabinet War Committee,
to Under-Secretary of State for External Affairs*

SECRET

Ottawa, December 14, 1943

RE: CANADIAN PAYMENT FOR U.S. AIRFIELD
CONSTRUCTION IN NORTHWEST CANADA

On December 3rd, the War Committee agreed that the U.S. government be informed that the Canadian government wished to make payment to the U.S. government for all construction of a permanent nature carried out by the United States upon air routes in Northwest Canada, it being understood that the Deputy Minister of Finance would mention this in discussions with the U.S. Treasury prior to a proposal being made through the usual channels. This was in addition to the decision not to request or accept payment for any permanent works done by Canada for U.S. account. (C.W.C. Minutes of December 3rd, page 4, paragraph 14).

I saw Clark yesterday, and he told me of his conversations with Harry White, during which he had mentioned the attitude of our government in this connection. White gave no indication one way or another as to what the U.S. attitude might be. In any event, of course, White would be interested only in the financial aspects. Clark saw no one in the State Department.

Clark feels that we should follow up at once by addressing a note to the U.S. government in the sense of the War Committee's decision. In his view, it is particularly important that the suggestions should go forward and be of record with the State Department, before the Canol negotiations advance any further. His fear is that if, as is likely, we have to take a stiff attitude toward American

proposals for recovery of their investment in Canol, that fact would affect the U.S. government's response to a suggestion that we pay for all the Northwest airfields. From this point of view, it would be much better to have our bid in on the airfields before having to take a strong negative line on any formal U.S. proposals regarding Canol.

I am inclined to agree and since we have the instructions of the War Committee from the meeting of December 3rd, I think it would be well to have Pearson instructed to deliver a note to the State Department along the lines of the War Committee's decision.

A. D. P. H[EENEY]

1077.

DEA/3634-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-4883

Ottawa, December 17, 1943

SECRET. Please present to the Secretary of State, personally if possible, a note in the following terms, Begins: With reference to previous correspondence and discussions concerning the construction of airfields and ancillary facilities in Northwestern Canada I have the honour to inform you that the Canadian Government has decided

(a) not to request or accept payment from the Government of the United States for construction of any permanent facilities or improvements made by the Government of Canada, on United States account, upon airfields in Northwest Canada; and,

(b) to make payment to the Government of the United States for all construction of a permanent nature carried out by the Government of the United States upon air routes in Northwest Canada.

2. When United States proposals for the considerable extension of certain defence facilities in Canada were under discussion in the early months of 1942 it was decided by the Canadian Government

(a) that the Government of the United States should be permitted to pay for such approved extensions and improvements to existing defence installations in Canada as are required by United States forces beyond Canadian standards and requirements, on condition that Canada retain full title and control; and

(b) that the cost of defence installations in Canada used by Canadian forces, up to Canadian standards and requirements, should be paid for by Canada.

This decision was conveyed to the United States authorities by the Chairman of the Canadian Section of the Permanent Joint Board on Defence at the meeting held in New York City on April 27, 1942. The pertinent section of paragraph 11 of the Journal of the Board reads as follows:

"The Chairman of the Canadian Section stated that the Canadian Government felt that Canada should properly pay for the construction of new fields or

NON CIRCULATING / ADMINISTRATION DES BIENS

other permanent works of continuing value to the airway and that the United States should pay for such approved extensions and improvements to existing facilities as are required by the United States forces beyond Canadian standards and requirements."

3. When this decision was taken the airfields of Northwestern Canada had been or were being developed by Canada to a stage commensurate with the view the Canadian Government then took of their importance in the general field of Canadian aviation. The Canadian Government has been reviewing the probable future requirements of aviation in this area and as a result has come to the conclusion that the standards to which these air routes should be developed are substantially above those previously considered necessary.

4. In these circumstances I am instructed to inform you that the Canadian Government has reviewed the whole position of air transport routes in Northwest Canada, that its estimate of the appropriate standard of development has risen materially since 1942 and that it has therefore come to the conclusion that Canada should pay for all construction of permanent facilities or improvements on the air routes in question. In pursuance of this decision the Canadian Government will not accept payment from the United States Government for the construction of any permanent facilities or improvements made by the Canadian Government on United States Government account on airfields in Northwest Canada, and will make payment to the United States Government for all construction of a permanent nature carried out by the United States Government on air routes in this area.

5. This decision applies to all airfields on the Northwest Staging Route, to the fields and landing strips on the Mackenzie River route, the landing strips along the Canol pipeline and all other airfields, landing strips and permanent air route facilities constructed by or for the United States Government in Northwest Canada in accordance with arrangements made from time to time between the two Governments for the joint defence of this continent.

6. The Canadian Government will be glad to enter into discussions with the United States Government at an early date with a view to effecting detailed arrangements for carrying out these conclusions of policy. Ends.

SECTION F

JURIDICTION SUR LES FORCES DES ÉTATS-UNIS AU CANADA

JURISDICTION OVER UNITED STATES FORCES IN CANADA

1078.

DEA/2818-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

DESPATCH 785

Ottawa, July 1, 1942

IMPORTANT

Sir,

I have the honour to direct attention to certain jurisdictional questions in relation to Canadian forces on duty in the United States and United States

forces on duty in Canada. Some preliminary consideration has been given to the subject by this Department and by the Service Departments. It has also been raised before the Permanent Joint Board on Defence without, however, any recommendation having been made.

2. In relation to Canadian forces in the United States these questions are not of any special urgency since the strength of any formations on duty in the United States is small. There are, however, in Canada considerable bodies of United States troops on duty at Sault Ste. Marie, along the Alaska road and probably already at Prince Rupert. Some problems have already arisen as to the respective jurisdictions of the civil authorities and the officers in command of these forces, particularly that engaged on the construction of the Alaska road. These have been dealt with locally without friction, but similar problems may emerge at points where the Canadian civil authorities might prove less inclined to cooperate than those in sparsely settled northern areas. Such authorities are, as you know, free from any control by this Government except to the extent authorized by legislation enacted either by Parliament itself or by the Governor-in-Council under the provisions of the War Measures Act.

3. It is assumed that under the domestic law of the United States both strictly military offences and offences affecting civilians committed by members of the United States forces can be dealt with by United States service courts and authorities wherever the forces may be serving. This no doubt presents no difficulty when the area is one in which active operations of war against a present enemy are being carried on; whatever may be the local civil law it is silenced by the clash of arms. The problem is however not so simple when, as happily just now in Canada, direct enemy action is absent or extremely slight. In these circumstances the activities of the civilian authorities continue in a normal manner and the legal status of service courts and authorities is of much greater importance.

4. The powers of Canadian service courts and authorities are very clearly defined by Canadian legislation, and owing to the presence in Canada of foreign forces, steps were taken in April, 1941, to regularize their position in relation to Canadian law. There are enclosed thirty copies of a pamphlet containing both the Foreign Forces Order, 1941 (P.C. 2546 of April 15, 1941), and a confidential memorandum in explanation of its provisions.

5. The Canadian Government has, by Order in Council P.C. 5484 of June 26, 1942 (ten copies of which are enclosed), applied the Foreign Forces Order 1941 to the United States of America as an interim measure, in order that civilian authorities may have appropriate guidance in their relations with United States service courts and authorities. In the absence of such legislation the latter could not under Canadian law lawfully impose any corporal restraint or punishment on a member of the United States forces and any member detained or punished would almost certainly be entitled to succeed in obtaining an order for his release on an application for habeas corpus or in recovering judgment for damages either for false imprisonment or assault. Indeed, if a sentence of death were carried out in Canada under a judgment of a United States service court, it is difficult to see what defence, if any, to a charge of murder could be advanced by those concerned in its being so.

CONCURRENCE SUR PLACE

NON CIRCULATING

6. In brief, the main effect of the order is (a) to confer power on the service courts and authorities of a country to which the Order is applied to exercise within Canada in relation to members of that country's forces very wide powers to deal with offences of all kinds except murder, manslaughter or rape; (b) to require that Canadian military and civil authorities should cooperate with the service courts and authorities of foreign forces, and (c) to preserve intact the jurisdiction of the ordinary courts of Canada to try members of foreign forces for acts constituting offences under Canadian law.

7. In practice the concurrent jurisdiction of the Canadian courts has not created any difficulty. The general policy followed in Canada has been to let the allied service courts and authorities deal with offences apart from the three specified offences.

8. The question for immediate discussion with the United States Government is whether the regime provided by the Foreign Forces Order would be satisfactory for the duration of the war or whether steps should be at once taken to modify or to substitute some other and quite different legislative provisions. Whatever course is taken the Canadian Government would expect that the position of Canadian service courts and authorities acting in respect of members of Canadian forces in the United States would correspond to those agreed upon with respect to United States forces in Canada.

9. If the United States Government thinks it desirable to discuss arrangements other than those for which provision is made by the Foreign Forces Order, I suggest the desirability of an early meeting of representatives of the two governments to discuss the important questions involved. The Canadian delegation to such a meeting would include representatives of the American and Legal Divisions of the Department of External Affairs, of the Department of Justice and the Royal Canadian Mounted Police, of the Director of Naval Personnel, the Adjutant General (Army) and the Air Member for Personnel (Air), and of the Judge Advocate General. The meeting might take place in either Ottawa or Washington as the United States Government prefers.

10. In view of the importance of this subject, it is desirable that it should be discussed with the appropriate members of the State Department and that the information contained in paragraphs 1 to 9 of this despatch should be brought to their attention.

11. For your confidential information I enclose copies of letters of June 18 and 19 from the Deputy Minister of Justice¹ and a copy of our reply¹.

12. Also for your confidential information, I should like to summarize the information obtained from the Government of the United Kingdom in relation to the analogous jurisdictional situation in Great Britain. The United Kingdom has a statute called the Allied Forces Act which is to the same general effect as our Foreign Forces Order. This Act has recently been applied to the United States forces, but the United States Government has indicated its unwillingness to accept the restrictions imposed by that Act and in particular to agree that the ordinary courts of the United Kingdom should retain a concurrent jurisdiction over members of the United States forces.

13. The Government of the United Kingdom has decided to concede this point to the Government of the United States and a Bill will shortly be introduced into Parliament conferring exclusive jurisdiction on United States service courts in respect of offences by members of the United States forces. No assurance of reciprocity with respect to British forces in the United States has apparently been given, but the Government of the United Kingdom has expressed the hope that reciprocity will be forthcoming in the somewhat unlikely event of United Kingdom organized forces being sent from the United Kingdom to the United States.

14. No information has been received to indicate how it is proposed that the United Kingdom legislation should deal with the problem of the procedure to be adopted for compelling the attendance of civilian witnesses before United States service courts, and on that point it is not possible presently to make any constructive suggestion. It would require considerable exploration. The working out of reciprocal provisions on the point would perhaps increase the difficulty of reaching a satisfactory solution.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1079.

DEA/2818-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-3014

Washington, October 17, 1942

Following for Robertson from Pearson, Begins: Reference WA-2822 of October 2nd¹ and previous correspondence concerning the legal position of United States forces in Canada, State Department have now given us a memorandum dated October 16th in which they ask for exclusive jurisdiction in criminal matters over their forces in Canada and would be prepared to reciprocate. Text of the memorandum follows:

"The Legation's memorandum of July 6, 1942¹ raised certain jurisdictional questions concerning United States forces in Canada and Canadian forces in the United States.

"It was pointed out that the Canadian Government had by Order-in-Council P.C. 5484 of June 26, 1942,¹ applied the Foreign Forces Order P.C. 2546 of April 15, 1941,¹ to the United States of America as an interim measure, and it was added that the effect of the Order was to confer on the Service authorities of the United States power to deal with offences of all kinds except murder, manslaughter and rape, and to require Canadian Military and Civil authorities to cooperate with the Service authorities of the United States, while preserving intact the jurisdiction of the civil courts of Canada to try members of the armed forces of the United States for offences under Canadian law.

NON CIRCULATING / CONSEIL DES CHIEFS DE BUREAU

"The question was raised whether the measures referred to would be satisfactory to the United States for the duration of the war or whether steps should be taken to substitute other legislative provisions. In the latter event, it was suggested that any discussion of arrangements other than those for which provision had already been made should be taken up in a meeting of representatives of the United States and Canada to be held either in Ottawa or Washington.

"The Service authorities of the United States feel that the present arrangements concerning jurisdiction over members of the armed forces of the United States in Canada are not satisfactory for the duration of the war and have indicated their desire for exclusive jurisdiction in criminal matters over such forces. In that connection, attention is called to the United States of America (Visiting Forces) Act 1942, 3 and 4 GEO. 6, C.51, enacted by the British Parliament, which gives the Service authorities of the United States such jurisdiction in the United Kingdom. Appended to the Legislation as a schedule were the notes exchanged by the United States and Great Britain on July 27, 1942, constituting an agreement recognizing the exclusive jurisdiction in criminal matters of the United States over the members of its armed forces in the United Kingdom. It is suggested that a similar arrangement might be entered into between the United States and Canada. Whatever course is taken would, agreeable to the suggestion of the Canadian Government, be on a reciprocal basis.

"If it is felt that the arrangements referred to can best be worked out by a meeting of representatives of the two Governments, this Government would be agreeable to participate in such a meeting either at Ottawa or in Washington."
Ends.

1080.

DEA/2818-40

*Le secrétaire, le Comité de guerre du Cabinet, au sous-secrétaire
d'État aux Affaires extérieures*

*Secretary, Cabinet War Committee, to Under-Secretary of State
for External Affairs*

CONFIDENTIAL

Ottawa, December 23, 1942

Dear Mr. Robertson,

RE: LEGAL POSITION OF U.S. FORCES IN CANADA

This subject was, as you know, considered by the War Committee on December the 16th, on the basis of your memorandum to the Prime Minister, of December the 10th,[†] and the attached memorandum of December the 7th from your Departmental Legal Adviser.[†]

The War Committee had serious reservations in principle as to the wisdom of agreeing to the American request, the view being expressed that, if it were decided to do so, the appropriate action should be taken by Act of Parliament rather than by Order in Council under the War Measures Act. Because of the general importance of the subject, decision was deferred pending consideration by the full Cabinet.

Council reviewed the matter, yesterday, and came to the conclusion that, despite the considerations pointed out in Mr. Read's memorandum, the government could not agree to the ouster of Canadian criminal jurisdiction involved in acceding to the U.S. request. It was noted that the United Kingdom and Australia had felt constrained to accept similar demands for exclusive criminal jurisdiction for U.S. Service courts but, in the view of the government, the situation in Britain and Australia is clearly distinguishable from that of Canada. For one thing, Canada is in a position of close proximity to the United States; this is not true in the other cases. Further, American units in Canada are comparatively small and are scattered throughout the country, whereas those in Britain and Australia are larger in numbers, and, for the most part, comparatively concentrated. In the circumstances, to deny to Canadians their normal right of recourse in respect of local offences against the criminal law because the wrongdoer is a member of the American forces would not, in the opinion of the government, be in the interests of justice nor would it be justified by the necessities of the case.

For these reasons the government are not prepared to have negotiations opened with the United States in the sense suggested in Mr. Read's memorandum, and the U.S. Minister may be so informed. For your personal information I may say that the Prime Minister indicated that he would, if necessary, be quite willing to take this matter up, himself, with the President.

I am sending copies of this letter to the three Ministers of National Defence, and the Minister of Justice.

Yours sincerely,

A. D. P. HEENEY

1081.

DEA/2818-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

DESPATCH 6

Ottawa, January 4, 1943

Sir,

In your teletype message of October 17, 1942, you dealt with the question of the legal position of United States forces in Canada.

In your memorandum to the State Department dated July 6th, after discussing the jurisdictional problems arising out of the presence of Canadian forces in the United States of America and of United States forces in Canada, you brought to the attention of the United States Government the provisions of P.C. 5484 of June 26, 1942.[†]

That Order in Council applied the Foreign Forces Order, 1941, to the United States of America and brought into being the regime in which it became possible for the United States forces in Canada to maintain and administer their own discipline on the same basis as forces of others of the United Nations including forces of other parts of the British Commonwealth.

NON CIRCULATING /
 CONCILIER SUR PLACE

It was suggested in the memorandum that if the United States Government thought it desirable to discuss arrangements other than those for which provision was made by the Foreign Forces Order, a meeting might be held either in Ottawa or in Washington, attended by representatives of the interested departments of the two governments.

In your telegram of October 17 quoting the answering memorandum from the State Department, it was pointed out that the service authorities of the United States felt that the present arrangements were not satisfactory. The memorandum indicated their desire for exclusive jurisdiction in criminal matters and called attention to the United Kingdom legislation. It was suggested that a similar arrangement might be entered into between the United States and Canada on a reciprocal basis.

The suggestion by the United States authorities that we should adopt the same regime as that which has been followed in the United Kingdom has been studied with the utmost care by the interested departments of the Government and by the Cabinet.

Careful consideration was given to the position taken both in the United Kingdom and in Australia, but it is thought that the situation in those countries is clearly distinguishable from that in Canada. Canada is in a position of close proximity to the United States and it is unlikely that Canadian forces in the United States or United States forces in Canada will be far removed from their home bases. Further, the units in Canada are comparatively small and are scattered throughout the country, whereas those in the United Kingdom and in Australia are larger in numbers and are comparatively concentrated. It is thought that a similar position exists with regard to the Canadian forces in the United States.

It is thought that to deny to citizens of the United States of America their normal right of recourse in respect of legal offences against the criminal law because the wrongdoer happened to be a member of the Canadian forces would not be in the interests of justice nor would it be justified by the interests of the case. Similarly, it was thought that it would be difficult to justify to the Canadian people the removal of their right to institute prosecutions in the courts of this country against persons who had committed offences against the criminal code.

The Canadian Government has now had an extensive experience of operations under the Foreign Forces Order. In the practical working out of these arrangements a position, satisfactory both to the local authorities and to the foreign forces themselves, has been reached without difficulty. A similar situation exists with regard to United Kingdom formations in this country and the position of Canadian armed forces abroad is substantially identical. By practical arrangements and understandings, the forces are left to deal with practically all cases of offences committed by soldiers. It is only where the members of the armed forces are concerned in crimes directed primarily against the civilians that it becomes necessary for the civil authorities to intervene. These cases are so

few that they do not, in practice, involve any embarrassment to the forces concerned.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1082.

DEA/2818-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-457

Washington, February 1, 1943

NON CIRCULATING /
ACQUISITION QUID DI AVE

IMMEDIATE. Your EX-297, January 27th,[†] legal position of United States forces in Canada. Hickerson phoned me on Saturday afternoon to say that he had received the results of the enquiries made of other United States Departments on this matter and referred to in my WA-321 of January 22nd.[†] Hickerson stated that he had found the Departments concerned most anxious to have an agreement with Canada on this matter. The War Department especially are anxious to have this agreement concluded with the least possible delay. When they were informed that the Canadian Government now considered that no such agreement seemed necessary, they were both surprised and perplexed. They pointed out that they had agreements of this kind with practically all other countries where American troops were serving and that, as there would always be during the war considerable numbers of United States troops in Canada, an agreement with our country was, in their opinion, also essential. They mentioned in this connection agreements with Great Britain, the British Colonies, Australia, India, Iran and Iraq (the latter one I think is now being negotiated). Hickerson hoped that before presenting formally our note, the Canadian Government might reconsider the matter, in view of the position taken here by the authorities concerned. I told him that I would pass on to you this request for reconsideration. He also added, incidentally, that there was a school of legal thought here which took the view that once Canada had permitted United States troops to serve in Canadian territory, under international law Canada also permitted United States exclusive jurisdiction over those troops. Hickerson admitted that there was a division of opinion among legal authorities in the Government here on this point, and he may have mentioned it merely to indicate the great importance attached by the Americans to their request for exclusive jurisdiction and the firm attitude they will be inclined to take if we reject their proposals. Hickerson also emphasized that we were the only country who had been offered reciprocity in this matter, which made it all the more surprising that we should be the only one to object to an arrangement covering exclusive jurisdiction.

2. If the Canadian Government reconsiders, but adheres to decision to refuse exclusive jurisdiction, or if you think that the Canadian Government cannot be

asked even to reconsider this issue, I hope that consideration can nevertheless be given to a secondary issue before we present our note refusing exclusive jurisdiction. The secondary issue is whether to remove the prohibition, contained in the Foreign Forces Order, on United States service courts dealing with cases of murder, manslaughter, and rape. An offer on our part to remove this ban might possibly dull the edge of our refusal to grant exclusive jurisdiction.

3. I appreciate how desirable it is in present circumstances to maintain a firm and self-respecting attitude in discussions with the United States when differences of opinion arise. I feel, however, that serious consideration should be given to the suggestion that in this particular instance we are not on as strong ground as we might be, especially in the light of the previous approaches made to the United States on this subject, which certainly indicated that if we were granted reciprocity we would have no objection to an agreement between the two countries covering this matter.

1083.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, February 4, 1943

LEGAL POSITION OF U.S. FORCES IN CANADA

13. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS referred to the decision of Council on December 22nd, that the government could not agree to the U.S. request regarding criminal jurisdiction in respect of American forces in Canada.

The Legation in Washington had taken the matter up, informally, with the U.S. government and reported that the United States had similar agreements with practically all other countries where American troops were serving; Canada was the only nation which had been offered reciprocity. The State Department had expressed the hope that the Canadian government would reconsider the position.

(Teletype WA-457, Canadian Minister, Washington, to External Affairs, February 1, 1943).

14. THE SECRETARY reported that the External Affairs Legal Adviser had suggested that, if the government did not wish to reconsider the decision taken, the position might be discussed by the Canadian Minister, or the Prime Minister, with the U.S. Secretary of State, or the President, before formal presentation of a note on the subject.

As an alternative to acceptance or refusal of the American request it was suggested that it might be possible to withdraw the limitation involved in the Foreign Forces Order on disposition of certain types of cases. Copies of the report from the Legal Adviser had been circulated to Ministers concerned.

(External Affairs memorandum to the Prime Minister, Feb. 2, 1943)†

15. THE WAR COMMITTEE, after discussion and reconsideration of the factors involved, agreed:

(a) that the decision of Council on December 22nd, 1942, remain unchanged; and

(b) that, prior to the communication to the U.S. government of a formal note on the subject, the Canadian Minister in Washington be instructed to explain the views of the Canadian government, informally, to the U.S. Secretary of State and the President, with a view to obtaining, if possible, the withdrawal of the formal request submitted.

1084.

DEA/2818-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-538

Ottawa, February 13, 1943

The Minister of Justice was informed by the Attorney General of British Columbia this morning that the latter would not object to United States Army Commander proceeding with court martial at Dawson Creek of soldier accused of attempted rape. He wished however to have a representative present at the proceedings who could make a report to him of the action taken. I have advised the United States Chargé d'Affaires of the Attorney General's position. He sees no objection to the presence of a representative of the Attorney General at the court martial and is arranging to have the United States Army Commander notify the Attorney General so that he can make suitable arrangements for representation. It thus appears that the difficulties of the immediate Dawson Creek incident have been overcome.

In the circumstances I think it is desirable to attempt to secure a settlement of the general jurisdictional question as quickly as possible. Clark having referred to the anxiety of United States War Department to have the position cleared up by discussion to take place in Washington or Ottawa, I told him we would be glad to examine whole position with representatives whom United States Government might wish to send to Ottawa for this purpose.

1085.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 11, 1943

LEGAL POSITION OF U.S. FORCES IN CANADA

41. THE MINISTER OF JUSTICE reported upon discussions in Ottawa, between U.S. and Canadian officials.

RECORDED COPY PLANNED

NON-CIRCULATING

Agreement had been reached as to the nature of the jurisdiction to be granted U.S. Service Courts, on the understanding that the U.S. government would make certain reciprocal concessions in respect of Canadian forces in the United States. On this basis, a draft United States Foreign Forces order had been prepared.

Subsequently, information had been received from Washington to the effect that the U.S. government, for constitutional and other reasons, were unable to grant to Canadian forces the measure of reciprocal treatment upon which agreement had been reached in Ottawa. Copies of a memorandum on the subject had been circulated.

(Memorandum, Minister of Justice from Committee on Drafting, Mar. 10, 1943 - C.W.C. document 438).†

42. THE WAR COMMITTEE, after discussion, agreed to defer further consideration of the subject, pending its further examination by the Minister of Justice with officials of departments concerned.

1086.

DEA/2818-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-951

Ottawa, March 18, 1943

My teletype EX-771 of March 4^t concerning negotiations with the United States as to the legal position of their forces in Canada and Canadian forces in the United States.

For your confidential information, a memorandum forwarded by the United States authorities^t indicating the position of Canadian Forces in the United States makes it clear that the present law there would not provide true reciprocity for the position sought in Canada. It is also made clear that no legislation is desired or intended to alter the position. The United States memorandum suggests that it would be possible to provide true reciprocity if the arrangements with respect to jurisdiction were made by means of an agreement rather than by unilateral provision. In consequence, it seems desirable to have recourse to this procedure and attempt to reach an agreement under an exchange of notes which would be subject to ratification by the United States Senate. A draft exchange of notes is at present being made which would provide for the position in sufficient detail that ratification by the Senate would give satisfactory legal position for Canadian forces in the United States.

It is expected that the draft will be ready for consideration by the Canadian authorities within a day or two and, following agreement on the preliminary draft, a communication embodying our new suggestion will be sent to the United States Chargé d'Affaires in Ottawa.

It is intended in the draft exchange of notes to allow jurisdiction over all members of United States forces in Canada or Canadian forces in the United

States whether on duty or visiting but to provide that, only in the case of members on duty, will there be any obligation to notify the visiting force of arrest or to turn such person over.

1087.

DEA/2818-40

*Mémorandum du ministère des Affaires extérieures
au ministre de la Justice*

*Memorandum from Department of External Affairs
to Minister of Justice*

Ottawa, March 24, 1943

MEMORANDUM FOR THE MINISTER OF JUSTICE CONCERNING MR.
LEWIS CLARK'S CONVERSATION ABOUT THE LEGAL POSITION
OF UNITED STATES FORCES IN CANADA AND CANADIAN FORCES
IN THE UNITED STATES

I. SUBSTANCE OF MR. CLARK'S MEMORANDUM

(1) Mr. Clark states that he understands that, because the United States cannot at present provide compulsory attendance of witnesses at Canadian courts martial there, Canada wishes to use the "treaty method" for an agreement on the legal position of forces.

(2) The United States is willing to have an exchange of notes similar to that in the case of the United Kingdom. (There was no ratification by the Senate in that case.)

(3) While Canadian courts in the United States cannot compel attendance of witnesses, nor can United States courts do so here at present. To parallel the proposed Canadian order in council which provides for witnesses, consideration is being given to the question of having legislative provision made by Congress. However, it is felt that provision to give exclusive jurisdiction to United States courts in Canada should not be delayed pending such legislation. Canadian forces in the United States enjoy such exclusive jurisdiction. (There is no legal basis for this statement so far as concerns men in the United States other than on duty. With respect to men on duty it seems to be true, but it is to be noted that there have been cases of British naval personnel being tried by United States courts in this war.)

(4) The United States is willing to have Canada not provide for compulsory attendance of witnesses until it is provided in the United States.

(5) Until United States forces in Canada are given the same exclusive jurisdiction Canadian forces have in the United States, questions of procedure "appear to be premature."

(6) The "treaty method" of agreement is undesirable "because of the delay involved and because such a formal method would not appear to be necessary for the purpose indicated."

NON-CIRCULATING /
CONFIDENTIAL Q18 D1 ACF

II. POSITION OF THE DRAFT EXCHANGE OF NOTES IN THE LIGHT OF MR. CLARK'S MEMORANDUM

(1) There appears to be little likelihood that our proposal for an exchange of notes to be ratified by the United States Senate will be accepted.

(2) However, Mr. Clark's stated reason for dismissing the treaty method (as too formal for a minor matter like securing compulsory attendance of witnesses) is not entirely valid, in view of the fact that the exchange would establish Canadian jurisdiction over personnel on leave in the United States, which is not provided for by any of the authorities the United States representatives have cited thus far. Moreover, such an exchange with ratification would put the general jurisdiction of Canadian service courts in the United States beyond any doubt. Recent British representations make it clear that they are by no means satisfied with their position in the United States despite the exchange of notes they had. It seems clear that they are seeking definite legal commitment. By making these points clear, it might be feasible to press for the "treaty method". However, the prospect does not seem good.

(3) On the occasion of the meeting in your office on March 17th, you were of the opinion that, if the United States would not agree to the "treaty method" or to making legislative provision, the extent of Canadian action should be to remove the bar to jurisdiction over cases of murder, manslaughter, and rape. (Foreign Forces Order, s.3.) This would probably not meet the United States demand for exclusive jurisdiction, since it would provide only for general concurrent jurisdiction parallel to the paramount jurisdiction of Canadian civil courts.

(4) Some possible courses of action at present appear to be the following:

(a) To press for the "treaty method" as providing for certainty in the substantive law, as well as for necessary adjective law. (There seems little hope of this being accepted.)

(b) To enter into an exchange of notes without ratification, providing for exclusive jurisdiction in the case of all personnel except men visiting the country on leave. (The United States might object to the latter exception. Such an agreement would do nothing to make legal provision for such matters as notification of service authorities of arrests, assistance in making arrests, etc.)

(c) To amend the Foreign Forces Order as suggested so as to give jurisdiction over murder, manslaughter, and rape. (This would not meet the demand for exclusive jurisdiction.)

(d) To amend the Foreign Forces Order as above, and also amend it to make the jurisdiction exclusive. (This would go beyond the limits previously decided upon.)

(e) To pass the order in council drafted at the time of meeting the United States representatives, with or without provision to cover men on leave or to make the jurisdiction exclusive. (An exchange of notes, even without ratification, might be preferable to unilateral action of this type, since the exchange would at least set forth the United States view of the state of the law in the United States, and would specify their opinion as to the position of our forces.)

(5) It seems clear that there are drawbacks in respect of any of the courses of action likely of acceptance. If it is deemed politically feasible, having regard to the position of the provincial authorities with respect to the administration of justice as well as to other factors, possibly the most desirable course would be to amend the Foreign Forces Order as it applies to the United States so as to give jurisdiction over murder, manslaughter, and rape, and also so as to make the jurisdiction exclusive. This would not give jurisdiction over personnel in Canada on leave.

(6) Your instructions in this matter would be appreciated.

1088.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 25, 1943

LEGAL POSITION OF U.S. FORCES IN CANADA

32. THE MINISTER OF JUSTICE reported that the U.S. government were pressing for action upon their request for jurisdiction over American Service personnel in Canada. They were prepared to embody in a note a statement of the doctrine of the U.S. Supreme Court under which the Service Courts of a friendly power would exercise exclusive jurisdiction over members of its armed forces in the United States.

On our part, as a result of interdepartmental consultation it was now proposed:

(a) that the Foreign Forces order be extended in respect of U.S. forces, by Order in Council, so as to include the major crimes. (This action would not accord U.S. Service courts in Canada exclusive jurisdiction over American personnel nor would it affect the authority of the Attorneys-General of the provinces);

(b) to refer to the Supreme Court of Canada the question whether, under international law, U.S. Service Courts possessed exclusive jurisdiction over American personnel in Canada and, if not, whether, in war conditions, the Federal government had power to confer such exclusive jurisdiction upon them.

In the circumstances, though not free from objection, it was recommended that these proposals be approved for communication to the U.S. government.

33. THE WAR COMMITTEE, after discussion, approved the recommendation of the Minister of Justice.

NON-CIRCULATING / ADMINISTRATION OF CASE

1089.

DEA/2818-40

*Décret en Conseil**Order in Council*

P.C. 2813

Ottawa, April 6, 1943

WHEREAS with the consent of the Canadian Government the Government of the United States of America has stationed and will station units of its Armed Forces in Canada;

AND WHEREAS by section 2(c) of the Foreign Forces Order, 1941, being P.C. 2546 dated the 15th April, 1941, a foreign power is defined as any power which may be designated by order of the Governor in Council as a foreign power, to which the said order may apply;

NOW, THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Minister of Justice with the concurrence of the Secretary of State for External Affairs and the Minister of National Defence and pursuant to the power conferred by the War Measures Act, is pleased to order as follows:

1. The United States of America is hereby designated as a foreign power to which the Foreign Forces Order, 1941, shall apply except the following proviso contained in section 3 of the said Order, which proviso shall not apply in the case of the Forces of the United States of America aforesaid:

"Provided that such service courts or authorities shall not have jurisdiction in respect of any acts or omissions which would constitute the offences of murder, manslaughter or rape under the Criminal Code; and provided further that such service courts or authorities acting under or pursuant to the provisions of this section shall not have jurisdiction to sentence any person to death for any offence, except for an offence which, under the law of the foreign Power to which the force belongs, is an offence for which a member of that force may be so sentenced and which is an offence of the same nature as one for which a member of a like home force would, under the law applicable to such home force, be liable to be sentenced to death."

2. The application of the Foreign Forces Order, 1941, as aforesaid, to the forces of the United States of America shall not be construed as prejudicing or curtailing in any respect whatsoever any claim to immunity from the operation of the municipal laws of Canada or from the processes of Canadian courts exercising either criminal or civil jurisdiction by members of the forces of the United States of America founded on the consent granted by His Majesty's Government in Canada to such forces to be present in Canada;

3. Order in Council P.C. 5484, dated the 26th of June, 1942[†], is hereby revoked.

Certified to be a true copy.

A. D. P. HEENEY
Clerk of the Privy Council

*Décret en Conseil**Order in Council*

P.C. 2931

Ottawa, April 9, 1943

The Committee of the Privy Council have had before them a report, dated 8th April, 1943,[†] from the Minister of Justice, representing:

That, with the consent of the Government of Canada, the Government of the United States of America has stationed and will station units of its military and naval forces in Canada;

That a question has arisen as to the relationship of the authorities and courts of Canada to the aforesaid forces and more particularly as to whether criminal proceedings may be prosecuted in Canada before any Canadian court against a member of the military or naval forces of the United States of America;

That United States authorities contend that the members of their military and naval forces aforesaid present in Canada with the consent of the Government of Canada are exempt from prosecution as aforesaid;

That cases have already occurred in which members of the military forces of the United States of America present in Canada have been charged with having committed criminal offences in Canada and questions have arisen as to whether such members are subject to be prosecuted in the criminal courts of Canada or whether service courts established for the purpose by the United States military authorities have exclusive jurisdiction in that behalf;

That certain regulations enacted under the War Measures Act entitled the Foreign Forces Order, 1941, provide that, when a foreign force to which the Order is made applicable is present in Canada, the service courts of the foreign power may exercise within Canada, in relation to members of that force, in matters concerning discipline and internal administration, all such powers as are conferred upon them by the law of that power, subject to certain exceptions set out in a proviso to section three of the said Regulations, which exceptions, however, are not applicable in the case of the forces of the United States of America; and

That these Regulations have, subject to the qualification mentioned in the next preceding paragraph, been extended to the forces of the United States of America, which extension was made for the purpose of placing service courts of the forces of the United States of America in no less advantageous position than those of our other allies and it was expressly provided in the Order that the application of the Foreign Forces Order, 1941, to the forces of the United States of America shall not be construed as prejudicing or curtailing in any respect whatsoever any claim to immunity from the operation of the municipal laws of Canada or from the processes of Canadian courts exercising either criminal or civil jurisdiction by members of the forces of the United States of America (P.C. 2813 dated 6th April, 1943).

NON CIRCULATING /

The Minister is of opinion that important questions of law are raised, and recommends that, pursuant to the powers vested in the Governor in Council by section fifty-five of the Supreme Court Act, the following questions be referred to the Supreme Court for hearing and consideration:

1. Are members of the military or naval forces of the United States of America who are present in Canada with the consent of the Government of Canada for purposes of military operations in connection with or related to the state of war now existing exempt from criminal proceedings prosecuted in Canadian criminal courts and, if so, to what extent and in what circumstances?

2. If the answer to the first question is to the effect that the members of the forces of the United States of America are not exempt from criminal proceedings or are only in certain circumstances or to a certain extent exempt, has Parliament or the Governor General in Council acting under the War Measures Act, jurisdiction to enact legislation similar to the statute of the United Kingdom entitled the United States of America (Visiting Forces) Act, 1942?

The Committee concur in the foregoing recommendation and submit the same for approval.

A. D. P. HEENEY
Clerk of the Privy Council

1091.

DEA/2818-40

*Mémoire du troisième secrétaire*⁸³

*Memorandum by Third Secretary*⁸³

Ottawa, August 5, 1943

SUPREME COURT DECISION IN REFERENCE AS TO JURISDICTION
OVER MEMBERS OF THE UNITED STATES ARMED FORCES

1. The Chief Justice and Hudson, J. concurred in the following answer to question 1:

1. *Land forces*

(a) The civil courts (i.e. non-military) have jurisdiction.

(b) As a matter of practice, criminal courts do not exercise jurisdiction in the case of offences within the camp or between members of the force if the act involved does not affect the person or property of a Canadian subject.

2. *Naval forces*

(a) Criminal courts have no jurisdiction over the crew of an armed ship of the United States in the case of offences aboard ship involving only members of United States forces.

(b) Courts have jurisdiction in the case of offences committed on shore. As a matter of practice, jurisdiction is not exercised if only members of the crew are involved.

⁸³R.G. Robertson.

In his reasons, the Chief Justice stated that it is a settled principle of British law, that the members of armed forces are subject to the civil law. This principle applies to all armed British or foreign forces, except as it may have been modified by statute. In the United Kingdom, legislation has modified this (and only legislation could remove the jurisdiction of the courts) but no immunity has been recognized as a matter of international law. The Chief Justice is of the opinion that there is no principle of international law giving immunity. In respect of the *Cheung Case* the decision had to do only with offences by one member of the crew against another and has no bearing on offences by other than naval forces, or against other people than members of the crew or offences committed on land.

2. Taschereau and Kerwin, J., J. agreed in independent decisions on the following answers to question 1:

1. Members of United States forces stationed in Canada, whether they are on leave or otherwise, are exempt from jurisdiction of the criminal courts.

2. The exemption does not extend to tourists or members of the United States forces casually visiting in Canada.

Taschereau, J. stated that there is a strong preponderance of authority in favour of the view that international law grants "immunity to organized forces visiting a country with the consent of the receiving government". He was of the opinion that the essence of the *Cheung Case* applies to all armed forces. The principle involved is that, in inviting armed forces onto his territory, the sovereign waives or cedes a portion of his sovereignty. The rules of international law apply in Canada unless inconsistent with the laws of the land and there is no inconsistency which negatives the application of the international law principle. Members of the United States forces in Canada on a casual visit are not here by invitation and, consequently, there is no immunity for them.

Kerwin, J. stated that, in general, the consent of the Canadian Government to the presence of United States forces is found in the declaration by the Prime Minister of Canada and the President of the United States regarding the establishment of a Permanent Joint Board on Defence on August 18, 1940⁸⁴. The Chief Justice had argued that, in granting immunity to the United States forces in the United Kingdom, the statements by the United Kingdom authorities as to the exceptional nature of this departure indicated that, in their view, there clearly was no principle of international law which granted such immunity. Kerwin, J. was of the opinion that all references to the exceptional nature of the step had reference to the fact that "foreign troops had not been on the soil of Great Britain for many years with the exception of the last war". Kerwin, J. was of the opinion that the rule of international law involved is clearly dealt with in *The Exchange Case* stating that there is immunity for troops invited to pass through a foreign territory. The *Cheung Case* did not question the principle involved but only the theory upon which the principle was based. In his view, the principle applied to United States forces since they were here on the invitation of the Government of Canada and "the invitation must be taken to have

⁸⁴ Voir le volume 8, document 90.

⁸⁴ See Volume 8, Document 90.

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been extended and accepted on the basis that complete immunity of prosecution in Canadian criminal courts would be extended to members of the United States forces". Thus, immunity results from the invitation given.

3. Rand, J. answered question 1 as follows:

1. Members of the United States forces are exempt from criminal proceedings in the case of offences occurring —

(a) In camps or on ships except where they involve persons or property not subject to United States service law;

(b) under local law in any location provided that they involve only members of the United States forces.

2. While such exemption exists, it applies only to the extent that the United States forces exercise jurisdiction over the offences involved.

Rand, J. was of the opinion that Canada has invited here an army with its laws, courts, and discipline. It cannot be thought that the army would take the invitation to mean that "once the international border was crossed, its disciplinary powers would be suspended . . .". He also referred to the existence of a principle of British law that civil law is supreme over all military organizations. If this conflicts with the principle of international law giving immunity in the cases cited, clearly the international law principle is subordinate. However, the rule of British law does not stand in the way of a rule "limited to the relations of members of a foreign group admitted into Canada for temporary national purposes with persons other than members of the Canadian public."

4. The justices were unanimous in the view that the Parliament of Canada and the Governor General in Council acting under the War Measures Act may provide immunity from jurisdiction for members of the United States armed forces.

COMMENT

1. In view of the division of opinion among the justices, it seems that, for practical purposes, action must be based on the assumption that there is not any immunity for members of the United States armed forces unless it is provided by legislation either by act of Parliament or by Order in Council. The Foreign Forces Order gives authority for the exercise of jurisdiction by the military courts of the United States but it does not provide any immunity from process of the Canadian courts.

2. If the above conclusion is correct, it would seem that there are two possibilities available in order to meet the United States contentions as to the position of members of their forces:

(a) Have provision made by Order in Council, presumably amending the Foreign Forces Order in its application to the United States forces, so as to provide immunity for them from Canadian criminal jurisdiction. This probably could be done without any difficulty arising vis-à-vis other foreign forces in Canada since, so far as I am aware, there has been no protest on their part against the special position already accorded United States troops in removing any limitation on the extent of jurisdiction of their military courts.

(b) It might be possible to enter into an administrative arrangement with the Attorneys General of the provinces under which, without changing the law, as a matter of practice jurisdiction would not be exercised over members of the United States forces. This would clearly depend on the cooperation of the provincial authorities and might perhaps lead to difficulty if bad cases arise in which there is considerable popular resentment against members of the United States forces involved.

On the whole, the decision appears to throw the entire question back on the Government for decision as a matter of policy.

3. One point on which there seems to be no doubt as a result of the opinion given is that members of the United States forces in Canada as tourists or as casual visitors enjoy no exemption whatever from Canadian jurisdiction. The United States has contended for such immunity but the view of the Canadian authorities working with the question has been that such persons should not be accorded any immunity. The argument in favour of refusing such immunity is strengthened by the clear agreement that international law does not recognize it.

4. I understand that the Minister of Justice is discussing today, or will discuss shortly, the entire question with the officers of his department in order to determine what action would seem to be advisable in the light of the Supreme Court decision.

1092.

DEA/2818-40

*Le chargé d'affaires des États-Unis au
secrétaire d'État aux Affaires extérieures*

*Chargé d'Affaires of United States to
Secretary of State for External Affairs*

No. 59

Ottawa, October 28, 1943

Sir,

I have the honor to refer to my note No. 901 of May 27, 1943¹ and to subsequent correspondence¹ with officers of the Department of External Affairs with regard to the right under international law of members of the armed forces of the United States on Canadian territory, with the consent of the Canadian Government, to immunity from the local jurisdiction in criminal matters.

¹ My Government has taken due note of the decision of the Supreme Court of Canada in this matter rendered on August 3, 1943. While the Supreme Court was divided in its views concerning the right of the United States Government to exclusive jurisdiction in the premises under Canadian law, it did not deny that the United States had such right under international law and it was unanimously of the opinion that any infirmities in the law of Canada could be cured by governmental action. Also, while the Canadian Minister of Justice has been able in certain cases which have been brought to his attention to obtain, as he had undertaken to endeavor to do, acquiescence of local prosecuting authorities

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in the exercise of jurisdiction by United States service courts over offences committed by members of United States armed forces in Canada, in several other cases which have come to the attention of my Government jurisdiction was exercised by the local authority. In still another case, which is now pending in Edmonton, Alberta, my Government is informed that, although jurisdiction is being exercised by our service authorities, the action taken by them is being influenced by the requests of the local authorities.

Even though the Canadian Government may be able to obtain the acquiescence of the local authority to the exercise of jurisdiction by our service authorities in all cases which may arise, my Government does not consider that it should be necessary in every case in which a member of the armed forces of the United States in Canada is charged with an offence to make the matter the subject of diplomatic procedure.

My Government attaches considerable importance to obtaining a clarification of this situation, and I have been directed to state that it feels that its rights to exclusive jurisdiction over offences with which members of its armed forces in Canada may be charged should be formally recognized by the Canadian Government. Accordingly, I have been directed to express the hope that the Canadian Government may find it possible to take action toward that end.

Accept etc.

LEWIS CLARK

1093.

DEA/2818-40

Décret en Conseil

Order in Council

P.C. 9694

Ottawa, December 20, 1943

WHEREAS the Minister of Justice reports that as the result of a request made on behalf of the United States Government discussions have recently taken place at Ottawa by means of a joint committee of United States and Canadian officials for the purpose of clarifying the legal position of members of the armed forces of the United States of America charged with having committed offences while in Canada and of members of the armed forces of Canada charged with having committed offences while in the United States, and that the joint committee aforesaid drafted regulations which if enacted as law in Canada will establish a regime acceptable for the said purposes.

THEREFORE, His Excellency the Governor General in Council, for the security, defence, peace, order, and welfare of Canada, is pleased, on the recommendation of the Minister of Justice and under the authority of the War Measures Act, to make the following regulations and they are hereby made and established accordingly:

REGULATIONS

1. The United States of America is hereby designated as a foreign power to which the Foreign Forces Order, 1941, shall, subject as hereinafter provided, apply.

2. (1) "Member" shall, except as hereinafter provided, include all persons who are by the law of the United States of America for the time being subject to the military or naval law of that country, provided that no person employed in connection with the said forces not being a citizen or National of the United States of America shall be deemed to be a member of those forces unless he entered into that employment outside of Canada and further provided that in paragraphs five and six hereof the word "member" means a member of the military or naval forces of the United States of America stationed in Canada or in Canada on military or naval duty who, when detained as mentioned therein, is wearing a uniform of such forces.

(2) For the purpose of any proceeding in any court of Canada, a certificate issued for or on behalf of such authority as may be appointed for the purpose by the Government of the United States of America stating that a person of the name and description specified in the certificate is or was at the time so specified subject to the military or naval law of the United States of America shall be conclusive evidence of that fact.

(3) For the purpose of any proceeding in any court of Canada in which the question is raised, whether a party to the proceeding is or was at any time a member of the military or naval forces of the United States of America, any such certificate as aforesaid relating to a person bearing the name in which that party is charged or appears in the proceeding shall, unless the contrary be proved, be deemed to relate to that party.

(4) Any document purporting to be a certificate issued for the purpose of this section and to be signed by or on behalf of an authority described as appointed by the Government of the United States of America for the purpose of this section shall be received in evidence and shall, unless the contrary is proved, be deemed to be a certificate issued by or on behalf of an authority so appointed.

3. Notwithstanding the provisions of section 3 of the Foreign Forces Order, 1941, a service court of the United States of America shall have jurisdiction to try all members of its forces in Canada in respect of every offence committed by any of its members in Canada.

4. Every member of the forces of the United States of America charged with an offence committed in Canada and detained by a United States service authority in respect thereof shall be deemed to be in lawful custody.

5. Whenever a member of the forces of the United States of America is detained by any authority of Canada in respect of an offence, such authority shall forthwith notify the commanding officer of the member detained, or the commanding officer of the nearest United States force, or the military or naval attaché of the United States Legation at Ottawa, or such other officer of the forces of the United States of America as the said military or naval attaché may designate.

6. (1) Whenever a member of the forces of the United States of America is detained by any authority of Canada; the officer commanding the unit to which the said member belongs, or the officer commanding the nearest United States force, or the military or naval attaché of the United States Legation at Ottawa, or any commissioned officer authorized to act on their behalf may, by request in

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writing made no later than thirty days after a notice given pursuant to the next preceding section, require the authority so detaining to release the said member to such person or persons as he may designate, and the authority so detaining shall thereupon release the member accordingly: Provided that if such member has been admitted to bail in respect of any offence such request in writing may be made to the judge or justice who has admitted the said member to bail and such bail shall thereupon be released.

(2) After a request in writing has been made as aforesaid, no criminal proceedings shall be prosecuted in Canada before any court of Canada against the said member based on the offence in respect of which the said member was detained.

7. The said request in writing shall be substantially in form "A" attached hereto, and shall certify that the member so detained is required for trial before a United States service court on a charge in respect of the offence for which he is detained by the authority of Canada, and shall state on its face the authority of the officer signing same.

8. No proceedings by way of injunction, prohibition or otherwise shall be entertained by any court in Canada for the purpose of enjoining, prohibiting, restraining or in any way reviewing the proceedings of a United States service court in connection with the detention, trial, conviction or punishment of a member of the forces of the United States of America.

9. (1) Any United States service court, or any commissioned officer of the forces of the United States of America authorized to do so under the laws of the United States, shall have power to require the attendance before such court in Canada of any person whose evidence is required for the purpose of the trial before it of any member of the forces of the United States of America.

(2) If the person whose attendance is so required is a member of the home forces, such attendance shall be obtained by a request in writing made to any appropriate officer of the home forces indicating the place and time at which the attendance of such person is required, and the proper officer of the home forces, subject to the military exigencies of the moment, of which he shall be the sole judge, shall make the appropriate Order for the attendance of such person accordingly.

(3) If the person whose attendance as a witness is required as aforesaid is not a member of the home forces, the officer of the forces of the United States of America authorized to require his attendance may issue a subpoena, in form "B" attached hereto, which may be served by a peace officer or by a Canadian service authority; and any person served with such a subpoena shall attend and give evidence as thereby required upon payment to him of an amount sufficient to cover his necessary travelling expenses going to, staying at and returning from the place at which his attendance is required and an additional amount of \$3.00 a day during his necessary absence from his place of residence for the purpose of such attendance.

10. Any person who, not being a member of the home forces, fails to comply with the provisions of the last preceding section shall be liable to be dealt with

by any civil court in the same way as if such failure had followed the service of a subpoena out of such court or such refusal had occurred on a trial therein.

11. Every person other than a member of the forces of the United States of America who attends as a witness before a United States service court shall be entitled to all the privileges and immunities as a witness to which he would be entitled if his evidence were being given in proceedings in a Canadian civil court.

12. Save as herein otherwise provided, the Foreign Forces Order, 1941, except Part II thereof, shall be of force and effect in respect of members and forces of the United States of America, and these Regulations shall be read and construed as one with the said Foreign Forces Order, 1941.

Certified to be a true copy.

A. D. P. HEENEY
Clerk of the Privy Council

1094.

DEA/2818-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur des États-Unis
Secretary of State for External Affairs to Ambassador of United States

No. 160

Ottawa, December 27, 1943

Sir,

I have the honour to invite your attention to the correspondence and discussions with regard to the legal position of members of the Armed Forces of the United States of America charged with having committed offences within Canada.

2. I am enclosing copies of an Order-in-Council, P.C. 9694 dated 20th December, 1943, which defines the legal position of members of the United States Forces in respect to offences committed in this country.

3. You will observe that this Order-in-Council conforms closely to the provisions which were discussed with representatives of your Government, and I have no doubt that they will be satisfactory.

4. Without commenting upon all of the provisions of this Order, I should like to mention several points.

5. You will observe that by virtue of the provisions of Regulations 2, 3, 5 and 6, United States Service Tribunals are enabled to exercise exclusive jurisdiction over members of the United States Forces within this country. The only cases in which Canadian civil authorities will be able to exercise any jurisdiction over members of the United States Forces are those in which your own Service authorities have refrained from action.

6. The second point is that when a request has been made under the provisions of the Regulations to Canadian civil authorities, normal proceedings cannot be continued in civil courts. The effective working of these arrangements is, therefore, dependent upon the United States Service authorities taking the

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accused and submitting him to trial before a United States military tribunal. The Canadian Government feels justified in assuming that your authorities will, in all cases, submit any person, who may be surrendered under the provisions of Regulation 6, to trial before a United States military court.

7. The third point to which I should like to invite your attention is that the Regulations enable United States military courts to exercise jurisdiction over certain classes of civilians who are subject to the military and naval law of the United States. The provisions of Regulations 5 and 6 do not apply to such persons and jurisdiction over them is, in fact, concurrent with that of the civilian courts in Canada. Under our constitutional system, the jurisdiction of the civilian court in such circumstances is necessarily paramount, and in the event that it is invoked in any case, either by the Attorney-General of Canada or by the Attorney-General of a province, it would be necessary for your military authorities to deliver the accused, notwithstanding that proceedings have been commenced in accordance with the provisions of Regulations 2 and 3. It is assumed that you will give directions to your military commanders to this effect.

8. You will observe that the Regulations, read in conjunction with the Foreign Forces Order, 1941, provide a comprehensive procedural code whereby Canadian authorities are under a legal obligation to do all things which are necessary in fact to enable the jurisdiction conferred by the Regulations to be exercised in an effective manner.

9. An arrangement of this sort presents insurmountable difficulty unless it is based upon effective reciprocity. The legal advisers of the Government, and especially the Judge Advocate General's office, are of the opinion that it would be impracticable for Canadian Service Court to exercise similar jurisdiction in respect of Canadian Forces in the United States of America in the present state of the law in the United States of America. They are convinced that, until some measures similar to those embodied in the legislation now before Congress are enacted, it will be impossible to cope with the complex problems presented in unusual cases in which crimes have been committed by Canadian sailors, soldiers or airmen. It is hoped, therefore, that your Government will endeavour to obtain the necessary legislation.

10. There is a point of practice with regard to Form B which I venture to bring to your attention. Form B¹ is intended to be a basis for a document to be issued by the United States military and naval authorities. It is intended for service within Canada, and I assume that your authorities would want the finished document to be in a form which would insure its effectiveness. In order to make the scheme work, it is essential that the person summoned should fully understand the consequences of failure to comply with its provisions. It is thought that the documents should be prepared with a foot-note along the following lines:

This summons is issued in accordance with the provisions of a Canadian Order-in-Council, P.C. 9694, December 20, 1943, which makes regulations including the following: (Here might be printed Regulations 9, 10, 11.)

9. (1) Any United States service court, or any commissioned officer of the forces of the United States of America authorized to do so under the laws of the United States, shall have power to require the attendance before such court in

Canada of any person whose evidence is required for the purpose of the trial before it of any member of the forces of the United States of America.

(2) If the person whose attendance is so required is a member of the home forces, such attendance shall be obtained by a request in writing made to any appropriate officer of the home forces indicating the place and time at which the attendance of such person is required, and the proper officer of the home forces, subject to the military exigencies of the moment, of which he shall be the sole judge, shall make the appropriate Order for the attendance of such person accordingly.

(3) If the person whose attendance as a witness is required as aforesaid is not a member of the home forces, the officer of the forces of the United States of America authorized to require his attendance may issue a subpoena, in form "B" attached hereto, which may be served by a peace officer or by a Canadian service authority; and any person served with such a subpoena shall attend and give evidence as thereby required upon payment to him of an amount sufficient to cover his necessary travelling expenses going to, staying at and returning from the place at which his attendance is required and an additional amount of \$3.00 a day during his necessary absence from his place of residence for the purpose of such attendance.

10. Any person who, not being a member of the home forces, fails to comply with the provisions of the last preceding section shall be liable to be dealt with by any civil court in the same way as if such failure had followed the service of a subpoena out of such court or such refusal had occurred on a trial therein.

11. Every person other than a member of the forces of the United States of America who attends as a witness before a United States service court shall be entitled to all the privileges and immunities as a witness to which he would be entitled if his evidence were being given in proceedings in a Canadian civil court.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

SECTION G

ACCORD RUSH-BAGOT

RUSH-BAGOT AGREEMENT

1095.

DEA/3306-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] March 2, 1942

REVISION OF THE RUSH-BAGOT AGREEMENT

1. I am enclosing, for your information, the following:

(a) Copy of Treaty Series 1940, No. 12, including the revisions of the Rush-Bagot Agreement which were carried out in 1939 and 1940.

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(b) Copy of Note No. 611 from the United States Legation at Ottawa suggesting a further revision of the Agreement.⁸⁵

(c) Copy of a draft reply.⁸⁶

2. This new revision will enable war vessels built in the Great Lakes to be completely armed and tested before leaving the Lakes. They will thus be able to meet German submarines between the estuary of the St. Lawrence and the nearest United States naval bases.

3. This proposal is for the duration of the war. It seems to be a sensible arrangement. It probably could be accomplished under the existing notes but it removes a possibility of doubt. When the earlier notes were exchanged in 1940 neither country had in mind the likelihood of there being German U-boat activities between the St. Lawrence and the United States Atlantic ports.

4. Consideration might be given to the following:

(a) Authority to accept United States suggestion.

(b) Immediate preparation of a print for tabling and distribution in the House.

5. A short statement will be prepared to be made on the occasion of the tabling of the documents⁸⁷ if the foregoing course is approved.⁸⁸

N. A. R[OBERTSON]

PARTIE 3/PART 3

RELATIONS ÉCONOMIQUES

ECONOMIC RELATIONS

SECTION A

COOPÉRATION POUR PRODUCTION DE GUERRE

CO-OPERATION FOR WAR PRODUCTION

1096.

DEA/1497-C-40

Déclaration du Comité conjoint sur la production de guerre

Statement by Joint War Production Committee

Washington, December 15, 1941

STATEMENT OF WAR PRODUCTION POLICY FOR
CANADA AND THE UNITED STATES

Having regard to the fact that Canada and the United States are engaged in a war with common enemies, the Joint War Production Committee of Canada

⁸⁵ Voir Canada, *Recueil des traités*, 1942, No 3.

⁸⁶ *Ibid.*, note No 21.

⁸⁷ Les notes n'ont pas été présentées à la Chambre des Communes.

⁸⁸ La note suivante était écrite sur ce mémorandum:

⁸⁵ See Canada, *Treaty Series*, 1942, No. 3.

⁸⁶ *Ibid.*, Note No. 21.

⁸⁷ The Notes were not tabled in the House of Commons.

⁸⁸ The following note was written on the memorandum:

I approve. W. L. M[ACKENZIE] K[ING]

and the United States recommends to the President of the United States and the Prime Minister of Canada the following statement of policy for the war production of the two countries:

1. Victory will require the maximum war production in both countries in the shortest possible time; speed and volume of war output, rather than monetary cost, are the primary considerations.

2. An all-out war production effort in both countries requires the maximum use of the labor, raw materials and facilities in each country.

3. Achievement of maximum volume and speed of war output requires that the production and resources of both countries should be effectively integrated, and directed towards a common program of requirements for the total war effort.

4. Each country should produce those articles in an integrated program of requirements which will result in maximum joint output of war goods in the minimum time.

5. Scarce raw materials and goods which one country requires from the other in order to carry out the joint program of war production should be so allocated between the two countries that such materials and goods will make the maximum contribution toward the output of the most necessary articles in the shortest period of time.

6. Legislative and administrative barriers, including tariffs, import duties, customs and other regulations or restrictions of any character which prohibit, prevent, delay or otherwise impede the free flow of necessary munitions and war supplies between the two countries should be suspended or otherwise eliminated for the duration of the war.

7. The two Governments should take all measures necessary for the fullest implementation of the foregoing principles:

The Joint War Production Committee of Canada and the United States accordingly recommends to the Prime Minister of Canada and the President of the United States that:

(a) The foregoing statement of policy should be formally approved and forwarded as directives for action to the supply and procurement agencies of the two Governments, to the agencies responsible for production, and to the armed services of the two countries.

(b) The legislative and administrative bodies of the two countries should take action at once to fulfill the objectives set forth in Section 6 above.

Members for Canada *Members for the U.S.*

G.K. Sheils, Chairman	Milo Perkins, Chairman
R.P. Bell	J.B. Forrestal
H.J. Carmichael	W.H. Harrison
J.R. Donald	R.P. Patterson
W.L. Gordon	E.R. Stettinius
H.R. MacMillan	H.L. Vichery

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1097.

DEA/2558-40

*Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures*
*Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs*

Washington, December 16, 1941

Dear Mr. Robertson,

Yesterday afternoon the first meeting took place here of the Joint Committee on Defense Production.⁸⁹ All the 12 members of the Committee were present except for Mr. Forrestal, the Under-Secretary of the Navy, who had to send a representative. There were in addition over a dozen other people at the meeting, about evenly divided between the two countries. I have not time to dictate a long report on the proceedings. You will, I expect, in any case receive a copy of the minutes either from Mr. Sheils or from Mr. Lesslie Thomson, the Secretary of the Canadian Section.

The discussion was rather rambling and diffuse, as was perhaps to be expected at an inaugural meeting without an agenda prepared in advance. The chief conclusion was that a statement of policy (not in the form of a formal resolution) should be prepared by the two Chairmen and the Secretaries which would include the following points:

- (a) the integration of the war production of the two countries;
- (b) the removal by both countries of obstacles arising from legislation or regulations to the free movement from one to the other of war materials, such as tariff restrictions and laws of type of the "Buy American" Act;
- (c) the establishment of a substantial number of small technical committees to examine problems of war production in their own field along the lines of the successful Explosives and Chemicals Committee, which is already in existence; and
- (d) the creation of a sub-committee of production experts to consider specific problems in any field in which difficulties and controversies may arise.

These are, I think, the main points, but I am not quite sure how much will go into the statement of policy, the text of which I have not yet seen. There was a good deal of talk about an agreement not to interfere with existing orders, which from our point of view meant mainly that the United States would undertake to supply us without question with the necessary components and raw materials for the completion of existing orders. There was also a good deal of talk about some specific programs, especially merchant shipbuilding and aircraft.

The general feeling on both sides seemed to be that the main Committee should only meet when some really serious problem arose. In fact, Mr. Milo Perkins, the American Chairman, said that ideally the main Committee ought

⁸⁹ Voir le volume 8, document 210.

⁸⁹ See Volume 8, Document 210.

not to have to meet again after adopting its declaration of policy. They plan, however, to hold a second meeting in Ottawa in about a month's time. I doubt whether in fact many of the American members will think it worth their while to go to Ottawa unless an agenda has been circulated in advance containing a number of items of considerable importance.

Although this was not mentioned at the meeting except incidentally, I think it quite likely that there will be much closer collaboration in the production field between Great Britain and the United States and that we may have to consider some of the production problems on an inter-Allied rather than on a continental basis. The discussion yesterday centred almost altogether around the continental organization of war production.

It was agreed that Mr. Carswell should attend future meetings of the Committee in order to ensure liaison with his office. I think that it will not be necessary for the Legation to be represented, and I also feel that it is desirable that the number of those present at the meetings, in addition to the members, should be kept to the minimum. The main uses of the Committee should be, first, a high-level channel of approach for the solution of problems which have not been solved at a lower level, and secondly, the means of spreading throughout the whole vast supply organization here the doctrines agreed upon in the Hyde Park Agreement.⁹⁰

Yours sincerely,

H. H. WRONG

1098.

DEA/2558-40

*Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs*

Washington, January 7, 1942

Dear Mr. Robertson,

I am enclosing a copy of a Directive issued by the Under-Secretary of War on December 27th⁹¹ in order to give effect to the declaration of policy proposed by the Joint War Production Committees of Canada and the United States and approved by the President and the Prime Minister.⁹² This goes as far as we could ask towards removing any obstacles which may exist that impede the placing of orders in Canada by the War Department. Legislation will be required on certain points, notably with respect to tariff restrictions.

⁹⁰ Voir le volume 8, document 191.

⁹¹ Aucune copie complète ne fut trouvée.

⁹² Ce document fut approuvé par le Comité de guerre du Cabinet le 18 décembre 1941. Le Président Roosevelt annonça son approbation le 23 décembre.

⁹⁰ See Volume 8, Document 191.

⁹¹ No complete copy was located.

⁹² This document was approved by the Cabinet War Committee on December 18, 1941. President Roosevelt announced his approval on December 23.

NON - CIRCULATING / ORIGINAL NOT IN PLACE

There has as yet, however, been no solution of the problem referred to in my Telegram No. 544 of December 4th¹ arising from a ruling of the Lease-Lend Administration that they would not purchase in Canada "completed articles" to be transferred to the United Kingdom under the Lease-Lend Act. Mr. Carswell informs me that he received yesterday a letter from Mr. Stettinius, stating that he was not able to revise this ruling, which he described as tentative, unless there was a serious change for the worse in the U.S. dollar position of Canada. Mr. Carswell has been told that a letter in the same sense is going forward from Mr. Morgenthau to Dr. Clark. He did succeed, however, by seeing Mr. Stettinius yesterday afternoon, in having this ruling waived in the case of a very large order of scout cars for the United Kingdom. The order in question had been well advanced when the ruling of the Lease-Lend Administration was given, and to ensure its completion the Ford Company had been instructed to proceed with their manufacture. In view of the special circumstances, Mr. Stettinius indicated that he would authorize payment for these cars out of Lease-Lend funds.

The sole reason given for this ruling is that they feel it necessary to avoid political criticism that they are using Lease-Lend funds in order to provide one part of the British Commonwealth with completely manufactured articles of war produced in another part of the British Commonwealth. One would hope that the U.S. entry into the war would lead to a change of view. They seem still to consider, however, that all such purchases should be directly arranged between Canada and the United Kingdom — a position which wrecks most of the business of War Supplies, Limited, in so far as future orders are concerned. In the present frame of mind, this position will not be modified unless we get close to scraping the bottom of our barrel for U.S. dollars.

The question is primarily one for the Finance Department. Mr. Carswell is keeping Mr. Sheils fully informed, and doubtless Mr. Sheils is in contact with Dr. Clark.

Yours sincerely,

H. H. WRONG

1099.

DEA/2558-40

*Mémoire du secrétaire, la section canadienne,
le Comité conjoint sur la production de guerre⁹³*

*Memorandum by Secretary, Canadian Section,
Joint War Production Committee⁹³*

[Ottawa,] January 16, 1942

MEMORANDUM OF A MEETING WITH MR. NORMAN ROBERTSON,
UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS, IN
HIS OFFICE, ON THURSDAY, JANUARY 15TH, AT 5.30 P.M.

1. In opening, I referred to the Statement of Policy approved by the Joint War Production Committee. The Canadian Section of that Committee was now

⁹³L.R. Thomson.

anxious to explore all steps necessary for Canada to take to implement the said Statement having regard to the fact that it had been approved by the Government. (See letter from the Privy Council, signed by Mr. Heeney, dated December 23rd, 1941, to all Ministers concerned.⁹⁴)

2. I pointed out to Mr. Robertson that Canada had already gone a great deal of the way toward carrying the policy into effect. To illustrate this I gave him a copy of the memorandum dated January 13th¹, of a meeting held between Mr. Hugh Scully, Mr. David Sim⁹⁴, and myself, in the beginning of which there is a list of the more recent orders-in-council under which authorities material is now brought free into Canada.

3. Mr. Robertson mentioned a conversation which he had had with Mr. Howe when going down on the train recently to Washington.

4. After some further discussion it developed that the following appears to be a summary of what Mr. Robertson believes are the appropriate steps to take:

(i) Broadly speaking, it would seem that the two countries should move in step in bringing about the results of the policy. One country should not be far in advance of the other. Although it was clearly stated that such actions were to be taken for the duration, nevertheless, when the war was over, it would be difficult if not impossible to revert completely to the status ante bellum. Therefore, careful thought should be taken by Canada as to the effects of what she was to do, and especially is this true in that Canada has already gone much farther along the road, relatively, than the United States, in reaching the ends specified in the Statement of Policy.

(ii) The Canadian Section should find out from their United States colleagues to what lengths the United States authorities are prepared to go to implement the policy. The President has certain discretionary powers, it is true, in regard to tariff, but the changes which he, independently of Congress, can make in any U.S. tariff are limited to a 50% reduction in tariff as it existed in 1930. Tariff changes which go beyond this range must be approved by Congress. Again, would the complete abrogation of the present United States 'Buy-American' limitations require an Act of Congress? or are there some discretionary powers in the Executive? Is the American Section of the Joint War Production Committee prepared to push these matters into Congress in order to bring about the whole results? If so, see sub-para. (v).

(iii) Correspondingly, the Canadian Section should be armed completely with information as to the present legal restrictions in Canada as to buying outside of Canada. The present purchasing policy of Government Departments ought to be looked into. For example, about 15 years ago there was, Mr. Robertson thought, an Order-in-Council limiting Canadian Government departmental purchasing. This whole situation should be explored so that the Canadian Section may have full information.

(iv) In the event that it be decided to admit a whole range of articles duty free and thus to alter greatly the effect of the present trade agreements, it is obvious

⁹⁴ Commissaire de l'accise, ministère du Revenu national.

⁹⁴ Commissioner of Excise, Department of National Revenue.

that the United Kingdom authorities would have to be consulted and in addition some consultation should be had with the overseas Dominions, because the latter are materially interested also in our existing trade treaties in relation to preferences.

(v) Again, in the event of a Government policy being to admit a whole range of articles free to Canada, it would probably be better, having regard to all the factors in the problem, that a formal agreement be negotiated between the two countries⁹⁵. This would have several advantages over unilateral actions to be taken independently by the United States and by Canada.

1100.

DEA/2558-40

Mémorandum du ministre des États-Unis
Memorandum by Minister of United States

Ottawa, February 19, 1942

MEMORANDUM OF CONVERSATION WITH MR. NORMAN ROBERTSON,
UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Mr. Robertson asked me if I knew the terms of the bill which would shortly be brought down to implement the tariff recommendations of the Joint Defense Productions Board. He said that he was inclined to think that the Board had builded better than they knew and that the reception in both countries to the recommendation had been so favorable that he hoped we would take the occasion to draft the enabling part of the bill sufficiently broadly to serve as an entering wedge for further mutual concessions in line with the more liberal trade policies laid down in the Atlantic Charter⁹⁶ and the draft Lease-Lend Agreement. For instance, take base metals which can be produced at a lower cost in Canada than the United States. Would not both the war situation and the post-war situation be benefited by Canada expanding its marginal production of base metals at least up to the point where costs between Canada and the United States equalized, rather than to subsidize the development of sub-marginal base metal mines in the United States, which would create a new vested interest?

A short while ago he had received a message from John Stirling and Wiseman to the effect that Harry Hawkins' mind was running along these lines but he had not sent any message in reply, partly because the status of the Lease-Lend Agreement was not clear, partly because he had not had time to talk

⁹⁵ La note suivante était dans l'original:

Query by L.R. Thomson] — How long would it take to negotiate and conclude an agreement of this sort? An estimate of the time would be helpful. Reply: Required time probably hinges on U.S. Mr. Robertson believes that Canada, for various reasons, could do her part in such negotiations within three or four months. Could the U.S. State Department act as quickly? It might, but the chances are it would take a good deal longer.

⁹⁶ Voir le volume 7, document 327.

⁹⁶ See Volume 7, Document 327.

through the problem with a number of his colleagues. However, he could not help wondering whether there was not a psychological situation in both countries from which we should profit. Although the bill was related to war supplies only and limited to the duration of the war, he wondered if authorization could not be included to extend its provisions by trade agreement or otherwise. He thought there had been some thinking along those lines in Washington.

As to the lease-lend bill, Canada had agreed to its being signed by Britain without an accompanying exchange of letters [notes] which, as he said, would not so much have protected the Ottawa system as "surrounded it with a dense fog". A telegram confirming Canada's position was being despatched this afternoon.⁹⁷

The main point to remember and it is one which he has iterated and reiterated to me was that there must be some new ground for manoeuvre in reducing yet further the barriers between Canada and the United States.

1101.

PCO

*Mémorandum du secrétaire, le Comité de guerre du Cabinet,
au Comité de guerre du Cabinet*

*Memorandum from Secretary, Cabinet War Committee,
to Cabinet War Committee*

SECRET

Ottawa, September 21, 1943

RE: CANADIAN WOODS LABOUR IN NEW ENGLAND

The following letter has been received by the Secretary from the Minister of Labour:

"I wish to acknowledge your letter of September 17th concerning employment of Canadian labourers in woods operations in the Northeastern United States.

I believe that there is some misunderstanding with regard to the agreement reached on this question. This spring, in consultation with officials of the United States War Manpower Committee, it was agreed that a new quota of 3,500 men would be allowed for these woods operations, of whom 800 were to be available for Canadian cutting in the United States. This revised agreement was for the period of June 15 to October 31, 1943.

For years and years it has been the practice for seasonal labour to move from Canada to the States. Prior to the war Canada benefited very greatly because of this movement. The numbers varied, but would average a movement of 15,000 woodcutters into the State of Maine.

Through the co-operation of the United States Manpower authorities the numbers have been drastically curtailed. Each year lesser numbers have been allowed to go.

The present agreement is for not more than 3,500 men, of whom, as above stated, 800 ought to be made available for Canadian contractors operating in the State of Maine.

⁹⁷ Voir le document 561.

⁹⁷ See Document 561.

NON CIRCULATING / CONSULTER SUR PLACE

No men are allowed to go at all if they are acceptable to the army and no men are allowed to go if the agronomes [*sic*] of the district do not agree that the movement will not affect agricultural production.

The Manpower Commission of the United States is sending a representative group of officials to Ottawa on September 28 next to interview the Director and Timber Controller in respect to a new arrangement for the forthcoming winter.

Our policy will be to endeavour to effect a further reduction to possibly a maximum of 3,000 men, but it is not the opinion of the Department nor of those who have been consulted that there would be any advantage in absolutely prohibiting the movement of any men.

We are not overlooking the fact that as a post-war outlet for men who need work the practice of allowing men to go into the United States will be of great benefit."

A. D. P. HEENEY

1102.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, September 22, 1943

MANPOWER; CANADIAN WOODS LABOUR IN NEW ENGLAND

45. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS presented a report from the Minister of Labour, in accordance with the decision of the War Committee on September 15th with regard to the employment of Canadian woods labour in New England. Copies of this report had been circulated.

An agreement covering the period June 15th to October 31st, 1943, between the United States and Canada, had provided that 3,500 Canadians be allowed to enter the United States for woods operations. Of these, 800 were to cut wood for Canadian use.

No men acceptable to the Army, or whose movement would affect agricultural production were allowed to go. This seasonal movement was a long-established practice which might provide a post-war outlet for Canadian labour.

(Letter, Minister of Labour to the Secretary, Sept. 21, 1943 — C.W.C. document 621).

46. THE DEPUTY MINISTER OF LABOUR stated that representatives of the U.S. Manpower Commission were expected in Ottawa in the near future to discuss the extension of this agreement.

47. MR. ROBERTSON stated that Canadians seeking employment were allowed to move to the United States only through the exercise of certain U.S. discretionary powers, which might not be used after the war. Accordingly, it would not be advisable to rely upon the post-war benefits of such a scheme.

48. THE WAR COMMITTEE, after further discussion, agreed that National Selective Service and the Department of External Affairs consider and report upon the possibility of returning, for use in Canada, Canadian labour now employed in the New England woods.

1103.

DEA/2717-40

*Mémorandum du deuxième secrétaire au sous-secrétaire d'État
aux Affaires extérieures*

*Memorandum from Second Secretary to Under-Secretary of State
for External Affairs*

SECRET

[Ottawa,] September 28, 1943

At your request, I attended a meeting in Mr. MacNamara's⁹⁸ office this afternoon, at which there were present from the United States Mr. Parsons of the State Department, Mr. Lawton of the United States Legation, Mr. Roseman of the War Manpower Commission in Washington, and from Canadian departments concerned Mr. Fogo⁹⁹, Mr. Hall¹⁰⁰ and myself.

Mr. Roseman presented the attached letter to the Minister of Labour,[†] from which you will note that the United States now asks for sufficient exit permits to allow United States timber operators to employ a stable labour force of 7,500 Canadian citizens and that additional permits be granted for Canadian operators in the United States.

As a result of the discussions, Mr. Roseman will present us with a report listing the end products which result from the work of the present 2,800 now in the United States, and estimating the end products if we were to let them have 8,500 Canadians. He will also try to find out how many Canadians are in the New England woods without the proper exit permit or clearance from their draft board. Mr. MacNamara, I understand, will in turn prepare a report showing what would be likely to happen to the present 2,800 men if they were recalled to Canada and what would be the effect on Canadian war production if the United States were permitted to recruit up to 8,500 men in Canada.

Everyone, of course, said that they believed in the principle that the manpower involved should be used where it would most effectively serve the common war effort of North America. Mr. Roseman, however, indicated that the opinion in the United States was that if these men did not work in the United States they would sit around in Canada doing nothing, and that in any event the Canadian manpower pool could provide men from non-essential activities in

⁹⁸ Sous-ministre du Travail.

⁹⁸ Deputy Minister of Labour.

⁹⁹ Coordonnateur associé des contrôles, ministère des Munitions et des Approvisionnements.

⁹⁹ Associate Co-ordinator of Controls, Department of Munitions and Supply.

¹⁰⁰ De la direction de la main-d'oeuvre, section du contrôle des produits forestiers, ministère des Munitions et des Approvisionnements.

¹⁰⁰ Of the Labour Division, Timber Control Section, Department of Munitions and Supply.

NON CIRCULATING /
RECHERCHER SUR PLACE

Canada and thus not interfere with the normal movement to the United States of these workers. Mr. Roseman made it pretty clear that he thought we were not using our manpower most efficiently in Canada and said, for example, that we had more railway porters at our stations in Canada than they had in the United States.

No information was available on the question whether Canadians had been permitted to work in the Maine woods during the period from about 1930 to 1938, but the general impression was that they were not, though a number may well have slipped across the border illegally.

Mr. MacNamara made it clear that there was no chance of their securing permission for exit permits sufficient to maintaining a labour force of 8,500 Canadians in the Maine woods.

Mr. MacNamara is now of the opinion that from the point of view of National Selective Service, and disregarding domestic and international political considerations, the Canadian border should be closed to the movement of these workers, and the present 2,800 should be recalled. He is convinced that he would be able, directly or indirectly, to increase, as a result of this, the number of men engaged in the woods or in the base metal industries in Canada. He says that if the border is closed that then a considerable number of men will be ready to take work in essential industries in Canada who otherwise would be immobilized because they were sitting around waiting for a chance to get into the United States and draw high wages there. The closing of the border would be pleasing to Canadian companies in Canada but would, of course, displease Canadian companies in the United States.

It is probable that the United States Minister will request an interview with you tomorrow to submit informally the request from the United States, which is contained in the attached letter.

I return to you the memorandum of September 22nd on the decision of War Committee and the Cabinet War Committee document, No. 621 of September 21, which apparently belongs to Mr. Baldwin.

E. R[EID]

1104.

DEA/2717-40

*Procès-verbal d'une réunion entre des représentants
du Canada et des États-Unis*

*Minutes of a Meeting between Representatives
of Canada and the United States*

Ottawa, September 29, 1943

NOTES ON A MEETING HELD SEPTEMBER 29TH, 1943 CONCERNING
EMPLOYMENT OF CANADIANS IN MAINE WOODS.

Present

UNITED STATES

Honourable Ray Atherton, United States Minister;
Mr. J. Graham Parsons, State Department;

Mr. E.P. Lawton, United States Legation;

Mr. Alvin Roseman, War Manpower Commission.

CANADA

Mr. H.L. Keenleyside, Department of External Affairs;

Mr. A. MacNamara, Deputy Minister of Labour;

Mr. Escott Reid, Department of External Affairs;

Mr. J.J. Deutsch, Department of External Affairs.

MR. ATHERTON referred to the technical discussions which have been taking place between officials of the U.S. War Manpower Commission and Mr. MacNamara concerning the employment of Canadians in the Maine woods. He said the basis of these discussions had been entirely altered by a letter from Mr. MacNamara to the War Manpower Commission, which introduces two new arguments into the situation, namely, political factors and the circumstances surrounding this movement prior to the war. He said he wanted to raise, as a matter of principle, the question arising out of the deviation from the spirit of the Hyde Park Agreement which is involved in Mr. MacNamara's letter. The United States regarded labour in the same way as other resources needed for the war effort which under Hyde Park the two countries had agreed to share and share alike. He hoped that the Canadian Government would put the discussions back to the technical level and on the basis of the principle of the Hyde Park Agreement, where they belonged.

MR. KEENLEYSIDE said that as far as the Department of External Affairs is concerned its recommendation would be based on the principle that the labour should be used wherever it would contribute most to the war effort. The matter to be determined is where in fact would this labour produce most for the war effort?

MR. ROSEMAN stated that in 1940-41 as many as 9,000 Canadians were employed in the Maine woods. In 1942 the figure was cut, as a result of an agreement between the industries on the two sides of the border, to 3700. More recently the quota has ranged between 3500 and 4200. We are anxious now to have the quota raised to 7500. This number would virtually all be employed in highly essential production. The 2700 Canadian workers at present in Maine are employed approximately as follows: — 33% in logging for lumber; (ship timbers, boxes, aircraft spruce) 54% in logging for wood pulp; (nitrate pulps, wrapping papers, insulating papers, industrial papers and some fine papers) 13% in logging for newsprint. The requirements of wood for newsprint are not considered an important part of the argument for more Canadian labour. Every effort will be made to see to it that the labour is used for essential purposes. Representatives of the War Manpower Commission are visiting every employer to check on the utilization of workers and to assure essential and efficient use of labour. They will see to it also that all available labour in the local area is used. The greatest manpower shortage in northern New England is woods labour. A part of this labour has gone into the shipyards and steps are being taken to bring some of it back. No labour is being exported from northern New England to other states. While the need for workers in northern New England is great we

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are told that if the border is closed the Canadian labour would be under-employed. Because of the geographical isolation of the Canadian group adjacent to the border it would not be as readily available for essential use in Canada. The movement to Maine is a natural one owing to close proximity and habit.

MR. MACNAMARA replied that the question of under-employment of the Canadian workers has not been proven. If any under-employment exists it is due to the possibility of going into Maine where higher wages are paid with the result that the men are inclined to stay on their farms and wait for an opportunity to get across. If the border were definitely closed these men could be moved to essential work in Canada. There is a shortage of 50,000 workers in Canada for the highest priority work and all available labour could be used, directly or indirectly, for these essential purposes. MR. MACNAMARA agreed that the criterion should be: where can the men contribute most to the war effort? He said that Mr. Roseman should submit a statement showing how the men would be used in the United States. He should also provide information on how many are now in the United States illegally and without exit permits. These points should be cleared up before a decision is reached. Mr. MacNamara felt that reports concerning illegal entries were exaggerated.

MR. ROSEMAN said that he had been in touch with the U.S. immigration service who have informed him that they are checking all the camps monthly for illegal entry. To date only about 30 or 40 have been found. He was convinced that there were relatively few illegal entries. MR. ROSEMAN said he would be glad to provide a statement showing how the 7500 Canadian woodsmen requested would be allocated.

MR. MACNAMARA felt that there would have to be a strong argument to justify allowing Canadian workers to go to Maine when there may not be enough fuel-wood this winter in the neighboring Quebec cities.

MR. ATHERTON replied that when many United States cities were threatened with a coal shortage the United States at no time discriminated against Canada on that account. Share and share alike has been the considered policy of the United States with regard to coal.

MR. MACNAMARA said that normally from 8,000 to 10,000 workers from the areas concerned go into woods operations during the logging season. Last year 3700-4200 of this number went to the United States and the remainder to Canadian operations on the Canadian side. If the number permitted to go to the United States were raised to 7500 a considerable number would be drained away from Canadian areas. He said that he told Mr. Roseman previously that a figure as large as 7500 was out of the question. MR. MACNAMARA thought that an argument, in addition to war essentiality, could be made for allowing some workers to go across the border because it would establish the movement as a normal one from the post-war point of view. During the depression the border was closed by the United States.

MR. ROSEMAN thought that this exclusion was due to lack of employment in the area during this period. The largest employer, the Brown Corp., had gone bankrupt.

MR. KEENLEYSIDE said that before a recommendation can be made it would be necessary to obtain a statement from Mr. Roseman showing how the labour would be used in the United States; also, definite information on the effectiveness of the border controls and on the extent of illegal entries. Mr. Keenleyside asked Mr. MacNamara to prepare a statement showing how the labour would be used in Canada if it were not permitted to go to the New England woods. This information regarding utilization of the workers on the two sides of the border would enable a recommendation to be framed on the basis of essentiality to the war effort.

MESSRS. ROSEMAN AND MACNAMARA agreed to provide the statements requested as soon as possible.

MR. ATHERTON said that Mr. Keenleyside's proposal was entirely satisfactory. He said the question should not be dealt with on a political or pre-war basis but in the spirit of the Hyde Park Agreement.

J. D[EUTSCH]

1105.

DEA/2717-40

Mémorandum du ministre des États-Unis

Memorandum by Minister of United States

Ottawa, September 29, 1943

Mr. Atherton, accompanied by Mr. Alvin Roseman of the War Manpower Commission and Mr. J. Graham Parsons of the State Department, called on Dr. Keenleyside to discuss the importation of Canadian woods labor into the north-eastern States. He stated that he had been instructed to say that the American Government considered this matter of importance to the joint war effort and that it was considered that the basic principle of the Hyde Park Agreement between the Prime Minister and the President was applicable.

Mr. Roseman and Mr. Parsons pointed out that under this agreement the United States had shared with Canada resources in short supply and had made them available for essential Canadian needs on a basis of equality as between Canadian and American users. In this case the situation was reversed. The resource in short supply was labor and the labor necessary to ensure the full wartime productivity of a vital American industry was located just across the border from the scene of operations. This labor, moreover, had habitually crossed into the United States for employment in American woods operations and the history of the matter appeared to indicate that at such times as the border had been closed the labor involved was lost to the war effort. If Canadian labor were not permitted to cross the border in quantity adequate to maintain operations, now threatened by dwindling inventories and a drastically reduced labor force, it would inevitably give rise to the impression that Canada was not reciprocating the treatment which the United States had accorded Canada in conformity with the Hyde Park principle. Mr. Atherton added, however, that he knew that the Canadian Government, as well as his own Government, sub-

NON-CIRCULATING

scribed to the principle that inadequacy of supply was not a sufficient reason for stopping all export of a critical resource to the United States. For this reason he felt confident that the War Committee of the Cabinet would wish to reconsider its reported decision mentioned in a letter¹ from the Director of National Selective Service to Brigadier-General Rose of the War Manpower Commission that it desired the border closed to the movement of Canadian woods labor to the northeastern States.

Supplementing the foregoing, Mr. Roseman presented evidence to indicate that the American authorities had taken adequate action to prevent the illegal entry of Canadian labor, to police the border, to exhaust all available American sources of labor suitable for this operation, and to ensure that Canadian labor would be allocated only to companies producing essential goods of high priority. He and Mr. Parsons particularly assured Dr. Keenleyside that the Canadian labor involved would be engaged in direct war production of importance not only to the American Government but to the British and Canadian Governments.

During the conversation Mr. Parsons gave to Dr. Keenleyside a copy of a letter which the Secretary of State had received from an important American company in the northeastern area. Regardless of the truth or untruth of the allegations contained in this letter it was, he said, indicative of the growing criticism in the United States of Canadian regulations in the field of woods products. The whole subject was a matter of very real concern to the American Government and the woods labor aspect of it provided one concrete instance in which the Canadian position appeared to be in conflict with the Hyde Park principle. Other instances, relating for the most part to the woods products field, were also under review in the State Department but at this time it was desired to confine the discussion to the pressing matter of woods labor. Accordingly, Mr. Atherton and his colleagues concluded by stating that in the interest of the joint war effort they hoped that the Canadian Government would be willing to meet the request made by the Chairman of the War Manpower Commission to the Minister of Labor for the importation of Canadian woods labor into the United States.

1106.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, October 12, 1943

MANPOWER; CANADIAN WOODS LABOUR IN NEW ENGLAND

23. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that, following the meeting of September 22nd, officials of External Affairs and Labour had conferred as to the solution of this problem. Labour (National Selective Service) had subsequently recommended that exit permits continue to be granted to Canadian woods workers up to the present authorized limit of 3,500.

In this connection, it had been unfortunate that National Selective Service had, in a direct communication to a U.S. Selective Service official, represented that the government's refusal or reluctance to permit the movement of Canadian workers to the New England woods had been determined by past differences on the subject, and misgivings as to the future. This communication, the contents of which had come to the attention of a good many persons in the United States, had created a wrong impression of the government's attitude and policy, and provided grounds for serious misunderstanding. The U.S. government considered, rightly, that the problem should be dealt with on the basis of the Hyde Park Agreement and the most effective use of the resources of the two nations in relation to the war effort.

U.S. authorities were also aware that our National Selective Service officials had recommended continuance of exit permits up to the existing limit. It was, therefore, difficult to see how, in the circumstances, we could recede from this position, particularly in view of the impression created by the letter referred to.

It had been requested that, in future, all communications on the subject to U.S. authorities be made through the Department of External Affairs.

24. THE MINISTER OF NATIONAL DEFENCE FOR AIR felt that it would be difficult to agree to 3,500 Canadians being employed in the American woods when we could not get enough men to produce wood for our own urgent needs. In this connection, the pulp and papers industries were making strong representations to the government to obtain manpower priorities. It should be remembered that our forest products were largely for the benefit of the United States.

25. THE MINISTER OF TRANSPORT agreed with Mr. Power. National Selective Service did not understand the gravity of the situation in Canada. They had gone so far as to instruct their local office at Edmundston, N.B. to issue permits to men to work in the United States, in the face of the most serious local shortage.

26. THE MINISTER OF JUSTICE observed that an additional ground for criticism would be the fact that wages earned in the United States were not subject to normal Canadian deductions.

On the other hand, failure to meet the American contentions would give opportunity for serious mischief in Canadian-American relations.

27. THE WAR COMMITTEE, after further discussion, agreed that the matter be referred to the full Cabinet for consideration when the Prime Minister was present.

NON CIRCULATING

1107.

DEA/2717-40

*Mémorandum de l'adjoint spécial en temps de guerre
du sous-secrétaire d'État aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Special Wartime Assistant to
Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

[Ottawa,] October 25, 1943

DECISION REGARDING EMPLOYMENT OF
CANADIANS IN THE MAINE WOODS

Mr. MacNamara told me he was informed by his Minister that Cabinet decided that National Selective Service should try to place the men in Canada but if that is not possible a total of 3500 may be permitted to go to Maine. Mr. MacNamara felt that the most practical way of carrying out this decision would be to give the United States a definite quota of 3500, for both Canadian and United States operators, and then to close the border completely. He thought that an attempt to place the men in Canada while the border is being kept open to allow those that cannot be placed to enter the United States, would produce the worst of both worlds. As long as there is uncertainty the men tend to sit tight and wait for a chance to cross the line where the wages are so much higher. Under these conditions they would not be working either in Canada or the United States.

Mr. MacNamara and his officials have, in the last day or two, seen representatives of the U.S. War Manpower Commission who have been told that the 2400 now in Maine will be allowed to remain and that the U.S. operators will be permitted to recruit an additional 1100 during a period of one month. At the end of the month the border would be closed. Thereafter the border would be kept closed but the situation would be reviewed from time to time with respect to the provision of replacements.

Mr. MacNamara thought that the U.S. War Manpower officials were reasonably satisfied but he said he would not be surprised if they came back with a proposition that the 3500 should be entirely available to U.S. operations and the needs of Canadian operators should be met from an additional allotment.

J. D[EUTSCH]

SECTION B

CONTRÔLES SUR LES EXPORTATIONS

EXPORT CONTROLS

1108.

DEA/836-P-39

Mémorandum du ministère des Affaires extérieures
Memorandum by Department of External Affairs

[n.d.]

MEMORANDUM ON THE CO-ORDINATION OF EXPORT CONTROL
 POLICIES BETWEEN CANADA AND THE UNITED STATES¹⁰¹

The problem of export control is distinct in principle from the problem of allocating supplies within the area from which exports are made, but the two problems are so closely related that they cannot in practice be considered separately. The situation is further complicated by the fact that the area within which supplies are allocated for war purposes is much larger than the area from which exports originate for export control purposes since supplies are allocated to the United Kingdom and other united nations. An additional complication is that exports, besides contributing to the united war effort, affect the future trading position of the country which supplies them. In order to have a clear picture of the machinery by means of which essential materials will be made available for export from the United States and Canada it is necessary to examine briefly the organizations which are now being created jointly by the United Kingdom and the United States or by the United States alone to deal with the large problems of supply.

It is the present plan that the distribution of materials for all purposes (including exports) will be made by two organizations:¹⁰²

1. The Combined Raw Materials Board (United Kingdom-United States); and
2. The Requirements Committee (United States under Mr. Batt).

It is contemplated that the Combined Raw Materials Board will compile information on the total available supplies of raw materials and will determine the distribution of these supplies (including Canadian supplies) among the United Nations. The part that we might be able to take in these decisions is not clear.

The Requirements Committee under Mr. Batt will, it is anticipated, assemble information on total supplies available to the United States and will determine the distribution of these supplies among various United States defense procure-

¹⁰¹ H.F. Angus était apparemment l'auteur des notes marginales.

¹⁰¹ H.F. Angus was apparently the author of the marginal notes.

¹⁰² Note marginale:

¹⁰² Marginal note:

Begs the question as to just how far and what Canadian Requirements come under the Foreign Requirements.

NON CIRCULATING

ment agencies (army, navy, etc.), civilian uses and export. Just where Canada will fit into the operations of this Committee either as a user of the materials with which it will deal or as a supplier of certain of them is also not clear.

The nature of the relations which will exist between these two Committees is not yet known. Mr. Batt, however, will probably be chairman of both.

It seems likely that the Foreign Requirements Committee (a United States interdepartmental Committee) of the Board of Economic Warfare will continue to compile estimates of the minimum essential requirements of countries other than the United Nations whose economies it is a matter of policy that we should support. Presumably the estimates will be used as the basis of allocations for export to these countries made by either or both of the two principal agencies mentioned above — the Combined Raw Materials Board and/or the United States Requirements Committee.

Canada and the United States have a joint responsibility to supply the minimum needs of the essential materials required to maintain the basic economies of certain friendly countries. Both Canada and the United States have a legitimate interest in maintaining their markets in these countries. In order that Canada may fulfil her share of this responsibility it is necessary to establish the principles and methods of Canadian participation by agreement with the United States officials at the top level.

1. The major problem to be worked out is that of determining specifically the extent and basis of Canadian participation in meeting the essential needs of friendly countries. At the present time the minimum requirements of these countries, the basis on which allocations are made, are being determined by the United States Interdepartmental Requirements Committee without reference to Canada. On what basis should Canadian participation be determined?¹⁰³ On the basis of the past proportion of exports supplied by Canada? On the basis of available Canadian supplies? On the basis of some criteria of the most efficient division of continental production between the two countries?¹⁰⁴

2. Secondly it must be determined how Canada would get the necessary materials and component parts from the United States in order to enable her to produce her share of the exports to friendly countries worked out in accordance with the agreed principle of Canadian participation. In so far as the United States is concerned the policy which seems now to be taking shape there is to fit the question of the procurement of necessary exports to friendly countries into the general system of the allocation of raw materials among countries by the Combined Raw Materials Board and among the various purposes in the United States by the Requirements Committee (Batt). It would seem essential that Canada be represented on or actually work with these agencies in some specific manner and at various levels in order that Canada may be assured of the necessary materials and component parts from the United States.

¹⁰³ Note marginale:

¹⁰³ Marginal note:

Allocation by areas? Preferential areas?

¹⁰⁴ Note marginale:

¹⁰⁴ Marginal note:

Basis of each country's share of total export trade? etc.

3. Finally it is necessary to determine the precise machinery by which the details of Canadian participation in exports to friendly countries in terms of quantities, specific commodities, countries of destination, consignees, etc. would be worked out. Should a Canadian representative, with adequate authority, be placed on the United States Interdepartmental Foreign Requirements Committee?¹⁰⁵

1109.

DEA/836-P-39

*Le ministre des Munitions et des Approvisionnements
au sous-secrétaire d'État aux Affaires extérieures*

*Minister of Munitions and Supply to Under-Secretary of State
for External Affairs*

Ottawa, February 20, 1942

Dear Mr. Robertson,

Under date of February 10th¹ your Mr. Keenleyside wrote my Deputy Minister enclosing "Memorandum on the Coordination of Export Control Policies between Canada and the United States".

In my opinion, this memorandum is wholly inconsistent with the war situation as it exists to-day; furthermore, it will not be helpful in working out the position of Canada in its relation to the Combined Raw Materials Board and the Allocations Board. I feel very strongly that all reference to Canada's trading position after the war should be avoided at this time.

I have represented on a number of occasions the desirability of Canada acting jointly with the United States on matters of export control, with close liaison between the controls of both countries. I think that, if any communication is sent, it should follow this line. The matter of exports has reduced itself to the problem of supplying essential war requirements of friendly countries, in cases where requirements of those countries are more urgent than our own requirements. Trade for dollars, either for private interests or for the public treasury, is out of the question, except in the case of the United States, where machinery has been set up to enable us to meet our dollar requirements.

I humbly suggest that considerations of post-war position must remain in abeyance until the outcome of the war is less obscure.

Yours truly,

C. D. HOWE

¹⁰⁵ Note marginale:

[Foreign] R[requirements] Committee has been recast to include a Canadian representative to voice Canada's re-export requirements.

¹⁰⁵ Marginal note:

1110.

DEA/836-P-39

*Le sous-ministre du Commerce au sous-secrétaire d'État
aux Affaires extérieures*

*Deputy Minister of Trade and Commerce to Under-Secretary of State
for External Affairs*

PRIVATE AND CONFIDENTIAL

Ottawa, February 20, 1942

My dear Norman [Robertson],

I have wanted to speak to you for some time about the need for clarification of the situation pertaining to export control, but we have both been so busy that I have not had the opportunity of talking with you and, therefore, I am taking the liberty of sending you this private and confidential letter.

I fear that the impasse which has developed over the proposed Export Control Conference¹⁰⁶ in Washington and obtaining steel for export requirements is apt to affect your Department unfavourably, both in regard to its relation to the Department of Munitions and Supply and, what is still more important, in regard to Canada's relations with the United States.

We are all agreed that the war effort must come first and the responsibility of obtaining supplies of steel and other materials, not only for our war effort but also for other essential requirements, rests with the Department of Munitions and Supply. The situation pertaining to the supply of steel and no doubt other materials from the United States is most unsatisfactory and has been giving Mr. Howe a great deal of concern. With the formation of the Baillieu-Batt committee or board Canada no longer has a direct say in the allocation of materials and, naturally, Mr. Howe is very much worried about the whole situation. I, therefore, think it is most unfortunate if at the present time we inject into what is a very unsatisfactory situation the very minor problem of our export trade. By doing so we are only antagonizing the Department on whom we must rely for the supply of steel and other materials upon which our export trade is dependent, and I can see that no good purpose is served by other Departments endeavouring to embarrass the Department of the Government most concerned with the economic side of our war effort and, therefore, burdened with very heavy responsibilities.

Our relations with the United States must be giving you a great deal of concern because they have certainly deteriorated within recent weeks. I for one would hate to see this situation made worse by anyone in official circles in Washington deriving the impression that in the present state of the war we are attaching such importance to export trade as would be implied in the proposal for an Export Control Conference.

¹⁰⁶ Cette conférence, qui n'a pas eu lieu, devait examiner les méthodes de contrôles des exportations dans les deux pays et permettre autant que possible une plus grande coordination.

¹⁰⁶ This conference, which was not held, was meant to survey existing methods of export control in the two countries and to provide as much co-ordination as possible.

The pooling of resources and the treatment of Canada and the United States as one economic unit is a very fine conception in theory, but I fear it breaks down very badly in practice. The memorandum on the Coordination of Export Control Policies between Canada and the United States, which was prepared in your Department recently for submission to the United States, contains this sentence¹⁰⁷:

“Canada, for her part, has at no time attempted to control the export of Canadian raw materials to the United States or to allocate these exports within that country.”

I shuddered when I read this sentence and I thought of our restrictions on steel scrap, Douglas fir saw-logs, pulpwood, waste paper, etc. Every week we are receiving from the Wartime Prices and Trade Board and the Department of Agriculture requests to add new products to the list of those subject to export control, with a view to restricting exports to the United States. This goes to show that these two Branches of the Government do not regard Canada and the United States as one economic unit.

The United States, on her part, is endeavouring to transform her economy from a peacetime to a wartime basis within a much shorter space of time than has been the case in Canada. This has involved the dislocation of industries and the temporary unemployment of large numbers of working people before they can be absorbed in the war industries. It is natural that under these conditions the United States should be preoccupied with her own problems and have little time or opportunity to consider our special problems — particularly those not strictly connected with the war effort.

The steel situation is such that we have not sufficient supplies for our war requirements and many essential civilian requirements are now going short of steel. Under these circumstances the Department of Munitions and Supply are adopting the perfectly correct attitude in declining to agree to the export of iron and steel products from Canada. Instead, therefore, of beating about the bush we should recognize the situation clearly and tell the Belgians frankly that we are unable to supply the requirements of the Congo and that they should look to the United States. We should also tell Newfoundland that we cannot supply their requirements for rails. We should certainly refrain from any approaches to the United States for steel for our export trade, at least until such time as there is sufficient steel for our war requirements. We should also recognize clearly that the Department of Munitions and Supply is the responsible body set up to obtain supplies of steel and other materials from the United States and we should not endeavour to do anything to hamper their responsibilities in this connection by too energetically pressing the claims of our export trade. If we adopt a more cooperative attitude we are more likely to get sympathetic attention for our export trade from the Department of Munitions and Supply when in the course of time Mr. Howe has succeeded in solving the very difficult problem with which he is now confronted in relation to essential steel supplies from the United States.

¹⁰⁷ Cette phrase était dans le premier projet du mémorandum.

¹⁰⁷ This sentence was in the first draft of the memorandum.

NON CIRCULATING

It is very difficult for me to write like this because this Department is responsible for the promotion of Canadian trade and should be in the forefront of pressing the claims of our export trade, but I have been shocked to see how matters have got out of hand in recent weeks and I am most anxious to bring about a clarification. I have no illusions about our export trade and realize that under total war we must sacrifice all of our export trade which in any way conflicts with the war effort. I cannot get very excited about export trade in steel products, about which there has been most of the fuss in recent weeks. These are not the types of steel products in which we do any extensive trade in normal times and I certainly think the Belgian Congo has been made an issue out of all proportion to its importance. This territory will certainly revert to Belgium when the war is over as the source of its supplies for steel and, while I have every sympathy for the Belgians in their desire to secure essential steel, I feel that they have no right to expect us, when we are short, to supply their deficiencies, and the situation could have been much better handled from the outset by telling them they would have to obtain their requirements from the United States.

I am also anxious to put an end to these constant references to Washington on almost every problem that arises and I do not favour the proposal that we should have a representative on the Foreign Requirements Committee of the United States. This is a purely domestic Committee deciding how far the United States can go in supplying the requirements of other countries and we should content ourselves with our existing liaison, which is satisfactory for our main purposes. I shall do what I can to restrict the pilgrimages to Washington on export control matters on the part of Evans and Mallory and I hope that Mackintosh can do likewise as regards Deutsch and Baldwin.

I think that the best manner in which we can bring about a clarification of the situation is to hold a meeting in the near future of the Advisory Committee on Export Control and, therefore, I propose to call a meeting some evening next week. I hope that this will present the opportunity for Mr. Kilbourn¹⁰⁸ to review the steel situation and for Mr. Bateman¹⁰⁹ and Mr. Berkinshaw¹¹⁰ to outline the difficulties in respect of allocations to Canada by the United States. When they have done this I hope that the whole Committee will realize that there are really no export control problems, but merely problems of supply, and that these are the concern primarily of the Department of Munitions and Supply and not of the other Departments represented on the Committee. I cannot help but feel that it would be in the interests of your Department, for the reasons I have stated, to assist in arriving at this conclusion and to curb the tempestuous spirits of those members of the Committee who have been largely responsible for

¹⁰⁸ Contrôleur de l'acier, ministère des Munitions et des Approvisionnements.

¹⁰⁹ Contrôleur des métaux, ministère des Munitions et des Approvisionnements.

¹¹⁰ Président, Commission en temps de guerre pour le contrôle des industries, ministère des Munitions et des Approvisionnements.

¹⁰⁸ Steel Controller, Department of Munitions and Supply.

¹⁰⁹ Metals Controller, Department of Munitions and Supply.

¹¹⁰ Chairman, Wartime Industries Control Board, Department of Munitions and Supply.

creating the problems about which there has been so much fuss and bother in recent weeks.

Yours sincerely,

DANA [WILGROSS]

1111.

DEA/836-P-39

*Mémoire de l'adjoint spécial en temps de guerre
du sous-secrétaire d'État aux Affaires extérieures¹¹¹
au sous-secrétaire d'État aux Affaires extérieures*
*Memorandum from Special Wartime Assistant to
Under-Secretary of State for External Affairs¹¹¹
to Under-Secretary of State for External Affairs*

[Ottawa,] February 23, 1942

EXPORT CONTROLS

1. Two replies have been received from Munitions and Supply. The first dated February 19th[†] is in reply to the original memorandum from External Affairs.[†] It asks for postponement until there have been discussions between the two Departments and gives as the reason that the relation of Canada and the new United States bodies allocating supplies is under consideration by the Department of Munitions and Supply.

2. As this reply had not come quickly a second version of the memorandum had been prepared on your instructions.¹¹² It may have crossed with the reply just considered. It differed from the first memorandum in throwing the emphasis against elements in export control (the allocation of markets) with which the Department of Munitions and Supply is not concerned.

3. This second version of the memorandum though not mentioned expressly may have produced the reply from Mr. Howe condemning considering dollar trade, or anything other than the essential war requirements of friendly countries, at the present time, and asking that if the memorandum is sent all reference to postwar trading positions should be omitted from it.

4. The correspondence thus raises two clear issues:

(a) Is the Department of Munitions and Supply or the Department of External Affairs the proper Department to conduct negotiations?

(b) Should negotiations be confined to the allocation of materials for essential war requirements in order of importance?¹¹³

¹¹¹ H.F. Angus.

¹¹² Document I 108.

¹¹³ La note suivante était écrite sur ce mémorandum: ¹¹³ The following note was written on the memorandum:

I understand from T.A. S[tone] that you are going to see Mr. Howe about this. H. F. A[NGUS]

NON CIRCULATING /

1112.

DEA/836-P-39

*Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs*

Washington, March 30, 1942

Dear Mr. Robertson,

I think that I ought to draw your attention to a lack of reciprocity in one aspect of the export control systems of Canada and the United States which may get us into some difficulty later on. Mr. Scott and Mr. Plumptre tell me that it has already been the subject of some comment on the part of officials here with whom they are in touch.

We have been successful in developing arrangements with the U.S. authorities whereby the requirement of individual export licenses has not been imposed in respect of goods going to Canada. We have secured treatment accorded to no other country. There are only about half a dozen articles for which individual licenses are needed when they are exported to Canada, and these are regarded as special cases. Our requirements are dealt with by the same procedure of allocations and priorities that is applied to domestic requirements, and control is exercised by the various branches of the War Production Board. This involves in practice the removal of decisions concerning supplies for Canada from the Board of Economic Warfare and their transfer to the War Production Board. When the Board of Economic Warfare passes on the needs of foreign countries they should, under the present system, subtract from the total available supply of each product the essential requirements of Canada and the United States as placed before them by the War Production Board and allocate to other countries whatever may remain. This is a simplification of what is actually done, but it indicates the general trend.

In developing this system of treating Canada and the United States as a single continental area, it has, of course, been necessary to satisfy the authorities that the restrictions and controls in Canada governing the distribution of materials and articles in short supply are at least as rigorous and effective as those in force in the United States. Although there will inevitably be difficulties from time to time in connection with individual products, in general the United States authorities are satisfied with our methods of control in comparison with their own.

This position has not been arrived at without difficulty and it cannot be regarded as having been finally settled for the duration of the war. Its continuance appears to be very much in our interest, since under it we secure in respect of our essential needs from the United States treatment as generous as that accorded to domestic industries and consumers.

When we look at our export controls, however, we find that individual export permits are required for a long list of products exported from Canada to the United States, and there is a tendency to lengthen this list. There are also embar-

goes on the export from Canada of a number of commodities which are in short supply in this country. There is a *prima facie* case that we do not grant as generous treatment to U.S. needs in Canada as the U.S. grants to Canadian needs in the United States. In practice, however, probably there is only ground for complaint here with respect to a short list of commodities.

This disparity of treatment appears to originate almost entirely in the field of price control. The Canadian price ceiling makes it necessary that we should regulate or prohibit certain exports to the United States if we are to avoid the loss of badly needed supplies which, without control, would go to the United States to secure higher prices there. In such cases, an export embargo or a strict control of exports is the only alternative to the establishment of a rationing system covering both domestic consumers and foreign requirements. Certain agricultural and forest products, such as feed and wood-pulp, are those mainly involved, and any system of rationing them to the domestic consumer would seem to present great difficulties. It is inevitable that the country with the lower price level should, to conserve essential supplies, impose some effective method of restriction on exports, at any rate when the exports are of commodities which are not controlled by other means such as those applied to metals and minerals.

The purpose of this letter is only to direct your attention to this problem, as I think that we should constantly bear in mind when we have to consider new export restrictions their possible effect on the treatment accorded to us by the United States.

Yours sincerely,

H. H. WRONG

1113.

DEA/3927-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-647

Washington, April 14, 1942

IMMEDIATE. SECRET. Following for Donald Gordon from Plumptre, Begins: Proposed Revision by the Office of Price Administration of Regulations Affecting Export Prices.

1. Dr. Seymour E. Harris of the Office of Price Administration told me over the telephone yesterday evening that he and others in the Office of Price Administration were engaged in drafting new general regulations covering export prices. He hoped that the draft would be completed to-day (April 14th).
2. At present the Office of Price Administration has substantially more than 100 price orders in effect, but only 32 of these make specific reference to the prices of exports, and only 10 of these specify a particular premium which sellers for export may charge over and above the price chargeable by sellers to domestic purchasers. Where special premiums are allowed on export sales, they are mostly about 5 or 10 per cent, although in one special case the premium runs as high as 40 per cent. The payment of a special premium is permitted by O.P.A.

NON-CIRCULATING /

on the general grounds that special cost and special risks are incidental to doing business for export. (For the most part the special costs and special risks apply to overseas export and not, of course, to exports to Canada).

3. Mr. Harris made one suggestion last night for dealing with the special case of Canada and a rather different one this morning. These are as follows:

4. According to the original suggestion which Mr. Harris made to me last night, the Office of Price Administration would extend their price regulations to cover all goods affected by ceilings in the United States. This would be done by permitting sales for export at prices appreciably higher, say 5 or 10 per cent higher, than sales to domestic consumers. However, it was proposed specifically to exclude Canada from these regulations. Accordingly Canada would be placed "on the same basis as Chicago", i.e. would be treated as part of the United States of America.

5. When this proposal was disclosed to me, I expressed some apprehension. I pointed out, as I had done in previous conversations with Mr. Harris, that an American buying in New York from Chicago and a Canadian buying in New York from a similar distance were not really on an exactly equal footing. It was not only the matter of extra costs incidental to sending goods across an International border, but a matter of the average size of purchases, the ability to exercise pressure when and where necessary, and so forth. However, I said that I would get in touch with him in the morning if I had anything further to offer.

6. First thing this morning I called on Mr. Harris and had a discussion of the whole matter. He said that, after thinking the matter over, he was inclined to put Canada on the same basis as other foreign countries (rather than "Chicago"), and to reword the proposed general provisions regarding export prices to allow the inclusion of "normal export margins to the particular country involved" in the prices payable in U.S.A. Extra costs incidental to export (such as special packaging required for transport across an International frontier) would also be included. His plan was to try to make exporters keep track of extra costs, etc., in order to justify such increases of prices over domestic ceilings as they found to be necessary in relation to export business.

7. I agreed that this latter proposal was preferable, from the Canadian point of view, to that originally put forward. However, I was still worried on two accounts. In the first place, one could not be sure that Canadians would obtain a fair share of supplies even by permitting them to pay "normal premiums" and extra costs incidental to International business. In so far as these premiums existed they were probably established in a period (i.e. the nineteen-thirties) of ample supplies, when exporters were glad to serve any market they could find. It would be helpful if "normal premiums" were defined (as proposed) to be those existing in January 1942; but the shortage of supplies was only beginning to be acute at that time.

8. In the second place, I was not anxious for Canada to be ranked along with foreign countries, because of the possible threat to the Canadian General Export License. I foresaw the possibility that, if Canada obtained the advantage of securing supplies by paying appreciably higher prices than American buyers, this would very soon lead to demands on the part of would-be United States

buyers either to revoke the price-advantage (the recent case of cocoa) or to impose the same export regulations as those to which other countries were subjected viz. specific export licences issued by the Board of Economic Warfare. The reintroduction of specific licences on the whole range of exports to Canada was extremely undesirable.

9. Accordingly I urged that Canada should be treated neither exactly "like Chicago" nor exactly "like all other foreign countries". Special treatment was justifiable on the ground that the Canadian war programme and war restrictions were much farther advanced than those of almost any other country (at any rate farther advanced than any country not receiving direct lend-lease assistance). Special treatment for Canada was also justifiable on the ground that the highest political sanction had been given to "integrating" the war effort of the two countries.

10. While arguing for special treatment, I admitted that I could see no clear formula which would give Canada "a square deal" under all circumstances. I suggested that, since no one could foretell how a given formula would work, the new export-price regulations might in general follow the second line of approach suggested in paragraph 6 above, and that they should in addition contain some clause which (A) related specifically to Canada and which (B) left considerable administrative freedom in dealing with prices of goods going to Canada.

11. I emphasized that, whatever provisions were made initially in respect of prices on goods going to Canada, experience would probably show points at which amendments were necessary. This was a further reason in favour of a special clause relating to Canada. It would permit easy alterations of the regulations affecting Canada alone, without alterations of the regulations affecting "Chicago" or "all other countries".

12. I reiterated a point I had made in previous conversations with Mr. Harris viz., that when a commodity is in short supply and a price-ceiling is imposed by O.P.A. which applies to Canadian and American purchases alike, then it is desirable that some form of allocation should be instituted to ensure a fair distribution of supplies between the two countries. I pointed out that, while it is within the power of O.P.A. to impose a price-ceiling, it is not within its power to introduce any such form of allocation. In the case of war supplies, Canadian purchasers were protected by the existing priority system. This put Canadian purchasers on an equal footing with American purchasers buying supplies for similar purposes and on a better footing than American (or Canadian) purchasers buying for less urgent purposes. This system, however, while giving protection in the case of Canadian purchases of war supplies, gave no similar protection in Canadian purchases of civilian supplies in general.

Incidentally, Dr. Harris mentioned that he had been exercising his influence towards giving foreign buyers greater freedom to pay prices higher than American buyers. He said that some members of O.P.A. seemed anxious to make all foreigners conform rigidly to domestic ceilings which would, in effect, practically eliminate exports. He took the view, however, that the trade of most foreign countries had been severely damaged by wartime events, particularly by

the shipping shortage, and that since there were already export controls exercised by the Board of Economic Warfare in regard to exports to most countries, it was permissible to allow foreigners to pay what amounted to a slight premium over prices in American markets.

He mentioned that some of the American possessions had been objecting to the prospect of having to pay prices higher than domestic American buyers because of the effects on price-ceilings in those possessions. He had warned them, however, that they should be worrying about their supply situation rather than their price situation. If they paid no more than American domestic ceilings they might get no supplies at all. Ends.

1114.

DEA/3927-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-649

Washington, April 14, 1942

IMMEDIATE. SECRET. Following for Donald Gordon from Plumtre, Begins: I have just been advised by Mr. Harris over the telephone that the drafting of the regulations regarding export prices was completed this morning.

According to present proposals exporters will generally be allowed to charge their customary margins above domestic prices. It is made clear, however, that the margins may differ from country to country, and Canada is specifically mentioned apart from other foreign countries.

I gather that the regulations are likely to be issued as an order in the very near future, and if you wish to hold up the proceedings pending a more thorough review of the situation from Canada's point of view, you should communicate directly either with me or with Mr. Kenneth Galbraith¹¹⁴, in whose hands the affair now rests. Ends.

1115.

DEA/836-P-39

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-547

Ottawa, April 15, 1942

IMMEDIATE. Following for Robertson and Stone from Keenleyside, Begins: Export controls and price policies of Canada and the United States.

¹¹⁴ Administrateur adjoint responsable de la direction des prix, bureau de l'administration des prix des États-Unis.

¹¹⁴ Assistant Administrator in charge of Price Division, Office of Price Administration of United States.

1. Meeting held last evening was attended by Gordon, Towers, Wilgress, Clark, Mackintosh, MacKinnon, Noble¹¹⁵, Skelton, Coyne¹¹⁶, Taylor¹¹⁷, Rasminsky and myself. We discussed Wrong's letters of March 30th and April 11th, Plumtre's telegram to Gordon dated April 14th, No. WA-649, and earlier communications in the same series.

2. After full discussion it was generally agreed that there is little evidence to support the suggestion that United States authorities resent the failure of Canada to grant general licences for exports to that country. It was emphasized that many of the Canadian license requirements were imposed to bring the Canadian list into concurrence with that of the United States and thus prevent Canada being used as a base for re-exports to third countries. It was also stressed that additions had been made to the Canadian list in order to prevent the export to the United States of commodities that had not heretofore been sold in that country but which were now being attracted to the United States by the price differential. There has been no complaint from the United States in connection with the imposition of license requirements for commodities in this category and none is expected. These cases constitute the only Canadian deviations from the United States list of license requirements.

3. It was acknowledged that in some cases Canadian controllers have probably been rather too ready to refuse export permits for the United States in order to maintain normal conditions in Canada, and it was agreed that an effort should be made to follow a consistent, reasonable and just policy. The difficulty of defining and maintaining such a policy in all cases was, of course, recognized.

4. In general it was agreed that Canada, while maintaining the present system, should

(a) make a special effort to ensure that the Canadian practice and the reasons for its adoption are made perfectly clear to the United States, and

(b) take steps to eliminate the few cases in which the United States can with some justice claim that Canadian officials are using the export control system to maintain unnecessary supplies in Canada.

5. The prospective United States price control policy described in Plumtre's telegram of April 14th No. WA-649, was accepted as being generally satisfactory, although it was agreed that individual problems would be likely to require adjustment in its execution. The hope was expressed that the enforcement of the new United States policy would not lead to the cancellation of the present general licenses for exports to Canada.

6. The newsprint situation was canvassed at considerable length. It was generally felt that it might have been advisable for Canada to have avoided being directly engaged in arguments on individual issues of this kind and to have

¹¹⁵ Vice-président, Commodity Prices Stabilization Corporation, Ltd.

¹¹⁶ Adjoint du président, Commission en temps de guerre des prix et du commerce.

¹¹⁷ Secrétaire, Commission en temps de guerre des prix et du commerce.

¹¹⁵ Vice-President, Commodity Prices Stabilization Corporation, Ltd.

¹¹⁶ Assistant to Chairman, Wartime Prices and Trade Board.

¹¹⁷ Secretary, Wartime Prices and Trade Board.

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stuck to the general thesis that the effect of the Canadian price and wage ceiling is of great benefit to the United States. It was recognized, however, that this line could not now be adopted in the newsprint situation because we have gone too far in assisting the United States to study the arguments of the Canadian companies.

7. It was finally decided that no further step should be taken in regard to the newsprint controversy at least until the promised additional information in regard to Canadian costs has been supplied by the companies involved. Further action can be decided upon in the light of this information.

1116.

DEA/3927-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-548

Ottawa, April 15, 1942

Following for Plumptre from Wartime Prices and Trade Board, Begins: Reference your teletype messages we regard proposal outlined in WA-649 as quite satisfactory and think it best not to attempt any other stipulations to favour Canada.

1117.

DEA/836-U-39

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

DESPATCH 138

Ottawa, February 9, 1943

Sir,

I have the honour to inform you that the question of the maintenance of the Canadian export permit regulations, in so far as exports to the United States are concerned, was raised in conversation with Mr. Robertson by Mr. Laughlin Currie on February 8. On the same day, Mr. Coe and a colleague from B.E.W.¹¹⁸ discussed the matter with Mr. Angus and Mr. Deutsch.

Mr. Coe explained that there was a growing movement in the United States in favour of a more rigid control of exports from that country, and that there had been a long discussion on this subject between Mr. Milo Perkins and Senator Wheeler. He added that when the general question of controlling exports was raised the particular issue of controlling exports to Canada might very well arise. Mr. Coe then pointed out that the Joint War Production Committee as early as December 1941 had recommended that all obstacles to the free movement of supplies between Canada and the United States should be removed.¹¹⁹ He pointed out that the United States did not require licenses for the

¹¹⁸ Board of Economic Warfare.

¹¹⁹ Voir le document 1096.

¹¹⁹ See Document 1096.

export of goods to Canada, but that it would be difficult to defend this generous policy in the course of political debates while Canada was requiring export permits for the exportation to the United States, as well as to other countries, of an extremely long list of goods.

Mr. Angus replied that critics of Canadian policy were attaching too much importance to appearances and were neglecting realities. The recommendation of December 1941 contemplated war material rather than consumer goods generally. It was since that time that the most irksome shortages of consumer goods had developed. The tendency was for their goods to move from the country with lower prices to the country with higher prices. Prices were higher today in the United States than in Canada, and generally speaking the United States control of wages had been less effective in limiting consumers' purchasing power than the Canadian control had been. The result was that if the requirement of export permits were to be removed by Canada goods would flow in large quantities to the United States and great hardship would be occasioned to Canadian consumers. To avoid this hardship, the Canadian Government would no doubt be compelled to resort to the type of control to which no objection has been taken by the United States, that is to say to control by allocation. While a change from control by export permits to a control by allocation might make Canadian policy less vulnerable to congressional criticism, it would have a great many disadvantages. It would involve a great deal of otherwise unnecessary effort at a time when there was a shortage of manpower, and it would in practice be likely to be much more irksome to United States importers than the Canadian export permit system is at present.

Mr. Coe pointed out that when export licenses were required for the export of war material from the United States to Canada the Canadian Department of Munitions and Supply had to maintain a fairly large staff in Washington in order to get United States exports out of the country and into Canada. Mr. Angus replied that this example was a good illustration of the difference between the two types of control and that the Canadian export permit system was really very simple in its administration, and had never given rise to the sort of difficulty mentioned by Mr. Coe.

In the course of the discussion, reference was made to a few specific instances. The Canadian control of the export of logs from British Columbia has been often described in the United States as an embargo, and interested parties have demanded retaliation. Mr. Coe suggested that Canada could have obtained the same results by a system of allocation without presenting its critics with the word "embargo" which had a powerful propaganda value. The obvious reply was that if the policy had been essentially the same a skilful propagandist would have found a means of attacking it. Mr. Deutsch pointed out that it would be practically impossible to deal with such things as forage crops by a system of allocation. Mr. Angus mentioned the commodities which received subsidies in order to keep them below the Canadian price ceiling. Some of these are imported from the United States, and if re-export were allowed it would presumably be profitable. It would be very irksome if every one of these commodities had to be subject to severe control, and possibly to rationing. Mr. Angus pointed out that presumably the United States rationing of shoes, which had just been

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announced, would involve the prohibition of export by mail order to Canada. Mr. Coe agreed and added that for commercial purposes there would no doubt be an allocation to Canada. Mr. Angus pointed out that the difference between a small allocation and an embargo might be in practice negligible.

In summary, the export control system made it possible to keep goods in Canada without the detailed control necessary if they were to be allocated and allowed much greater freedom of movement in Canada. It therefore appeared to be the type of device best suited to the needs of the country with the lower price ceiling.

Mr. Coe and his colleague agreed that the present system was not, in fact, unsatisfactory but repeated that it lent itself to attacks in Congress on the Canadian controls, and that these attacks might lead to a stricter United States policy with regard to exports to Canada if the general export policy of the United States were to come up for review in the immediate future.

Mr. Angus replied that Canadians fully understood the importance of not merely acting reasonably but also of appearing to act reasonably. The Canadian system could easily be explained and defended, and there was probably not much that Canadians could do to influence the course of political discussion in the United States.

I have given this very full account of the recent conversations because the issue which might arise in Washington is one of very great importance to Canada, and it may be necessary for the Canadian authorities to decide at short notice on the best line to take as regards publicity in the United States. Your advice on this point would be appreciated.

If appearances are neglected and realities are considered, the main issue appears to be how far the policy of each country has been deflected from that of a total war effort by the need for giving consideration to particular economic interests within the country. These interests may be those of industry, of labour, of agriculture or of other groups. A war effort which disregarded them completely would run the risk of impairing, or even destroying, the will to victory on which the war effort depends. On this broad issue Canada has nothing to fear from comparison with the United States, but it is extremely difficult for any governmental agency, or any "inspired" commentator to bring this broad issue before the public.

The narrower issue can be dealt with by explaining that the Canadian export permit system is an efficient and necessary type of control suited to Canadian conditions, that the special cases in which United States interests are affected can readily be dealt with on their merits by being made the subject of discussion between the appropriate agencies of the two Governments, and that this is exactly what would take place under any other system of control.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1118.

DEA/836-U-39

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

DESPATCH 804

Washington, April 8, 1943

Sir,

With reference to your despatch number 328 of March 26, 1943 on the subject of the maintenance of Canadian export permit regulations, I have the honour to transmit to you herewith copies of the memorandum containing the changes suggested in your despatch under reference and to inform you that copies were handed to Mr. Hickerson in the Department of State on April 6th, at which time he was fully informed of the background of the case including the discussions which took place in your Department, as dealt with in your despatch number 138 of February 9, 1943.

2. Mr. Mahoney further explained to Mr. Hickerson that the purpose of the memorandum was to provide representatives of B.E.W. and W.P.B.¹²⁰ with information on the Canadian position in case they are called upon to give testimony before the Senate Appropriation Committee when the Supply Bills of these agencies are under consideration. 3. Mr. Hickerson agreed to furnish copies to Mr. Laughlin Currie and Mr. Frank Coe, and if after consultation with them it is considered desirable to forward a copy to the Chairman of the Senate Appropriation Committee, such action will be taken by the Department of State.

I have etc.

M. M. MAHONEY
 for the Minister

[PIÈCE JOINTE/ENCLOSURE]

*Mémorandum de la légation aux États-Unis**Memorandum by Legation in United States*

Washington, April 2, 1943

MAINTENANCE OF CANADIAN EXPORT CONTROL REGULATIONS

The successful operation of an export control system to be justified must (1) fulfil a function essential to the maximum war effort; and (2) operate without detriment to that effort.

(1) Export controls by the United States over the movement of materials to Canada were abolished for the reason that they were not justified by the above-mentioned standards, because in the first place, such controls were an unnecessary duplication of other controls enforced by the United States i.e., priorities and allocations applicable to all critical commodities exported to Canada.

¹²⁰ War Production Board.

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In order to comply with these United States priority and allocation controls the Canadian authorities must obtain from the United States authorities specific authority and clearance on each and every shipment to Canada of critical materials. To obtain such clearance the Canadian authorities furnish not only evidence of necessity, but, in addition evidence that Canadian internal controls parallel those established in the United States. For the purpose of co-operating in this direction the United States War Production Board maintains an office at Ottawa which examines the necessity in the individual case and comparability of controls in general. United States commodities which are not subject to United States internal control are not of critical or strategic materials and presumably for this reason when shipped to Canada they are free from United States export control.

Any danger arising from the unrestricted movement of goods across the border in both directions would be far more prejudicial to Canada's economic life than to that of the United States because of Canada's smaller population. The danger, in the case of Canada, is augmented by the fact that the level of prices in Canada is lower than in the United States, a factor which encouraged exports from Canada across the border, thus adversely affecting the supply situation in Canada and adding to Canada's difficulties in the sphere of price control.

(2) In the second place, United States border restrictions were unjustified because they operated to the serious detriment of the joint war effort. When in operation it took weeks to obtain the second clearance of even the smallest repair part already cleared by the War Production Board Division in control of that item. Traffic facilities were very heavily taxed by cars held at all border points, demurrage accumulated everywhere, United States shipping floors were cluttered with machinery already cleared by priority but waiting the second border clearance. As a result invaluable time and millions of dollars were wasted to the detriment of the united war effort.

It may be emphasized that, with very few exceptions, export restrictions in Canada are only applied to commodities in short supply and that export permits are issued without limitation in respect to other goods. Canada's export permit system is intended to facilitate the maintenance of a close watch on the trend of exports of these other goods with a view to enabling exports of specific commodities in this group to be checked before the supply situation becomes critical. The determination of allocations for exports of Canadian products to the United States would call for the setting up of a much more complicated system of control than is at present in force, and it is not felt that anything would be gained by the substitution of allocations for the present system.

The Canadian authorities are of the opinion that Canadian export controls are justified by the standards hereinbefore mentioned, since controls serve as a counterpart of United States priority clearances. For example, in the case of lumber, the Canadian authorities submit the export permit application to the Lumber Branch of the United States War Production Board for recommendation on permits that should be granted. In effect such procedure provides a more rapid and simpler method of clearance than would result from a system of

Canadian priorities. Moreover, the Canadian procedure obviates the necessity of Canadian authorities keeping under continuous review the United States system of internal controls.

The Canadian export control system which is really very simple in its administration has never given rise to difficulties in the way of delay in the movement of war materials, not only because it is possible to issue export permits rapidly owing to the comparatively small volume, but amongst other reasons because of the difference of the nature of essential war materials interchanged between the two countries. For example, United States requirements from Canada are predominantly for raw materials, involving large quantities, the supply of which is ascertained in advance and which are not generally speaking as urgently required as is the machinery, equipment, finished stores, and so-called end-products which comprise the larger portion of Canadian requirements from the United States.

In summary, the Canadian export control system is considered an efficient and necessary type of control suited to Canadian conditions. It makes possible keeping goods in Canada without the detailed control necessary if they were to be allocated, and allows much greater freedom of movement in Canada. It therefore appears to be the type of device best suited to the need of the country with the lower price ceiling.

In the event that special cases should arise in which United States interests are affected they can readily be dealt with on their merits by being made the subject of discussion between the appropriate agencies of the two Governments; which is exactly what would take place under any other system of control.

During the discussions between the agencies of the two Governments which preceded the waiver of export control system on shipments of war materials to Canada, the Canadian authorities offered no objections to the principle of such control measures. On the other hand, there was convincing evidence that the controls should be removed on grounds that they were unnecessary and harmful to the common effort.

1119.

DTC/Vol. 310

*Le ministre du Commerce au ministre des Munitions
et des Approvisionnements*¹²¹

*Minister of Trade and Commerce to Minister of Munitions and Supply*¹²¹

CONFIDENTIAL

Ottawa, June 17, 1943

My dear Colleague,

May I bring to your attention a problem that arises, to some extent, out of dissatisfaction in Government circles at Washington with what is looked upon as the lack of reciprocity between Canada and the United States in the matter of export restrictions. Criticism of Canadian export control policy springs from the

¹²¹ Une lettre semblable fut envoyée au ministre des Finances.

¹²¹ A similar letter was sent to the Minister of Finance.

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fact that goods move from the United States to Canada with no need for export permits, whereas nearly all products moving from Canada to the United States require export permits and such permits are often refused.

You will recall that export control in Canada was centralized in the Export Permit Branch of this Department in April, 1941. In the exercise of this control, where questions of supply only are involved, the Export Permit Branch has acted mainly as an administrative agency — that is, in approving or refusing applications for permits, it has been guided by the advice of the Controllers of the Wartime Industries Control Board, of the Administrators of the Wartime Prices and Trade Board, or by the advice of the Agricultural Supplies Board, the Dairy Products Board or such other authorities as have been made responsible for conserving supplies. Nearly all requests to have products added to the list of items subject to export control originate, quite properly, with these authorities. On receipt of such requests, my Department secures the authority to apply the export permit requirement — often on short notice, and, in some cases, to meet conditions which, though urgent, are only temporary.

This system of export control has worked out well on the whole. Nevertheless, it has almost inevitably resulted in the rapid growth of what is now a very extensive system of restrictions. There is not the same degree of alertness to remove controls, as soon as they can be dispensed with, as there is to impose them. I strongly urge that the supply authorities, through whom my Department is requested to secure and to enforce export restrictions, should keep these restrictions under constant review, in order that they may initiate the removal of restrictions when it becomes clear that they have served their purposes, just as promptly as they recommend their adoption.

It will be appreciated if, insofar as your Department is concerned with export restrictions that are intended to conserve supplies, you will be good enough to have steps taken to ensure that these restrictions are kept under frequent review, in order that there may be the least room for criticism of their effect upon Canada's trade relations with the United States.

What I have in mind is that restrictions on exports to the United States should be eliminated if it is practicable to do so. In cases where they must be retained they should be administered with the utmost consideration of the need to avoid interfering unduly with trade between the two countries.

Yours sincerely,

JAS. A. MACKINNON

1120.

DTC/Vol. 310

Le ministre des Finances au ministre du Commerce

Minister of Finance to Minister of Trade and Commerce

CONFIDENTIAL

Ottawa, July 5, 1943

My dear Colleague,

On June 17 you wrote me a confidential letter relating to the removal of export controls wherever possible. With your consent, given on June 23, I

showed your letter to Mr. Gordon, Chairman of the Wartime Prices and Trade Board, and I now have a reply from him, which is as follows and which I cite for your confidential information:

"Miss Wickwire¹²² forwarded to me a copy of the letter you received from the Hon. James A. MacKinnon dated June 17, dealing with the subject of export controls as they apply to the United States.

"I delayed replying to this letter because Mr. M.W. Mackenzie¹²³ was at the time in Washington discussing this very point with officials of the Board of Economic Warfare.

"As a result of these discussions in Washington we are planning to have made a review of all existing export controls covering commodities where a control has been instituted at the request of our Administrators. We are hopeful that a similar review will be undertaken by the Wartime Industries Control Board, and in this way it should be possible to eliminate a number of border restrictions which certainly appear on the face of them to represent unnecessary formality and duplication. It is quite apparent, therefore, that our thinking is completely in line with the suggestion made by the Hon. Mr. MacKinnon.

"For your information I may add that in my opinion the problem is really of comparatively small importance. The principle of share-and-share-alike between the United States and Canada is and has been followed by our Administrators, and I am satisfied that the great bulk of the export controls in existence are necessary because of the fundamental difference in the price level in the two countries which, without control, would completely drain Canada of supplies. The agitation in Washington for a removal of export controls by Canada is, I am convinced, inspired very largely by an interdepartmental difference of opinion as to which authority should be in control of exports to Canada.

"At the present time Canada, through the Canadian Division of the War Production Board, files its claims on United States supply directly through the Combined Production and Resources Board. Other countries are taken care of through the Board of Economic Warfare. There can be little doubt that the Board of Economic Warfare is anxious to secure control over all exports from the United States. It appears that the Board of Economic Warfare sees an opportunity to reinstitute export control to Canada on the grounds that we have not done our part in implementing the Hyde Park Agreement relative to the removal of border restrictions.

"The officials of the Board of Economic Warfare are unable to deny the logic of our position in maintaining export controls on a large number of commodities, particularly those items such as agricultural products where it does not appear possible to design any other system to protect Canadian supply. Neither can the officials show any valid reason why exports from the United States to Canada should be brought under what is known as the programme licensing

¹²² Secrétaire particulière du ministre des Finances. ¹²² Private Secretary of the Minister of Finance.

¹²³ Président adjoint, Commission en temps de guerre des prix et du commerce. ¹²³ Deputy Chairman, Wartime Prices and Trade Board.

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system. At the same time, however, they maintain a rigid view that for the sake of tidying up, Canada should be under the programme licensing system, and we can only draw the one conclusion, that it is a desire on the part of the Board of Economic Warfare to assume the driver's seat displacing the War Production Board.

"We are not unduly concerned about this situation because we feel confident that our position would be upheld in any discussions at a higher level. None the less we are proceeding to tidy up our own position by the review that I have mentioned of existing export controls, with the expectation that some of them can now be removed because of the development of internal distribution controls, for example, the rationing of farm machinery by certificate may upon investigation show that export control is a simple duplication."

You will note from the foregoing that the matter is receiving close attention.

Yours very truly,

J. L. ILSLEY

1121.

DEA/836-P-39

*Le président, la Commission en temps de guerre des prix et du commerce, à la Commission en temps de guerre des prix et du commerce*¹²⁴

*Chairman, Wartime Prices and Trade Board, to Wartime Prices and Trade Board*¹²⁴

BULLETIN NO. 163

Ottawa, July 20, 1943

RE: HYDE PARK AGREEMENT AND EXPORT CONTROLS

It has been recognized by the Governments of the United States and Canada that the joint war effort can best be furthered by the pooling of resources and production. This principle has been laid down on the highest level by the Hyde Park Agreement between the President of the United States and the Prime Minister,¹²⁵ and reiterated on many occasions by joint U.S.-Canadian bodies.

The President in his statement of December 23rd, 1941, approved of the removal of any barrier standing in the way of the combined effort and asked departments and agencies in the United States Government to abide by the letter and spirit of the policy. Following the Presidential direction, the U.S. Departments and Agencies, chiefly the State Department and Board of Economic Warfare, promptly completed their work already in hand of removing export controls on the movement of commodities and materials to Canada with the result that there is today no export license restriction on any commodity or material whatsoever to Canada. This complete freedom from export license restrictions has not been granted to any other country. Within the Controlled

¹²⁴ Ce bulletin fut communiqué à tous les officiels de la Commission.

¹²⁵ Voir le volume 8, document 191.

¹²⁴ This bulletin was sent to all officials of the Board.

¹²⁵ See Volume 8, Document 191.

Materials Plan and the priorities system of the United States, Canada has been granted complete equality — a Canadian firm has exactly the same status as an American firm and a Canadian requirement receives exactly the same priority rating as an American requirement. In those fields where quotas are established, Canada, through the Canadian Division of the WPB, voices her requirements as a claimant agency in common with the claimant agencies of the U.S. Government. Our experience in the granting of quotas has been, on the whole, that Canada has received treatment comparable to that given the U.S. Services and Agencies.

On our side in Canada, we have given general effect to the policy of pooling of resources and production and to the removal of barriers hindering the implementation of that policy. However, it is not possible to use the same means to obtain the same results. Export controls cannot be removed because of special considerations obtaining in Canada which are not present in the U.S. The most important of these is the higher level of United States prices backed by a volume of purchasing power capable in most instances of draining the Canadian market completely. The spirit of the agreement is that each country should continue to draw on the other for its normal share of available goods, obtaining neither more nor less. To achieve this end in respect of Canadian production, export controls are necessary, particularly in the case of goods produced by a large number of small producers. In other words, we are following the same policy of distribution between the two countries, but rely on a different method of exercising it.

Our method, applied with understanding, is no more likely to be onerous on United States interests than their method is likely to be onerous on ours. However, since some of our export controls were instituted suddenly in a moment of crisis, it might be found on examination that some of them are no longer needed or that they require modification in order to give effect to the accepted policy to which the two countries have subscribed. I would appreciate it if you would take steps to review existing export controls on commodities with which you are immediately concerned, and in doing so, ask that you exercise the greatest care in seeing that full consideration is given to legitimate United States interests in the application of those controls. Please let me have a report after you have made the review.

Should you, at any time in the future, feel it necessary to recommend new restrictions likely to affect Canadian exports to the United States, you should first make full enquiry as to the United States interests involved, and in submitting your recommendation to the Board indicate the quota of Canadian production that should be allocated to the United States. Appropriate advices will then be sent by the Supply Division of the Board to the interested United States officials through our representatives in Washington, explaining the need for action, and should it be found necessary providing an opportunity for further discussion (in Canada and the United States) on the amount of the quota.

It should be understood that inadequacy of supply is not in itself a sufficient reason for stopping all export to the United States. Obviously, if Canada or the U.S. took this stand, there would be no interchange of really critical commodi-

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ties whatsoever. In drawing this matter to your attention I do so because we are anxious to make sure that we are implementing in every way possible a policy which is today as mutually advantageous as it was at the time the Hyde Park Agreement was reached between the President and the Prime Minister.

D. GORDON

1122.

DEA/836-U-39

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures¹²⁶
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs¹²⁶
to Under-Secretary of State for External Affairs*

[Ottawa,] November 16, 1943

Mr. Lewis Clark called by appointment this morning to discuss a report to the effect that the Canadian Government had issued a ruling forbidding herring fishermen on the east coast from exporting to Maine canneries any herring that had not been offered to and refused by Canadian canners. In advance of Mr. Clark's visit I had taken this matter up with the Department of Fisheries and they had informed me that they knew of no such ruling. Mr. Sutherland of the Fisheries Department was present during my conversation with Mr. Clark.

In the course of the discussion, it was suggested that possibly the problem might have arisen through some regulation of the Wartime Prices and Trade Board or of the Export Permit Branch. I phoned the latter and was unable to obtain an immediate answer to my enquiries, although Mr. Barkley, with whom I spoke, said that he thought it was probable that such a ruling had been issued. He is to let me know as soon as possible.

Mr. Clark then went on to generalize his complaint. He said that in a considerable number of cases, including two instances in the field of fisheries, the Canadian authorities had issued regulations banning exports to the United States unless and until all Canadian and "Empire" requirements had been met. He said that similar action had been taken on two or three occasions by the Oils and Fats Administration. Mr. Clark argued that actions of this kind were directly contrary to the spirit and letter of the Hyde Park Agreement and that the United States had been very careful to see that Canada received a proper proportionate share of any essential commodities which were in short supply in the United States.

I told Mr. Clark that we would let him know as soon as possible what the situation was in regard to the exports of herring and that I would bring to the attention of the appropriate officials his comments on our general export permit policy. If his criticism in regard to the latter is justified, it is obviously a matter that should be reviewed at the highest level.

¹²⁶H.L. Keenleyside.

1123.

DEA/836-U-39

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au premier secrétaire, l'ambassade des États-Unis*

*Assistant Under-Secretary of State for External Affairs
to First Secretary, Embassy of United States*

Ottawa, November 23, 1943

Dear Mr. Clark,

1. I have been giving further consideration to the questions which were discussed in our meeting on November 16, and I think it may help to remove misunderstandings if I set out the background against which the Canadian authorities are inclined to consider the objections advanced to regulations banning exports to the United States unless and until Canadian and Empire requirements have been met.

2. As you are aware the Canadian authorities have from time to time made extensive contracts with the United Kingdom for the supply of large quantities of certain commodities. It is obviously necessary to avoid any administrative regulations which would interfere with the filling of these contracts and at the same time to protect Canadian supplies from being diverted to markets which from the standpoint of the individual purchaser, may be more lucrative. I have never understood that the United States object either to the contracts or to the measures corresponding to allocation which are necessary to give effect to them.

3. In the case of some other British Empire countries, of which the British West Indies may be taken as the best example, Canada has assumed a *de facto* responsibility for ensuring an adequate minimum of supplies. Here again it is necessary to conserve our resources if we are to fulfil our undertakings.

4. In a general way, therefore, it may be said that exports from Canada to the United Kingdom and other parts of the British Empire are not really comparable with exports on a commercial basis to the United States. There is a further important distinction to be made. The exports to the United States are paid for in United States dollars and are more lucrative both to the individual exporters and to Canada as a whole than exports to the sterling area. If, therefore, Canadian authorities are insisting on protecting exports to the sterling area they are doing so to their own financial disadvantage, and this circumstance ought in itself to be a protection against any suspicion that undue discrimination is being practised.

5. Insofar as the safeguarding of purely Canadian requirements is concerned, the situation is such that it is frequently necessary to preclude exports to the United States which might deplete either the Canadian market, or certain sections of that market, of their supplies of essential commodities. In a general way, United States prices are higher than Canadian prices and in some instances Canadian export restrictions have been designed in part to assist the United States authorities in their efforts to check the development of black market activities. When the restrictions are designed to protect the supplies available for Canadian consumers under the Canadian price ceiling in spite of

the lure of the United States market, it must be borne in mind that the difference in population between the countries is so great that a very small increment in United States per capita supplies would correspond to a very large decrease in Canadian per capita supplies.

6. It seems to me that these general considerations explain why there is sometimes an appearance of discrimination when, on a fully informed view of the situation, there is no real discrimination. In emphasizing this general picture, as a safeguard against misunderstandings, I do not wish to use it in any way as an answer to particular complaints which may be made in respect of definite commodities which are in short supply in both countries and of which the need is great in the United States. The Canadian authorities are far from denying that isolated instances of this character may occur, and will always be grateful if they are brought to their attention. We do, however, feel that we are completely innocent of the charge that we are acting directly contrary to the spirit and letter of the Hyde Park Agreement.

Yours sincerely,

H. L. KEENLEYSIDE

1124.

DEA/836-U-39

*Le premier secrétaire, l'ambassade des États-Unis, au
sous-secrétaire d'État adjoint aux Affaires extérieures*

*First Secretary, Embassy of United States, to Assistant
Under-Secretary of State for External Affairs*

Ottawa, December 20, 1943

Dear Mr. Keenleyside,

A copy of your letter of November 23, 1943, prompted by my informal remarks of November 16 to you regarding Canadian export policy, was forwarded to Mr. Hickerson in Washington for his comment. Mr. Hickerson has discussed this matter in Washington and thought you might like to have informally the reaction which your letter produced in the Department.

He believes that it may be fairly said that the United States Government has all along been mindful of the effect which the differences in price levels and the differences in volume and purchasing power of the two markets — American and Canadian — might have on the Canadian supply situation in the absence of any control. It is our purpose, of course, always to take a reasonable attitude in the light of these important factors.

Several other important points made in your letter have, however, provoked comment. In paragraph 2 of your letter you refer to Canadian contracts for supplies to the United Kingdom and state that you have "never understood that the United States object either to the contracts or to the measures corresponding to allocation which are necessary to give effect to them." Mr. Hickerson comments that you are quite correct in assuming that no objection is taken to the contracts. As you are aware, however, the United States also has, through some-

what similar contracts and through Lend-Lease, obligated itself to furnish supplies not only to the United Kingdom, but also to other destinations. These commitments have contributed to a short supply situation in a wide range of commodities, some of which Canada too requires from the United States.

Mr. Hickerson says that he is not aware that our commitments to third countries have ever been advanced as a reason for an embargo on the export to Canada of any commodity. It is, in his opinion, in just such situations that the Hyde Park principles come into play. Obviously in so far as commitments to third countries create short supply situations the need for such principles is further emphasized. Your letter, however, has created the impression that "measures corresponding to allocation" are considered on a different basis in the two countries. Mr. Hickerson feels that, if this is true, it should be pointed out that the view generally held in Washington is that any situation whereby Canada exported to the United States out of surplus only at a time when the United States was exporting to Canada materials in short supply could not in the long run be other than harmful to the best interests of both countries. Personally Mr. Hickerson is convinced that you did not intend to convey any such impression, but he would be glad to be assured on this point.

In paragraph 3 of your letter it is stated that Canada has assumed *de facto* responsibility for insuring an adequate minimum of supplies to certain other British Empire countries, notably the British West Indies. Although he is not fully informed, Mr. Hickerson feels that this assertion of responsibility appears to reveal a divergence in methods of allocation of supplies. It has been his impression that allocation of American supplies has, in the main, taken place in accordance with policy decisions and plans headed up under the Combined Boards. He wonders, therefore, whether your assertion of Canadian responsibility for supplying Empire markets implies allocation outside the general planning undertaken by such agencies.

Mr. Hickerson has noted, with gratification, the willingness of the Canadian authorities to investigate any complaints that Canada has embargoed export to the United States of a commodity in short supply, and we shall take advantage of this offer should cases be brought to our attention.

Sincerely yours,

LEWIS CLARK

1125.

DEA/836-U-39

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au premier secrétaire, l'ambassade des États-Unis
Assistant Under-Secretary of State for External Affairs
to First Secretary, Embassy of United States*

Ottawa, December 29, 1943

Dear Mr. Clark,

I am much obliged for your letter of December 20, in which you inform me of the reaction that my letter of November 23, in which I attempted to remove

certain misunderstandings concerning Canadian export regulations, had produced in the State Department. I am sorry to see that my letter has itself given rise to two misunderstandings, but now that these have been brought to my attention I think that I can easily remove them.

When I explained that Canada, like the United States, had undertaken export commitments which contributed to a short supply situation and that these commitments could be met and the short supply made to cover essential Canadian requirements only by measures of export control, I did not for a moment mean to suggest that Canada should export "to the United States out of surplus only, at a time when the United States was exporting to Canada materials in short supply". If this was the impression which my letter gave, I can well imagine that it might arouse a certain consternation as it could be interpreted as threatening important supplies which the United States receives from Canada.

It is, of course, true that in the case of certain commodities Canada has, with, I understand, the full approbation of the Combined Food Board, undertaken to export to the United Kingdom its entire exportable surplus. In these cases what is left in Canada is not merely what we ordinarily term "short supply" but is by definition a supply which allows no margin for export. These cases, however, are not numerous.

I do not think that the *de facto* responsibility that Canada has assumed for supplying the British West Indies implies any departure from the general policy, decisions and plans of the Combined Boards. It has, I believe, been a matter of convenience to these Boards that some details of supply for smaller areas should have been settled directly between Canada and the areas concerned. To go outside the Empire, a similar instance could be found in the case of St. Pierre and Miquelon.

Yours sincerely,

H. L. KEENLEYSIDE

SECTION C

COMMERCE AVEC L'AMÉRIQUE LATINE

TRADE WITH LATIN AMERICA

1126.

DEA/836-AN-39

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

DESPATCH 333

Washington, February 18, 1943

SECRET

Sir,

I have the honour to refer to my despatch No. 2959 of December 12th¹, with which I submitted copies of the agreement covering the United States Decentralization Plan of Export Control¹, insofar as it concerned Brazil.

2. As anticipated at that time, further clarification of the mechanics of the procedure involved has taken place, and such changes are embodied in the

attached copies of what is now known as "Plan A". Further changes may be expected as a result of the current visit to Latin American countries of a number of two-men flying missions, composed of representatives of the State Department and the Board of Economic Warfare, who are studying the possibilities of extending the scheme to other countries in Latin America, the French West Indies, and the Caribbean area. A re-examination of the plan as it is to be applied to Brazil is also being made.

3. Considerable difference of opinion exists in Washington regarding the timing of the operation of the decentralized plan in the various countries concerned, but definite information on this point may be available shortly. Meanwhile, in informal discussions which the Commercial Attaché has had with the State Department and the Board of Economic Warfare on this subject, he has stressed the fact that our own Missions and Trade Commissioners in the countries concerned should be kept fully informed of developments.

4. You will note that the form to be used in the country of destination is now referred to as an "Import Recommendation Form". This replaces the previous term "Preference Request". It has been pointed out to the United States agencies concerned that the procedure, insofar as it relates to Canadian products, should avoid the despatch of such forms by the Board of Economic Warfare direct to Canadian exporters, and that it would be desirable for these to reach Canadian firms via a Canadian agency concerned with export trade.

5. As to the attitude of Latin American countries regarding the need for this form of control, there are some indications that they regard this decentralization of exports as both unnecessary and as unwarranted intervention with their own controls over imports. This attitude in part may be explained by their lack of confidence in a complicated scheme which will not permit much latitude in providing shipping space to meet a critical supply situation. Moreover, it is felt that United States missions abroad, who will have the last word in what and when exports are to be allowed, may become a lobbying centre for importers, and that inexperienced United States personnel will not be able to render detached decisions which Washington representatives of those countries are accustomed to make under the present system.

6. On the other hand, the United States exporting community is very dissatisfied with existing arrangements and, in view of the extreme shortage of shipping for ordinary commercial trade, it is evident that the State Department considers it necessary to exercise stricter control both over the supply and shipment of all commercial orders in relation to their use in the country of destination.

I have etc.

L. B. PEARSON
for the Minister

NON - CIRCULATING /

1127.

DEA/836-AN-39

*Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis**Secretary of State for External Affairs to Minister in United States*

DESPATCH 174

Ottawa, February 22, 1943

SECRET

Sir,

I have the honour to refer to your despatch No. 333 of February 18th in which you enclosed three copies of "Plan A"¹²⁷. I am sending copies of the despatch and of the plan to the Canadian Legations in South America, as you suggest. As one copy of the plan will be required for the files of the Department of External Affairs, I should appreciate it if you can procure an additional copy for the new Canadian Legation in Chile.

2. Although Plan A is advanced as a modification of the earlier plan discussed in your despatch No. 2959 of December 12¹, it is in itself a measure of unusual scope and of great potential importance. I therefore find it difficult to understand why Plan A should have been explained to the Commercial Attaché with the help of mimeographed interdepartmental memoranda of the most informal character instead of being made the subject of a formal request for Canadian cooperation in framing its terms as well as putting them into execution. I am inclined to think that the Legation might with propriety have asked for a formal statement of what the State Department wished Canada to do.

3. While the proposed plan applies in terms to all articles of raw materials imported from or by way of the United States, it is apparently contemplated that it should extend eventually to all countries in the Western hemisphere. These countries include Canada, Newfoundland and the British West Indies as well as the countries mentioned in paragraph 2 of your note. Plan A, however, is formulated at times in a way which suggests that the United States is the only country concerned with the problem of supply. Yet it is obvious that Plan A can hardly accomplish its purpose unless account is taken of the direct exchanges between countries in the Western hemisphere and of the trade which those countries carry on with countries in the Eastern hemisphere. I am unable to discover either from your despatch or from the memoranda enclosed in it how this problem is to be solved.

4. In so far as the immediate problem of controlling exports to Latin American countries is concerned it would be possible for Canada to cooperate very closely with the United States. The same Import Recommendation forms could perhaps be used for both countries provided that, as is suggested in paragraph 4 of your despatch, these forms reach Canadian firms through a Canadian agency and not direct from B.E.W.¹²⁷. If Canada were to decide to cooperate in this way it would be necessary for Canadian interests in each importing country to be

¹²⁷ Board of Economic Warfare.

closely safeguarded. In those countries in which Canada has commercial representatives this task would be far easier than in those where there are no Canadian Trade Representatives at the present time.

5. It may well be that the control which the United States is able to exercise over shipping facilities will be used to compel Canada to cooperate in the manner suggested in the preceding paragraph and it is possible that the prospect of this compulsion may make Canada decide to cooperate with good grace. I gather from your despatch that Canada was not consulted when Plan A was in the course of preparation and on looking at your despatch No. 2959 of December 12th I find that the Canadian Legation was not consulted when the earlier plan, of which Plan A is a modification, was instituted. I do not know whether it is anticipated that a formal request for cooperation will be received.

6. An alternative form which Canadian cooperation might take would become possible if Canada were to receive an allocation of shipping space and were then to make her own allocations in consultation, on an equal footing, with the United States. While it is true that the shipping concerned is not on Canadian registry, Canada's contribution both to ship construction and to convoy work has been of an order which should entitle Canada to consideration in the use to which shipping is to be put.

7. If an alternative of this sort were to be found practicable it would lessen in some degree the danger incidental to the concentration of enormous power in the hands of the United States authorities. Without suspecting that any sinister intentions exist at the present time as to the use to which this power may be put, it is impossible not to feel some apprehension as to what might happen if political pressure within the United States were to demand that it should be used for the selfish promotion of United States business interests.

8. It is therefore of some importance that we should keep the record clear. Paragraph 3 of your despatch suggests that it was blandly taken for granted by the State Department and the Bureau of Economic Warfare that Canada would cooperate in the plan in whatever way the United States might consider best. It also appears from paragraph 4 as if this position had been accepted by the Legation subject to a suggested modification with respect to the use of Import Recommendation forms when Canadian products are concerned. The assumption that Canada will cooperate in the plan seems rather strange in view of the fact that the plan itself makes no mention of Canada and that the proposed control of Canadian exports is entirely incidental to their shipment by way of the United States.

9. While Canada is not mentioned as a supplying country, the text of the communications under consideration, if taken literally, would imply that Canada as an importing country would be subject to the provisions of Plan A. There is, however, no reference in your despatch to this possibility and I am therefore led to infer that a tacit exception is to be made for Canada, at any rate, for the present. While this difference of treatment is satisfactory, as far as Canada is concerned, it seems quite possible that it may increase the resentment that may be felt in Latin America over this novel proposal for the control of trade.

NON CIRCULATING /

10. In view of these observations, I should appreciate some further explanation of and comment on Plan A.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1128.

DEA/836-AN-39

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-689

Ottawa, February 26, 1943

IMMEDIATE. The Department of Trade and Commerce has reported on the telephone conversations with Scott on the subject of the cancellation as from Monday, March the 1st, of G.I.T.¹²⁸ licences, covering the movement of Canadian goods through the United States to Brazil, and of similar licences for Argentina as from April 1st. It would have been preferable if a proposal of this far-reaching character could have been discussed with Canadian authorities before being put into effect, particularly as the Canadian Government has at all times been thoroughly willing to cooperate with the United States authorities as regards the export policy to South America. The Canadian Government is naturally concerned with safeguarding the appropriate Canadian share of the export trade to South America during the war, and the Canadian position in South American markets afterwards. Hitherto Canadian exports have been controlled by Canadian authorities working in close agreement with the United States authorities. Under the proposed arrangement these procedures will no longer be possible and it appears to us that the only reasonable arrangement would be to set up some joint United States-Canadian authority to control the exports of both countries to South America and in the first instance to Brazil and to the Argentine. It is felt that any proposal for Canadian representation on some United States departmental committee, or committees, would be entirely unsuitable for this purpose. It would, therefore, be appreciated if you could bring this view to the attention of the United States authorities and emphasize that it is the logical outcome of the new policy involving cancellation of G.I.T. licences.

1129.

DEA/836-AN-39

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-934

Washington, February 27, 1943

IMMEDIATE. I have just received your despatch No. 174 of February 22, regarding "Plan A", (decentralization of export control) and as there are several

¹²⁸ General in-transit.

points which warrant clarification in the light of our current discussions regarding Brazil, the following general comments are offered:

(1) Shipments in transit to Latin American countries from all sources, including European, South Pacific, etc., as well as from Canada, are included in Plan A. The scheme is, therefore, much broader in its scope than was ever previously indicated to us. Even admitting Canadian export control is already closely integrated with that of the United States, the number of countries affected would partially account for the specific lack of interest shown hitherto in the effect on Canadian export trade of a plan of this type, and for the absence of an official request for cooperation. So far we have no information regarding the attitude of British and other interests which will be similarly affected.

(2) United States authorities still have to settle questions of detail insofar as they apply to specific countries of import, and as some of their missions have not completed their reports, further changes in procedure may be expected. For example, at today's discussions with the State Department, it was apparent that the plan for Brazil differs in respect to procedure from that proposed for other Latin American countries.

(3) There has never been any doubt here regarding the desire of the United States authorities for our cooperation from the point of view of supply, and this has been illustrated by the interim instructions to their missions regarding the enlisting of the cooperation of Canadian field representatives. In this connection it should be emphasized that the plan is essentially "decentralized", and that Washington is dependent upon the country agencies, (working in cooperation with their missions), for recommendations regarding cargoes to be accommodated on United States vessels, and the respective sources of supply.

(4) Taking all the above into account, the scheme has only now crystallized (in the case of Brazil) to a sufficient extent that the State Department feels they are in a position to discuss the subject with us in detail, even though admittedly these discussions were precipitated by the promulgation by B.E.W. [of] regulations designed to bring exports to Brazil and Argentina under the plan. Incidentally, only four or five days ago we were advised that the plan would not be operative for Brazil until May 1, and even now we have no definite information regarding Argentina where the plan is operative April 1.

(5) As a result of discussions this week, in which B.C. Butler, Associate Director of the Shipping Priorities Committee, Department of Trade and Commerce, participated, the suggestion made in paragraph 6 of your despatch has been accepted by the State Department and B.E.W. as a means of dealing with the interim shipping problem for individual countries where the plan is not yet operative. It is quite clear, however, that as and when the scheme is in operation in those countries, Canadian exporters will only obtain shipping space to the extent that import recommendations for Canadian goods are issued by the country agency concerned. The same consideration applies to all countries of origin affected. It may be possible, however, for us to arrange with the State Department for the import recommendations for specific products to be issued on a proportional basis where Canadian and United States interests conflict. In this way, Canada's share of the trade will be safeguarded. It has been intimated

to us that instructions to the United States missions abroad along these lines could be issued.

Please pass a copy of this teletype to the Acting Deputy Minister, Department of Trade and Commerce.

1130.

DEA/836-AN-39

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-949

Washington, March 1, 1943

IMMEDIATE. Following for Robertson from Pearson, Begins: Following is draft despatch [note] on export control matters referred to in my immediately preceding teletype[†], Begins: Sir,

I have the honour to refer to measures which have recently been taken or proposed by the United States Government in the control of exports to Latin American countries. As you know, there has existed for some time close co-operation between United States and Canadian agencies in this field. The Canadian Government has heartily welcomed such co-operation, while the United States Government has on more than one occasion given evidence of a similar attitude; notably in the circular despatch of the Department of State of December 22nd, 1942, to United States diplomatic officers in the other American republics on "relations with Canadian officials abroad"[†]. This circular despatch referred to the exchange of notes between our two Governments of November 30th, 1942¹²⁹, on post-war economic policy and quoted that sentence from those notes which expressed our desire "to furnish the world with a concrete example of how two friendly, economically interdependent countries may promote by agreed action their mutual interest to the benefit of themselves and other countries".

While sensible of the goodwill and close co-operation which it has enjoyed in its relations with United States authorities in this export-control field, the Canadian Government views with concern a recent development therein. I refer to the cancellation by the United States authorities, without prior notice, of general in-transit license privileges previously accorded Canadian goods moving through the United States. This cancellation is, I believe, incident to the putting into effect of a decentralized plan for export control, drawn up by the United States authorities.

Considering the close day-to-day relationship which exists between United States and Canadian officials in all phases of export control, it is felt that it would have been neither inappropriate nor difficult for the latter to have been consulted before this step was taken; especially as the cancellation in question is bound to cause unnecessary hardship and dislocation to Canadian trading interests.

¹²⁹ Voir Canada, *Recueil des traités*, 1942, N° 17. ¹²⁹ See Canada, *Treaty Series*, 1942, No. 17.

It is hoped that, if further restrictions of this character affecting Canadian export interests are contemplated, the opportunity for a prior exchange of view may be provided, with a view to facilitating joint action and close and friendly co-operation.

In the circular despatch referred to above the Secretary of State wrote:

"In all economic work it should constantly be borne in mind that an underlying policy of both Governments (United States and Canadian) is to keep war-time exports in equitable proportion to peace-time trade and to ensure so far as possible that no advantage is taken by nationals of either country at the expense of the other". In this connection, the Canadian Government would welcome discussions with a view to ensuring that the decentralized plan of export control now put into effect will not prejudice the realization of the objective embodied in the above statement. Ends.

1131.

DEA/836-AN-39

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-732

Ottawa, March 3, 1943

IMMEDIATE. Following for Mr. H.A. Scott from Mr. G.D. Mallory,¹³⁰ Begins: If the Canadian Government agrees to collaborate in Plan A the following recommendation is made by the Export Control Committee as a basis for discussions with B.E.W. and State Department officials:

1. Acceptance of Plan A must be predicated on the assumption that Canada will be considered as a regular supplier of certain goods to Latin America. Our share of this regular trade, commodity by commodity, should be represented as percentages based on past trade over a representative period, say five years, Canada's share of the available shipping space to be on the same basis.

2. Canada's export control measures so far as Latin America is concerned, have paralleled those of the United States, thus demonstrating our ability and willingness to co-ordinate our controls with those of the United States. There is every intention that this policy will continue and there is, therefore, no valid reason why Canadian goods should not continue to move through the United States on G.I.T. licenses.

3. It is recognized that only those commodities, the import of which is essential to the war aims of the United Nations, the maintenance of essential industries and services, and the economic life of Latin American countries can move in terms of present shipping space limitations. Therefore, Canadian Export Control authorities have already tightened their control to embrace virtually all commodities moving to Latin America, and those remaining outside this category can be effectually controlled by Ministerial order in a matter of hours.

¹³⁰ Président, Comité de contrôle des exportations, ministère du Commerce.

¹³⁰ Chairman, Export Control Committee, Department of Trade and Commerce.

NON CIRCULATING

4. For the effective operation of Plan A, arrangements should be made for joint and full discussion between Canadian and United States officials in Washington, for example, a joint committee to deal with matters of policy and procedure. Furthermore, (insofar as Canadian goods are concerned,) the details of the administration of Plan A should be worked out by collaboration between Canadian and American Export Control authorities, and a method developed whereby the Canadian Government will receive import recommendations direct from the country of import.

5. In establishing the import requirements of a country as a basis for import recommendations in the field, the Canadian Commercial Attaché or other authorized representative should be a member of the Committee making such decisions.

6. In countries where there is no Canadian representation, arrangements will be made for a qualified representative to attend meetings in the country concerned as and when required, for the purpose of discussions with the American Mission. Failing attendance of a Canadian representative, the Canadian Export Control Authorities will rely on the U.S. Mission to give consideration to Canadian interests in accordance with the principles set out in their note of November 30.

1132.

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Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1005

Washington, March 4, 1943

IMMEDIATE. Following for Robertson from Pearson, Begins: further to our WA-949, March 1st, export control. I handed the communication to Mr. Acheson this afternoon as we had previously telegraphed it to you, with the exception that the last sentence was changed to read:

"In this connection, the Canadian Government would welcome discussions with a view to embodying in an exchange of notes, not only arrangements for the association of Canada with the decentralization plan of export control now being put into effect, but also measures to ensure that this plan will not prejudice the realization of the objective embodied in your statement above."

Scott, who accompanied me, and I explained to Acheson the situation which seemed to the Canadian Government to necessitate a note of this kind. Acheson agreed that it was desirable that discussions should be negotiated with a view to working out an exchange of notes which would embody arrangements to avoid future difficulties of this kind. As these discussions will probably begin shortly, we should receive without delay explicit instructions as to the line we are to take. In this connection, reference is made to EX-732 of March 3rd from Mallory to Scott, which lays down certain conditions which should be accepted before Canada associates itself with plan A.

2. I would like also to point out that the restoration of our G.I.T. privileges is dependent on our acceptance of plan A. On the assumption that arrangements can be made here which will permit us to associate ourselves with plan A, it is therefore important that the resulting exchange of notes should be concluded as soon as possible. Ends.

1133.

DEA/836-AN-39

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-786

Ottawa, March 5, 1943

Your Teletype WA-1005 of March 4th. Export control.

The association of Canada with Plan A will depend to some extent on a satisfactory settlement of the points raised in Mallory's teletype EX-732 of March 3rd to Scott. The latest reports seem to indicate that there will be no great difficulty in reaching substantial agreement.

2. The second issue raised in your teletype concerns the line to be taken in negotiations looking to an exchange of notes embodying arrangements designed to avoid future difficulties of the sort which have arisen in connection with Plan A, and the cancellation of G.I.T. licenses. The essence of the matter is that preliminary discussions of details should precede any final settlement which is to be accepted by the governments concerned. The procedure to be avoided is the settlement of a policy in advance, subject to negotiation as to the details. In the course of conversation you might explain that Canadian officials are placed in a position of great embarrassment when they are asked to discuss the details of the plan, taking it for granted in advance that their Government will accept the plan. If details are discussed it should be on the clear understanding that both the general principles of the plan and the details will be explained to the Canadian Government before anything is done to commit that Government to a course of action. It is equally embarrassing to Canadian officials if important modifications are made in a plan while discussion is in progress and are announced to the Canadian officials as hard and fast decisions, not themselves open to discussion.

3. These principles are so elementary that it would be out of place in an exchange of notes to set them out in detail, but it may be possible to find a way of indicating a suitable procedure in future cases.

1134.

DEA/836-AN-39

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-837

Ottawa, March 10, 1943

Following for H.A. Scott from G.D. Mallory, Begins: The Export Control Committee at yesterday's meeting recommended that the following points be

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considered in any discussion of Plan "A". You will note that some changes have been made in the draft report telephoned to Washington by Mr. Bull yesterday morning:

1. Acceptance of Plan "A" must be predicated on the assumption that Canada will be considered as a regular supplier of certain goods to Latin America. Our share of this regular trade, commodity by commodity, (essentially being equal), should be represented as percentages based on past trade over a representative period, say five years, Canada's share of the available shipping space to be on the same basis.
2. (a) Canada's export control measures so far as Latin America is concerned have paralleled those of the United States thus demonstrating our ability and willingness to coordinate our controls with those of the United States. There is every intention that this policy will continue and there is therefore no valid reason why Canadian goods should not continue to move through the United States on G.I.T. licenses.
(b) With respect to procedure under Plan "A" Canadian export control authorities are prepared to restrict the issuance of export permits to those applications supported by import recommendations.
3. In common with B.E.W. Canadian export control authorities will endeavour to issue export permits for which the country agency has issued import recommendations. Canadian export control authorities reserve the right to reject an application for an export permit even though accompanied by an import recommendation and to grant an export permit without an import recommendation when it deems such action necessary to the best interests of the war effort.
4. Arrangements should be made for full discussions from time to time between Canadian and United States officials in Washington of any proposed changes in Plan "A" or other controls affecting the movement of Canadian goods through the United States.
5. The Canadian Commercial Attaché or other authorized representative should be given an opportunity to participate in any advice offered to the country agency by the supplying countries in the establishment of import requirements.
6. Assuming that copies of import recommendations will be sent direct to Canadian exporters by the Latin American importers it is suggested that a copy or list of such recommendations should be made available to the Canadian field representative for transmission to the Canadian export control authorities in Ottawa to facilitate administration.
7. In countries where there is no resident Canadian representation arrangements will be made for a representative to attend meetings in the country concerned as and when required for the purpose of discussions with the American mission. Failing attendance of a Canadian representative the Canadian export control authorities will rely on the United States mission to give consideration to Canadian interests in accordance with the principles set out in their note of November 30th, 1942.

8. In order to offset the possibility of misunderstanding the country agencies should be asked to make clear to their importing communities the fact that imports from Canada are included under Plan "A".

9. It is suggested that announcements released in the United States with respect to Plan "A" should include references to Canada's association with the plan in order to correct any misunderstanding especially in the minds of United States firms dealing in Canadian exports.

10. It is understood that when the Latin American governments are advised of the allocation of commodities in short supply such advices will include the portion to be supplied from Canada.

11. As part of the collaboration between United States and Canadian field officers, the question of "projects" which are supplied entirely or in part from Canada should be given consideration. It may be assumed that Canadian export control authorities would be prepared to establish the machinery that might be necessary to administer the granting of export permits of a special nature to cover supplies for such projects.

12. It is understood that newsprint will be excluded from the operation of Plan "A" in view of the satisfactory arrangements already in effect for control of shipments of this commodity.

13. It is suggested that joint instructions embodying the above points be sent the United States and Canadian field officers in Latin American countries. Ends.

1135.

DEA/836-AN-39

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

DESPATCH 393

Ottawa, April 7, 1943

Sir,

I have the honour to refer to your teletype WA-1441 of March 26th and to previous correspondence concerning the plan for the decentralization of export control, known as Plan "A". During the visit of Mr. Scott the negotiations which have taken place concerning the details of the proposed Plan and their application to Canada were carefully reviewed, and it was decided that it was highly desirable to avoid any further delays in reaching an agreement in principle which could be communicated to Canadian officials in South America.

2. It will therefore be appreciated if you will inform the State Department that Canada is prepared to accept Plan "A" in principle on the understanding that negotiations will continue in order that details of procedure may be arranged. It is hoped that notes can be exchanged on this basis at an early date.

3. There are one or two points on which it would be desirable to record an agreement if it could be reached at the present time. The most important of

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these concerns the in-transit privileges granted to Canada on shipments to Latin America. At the present time there is a list of exemptions to general in-transit licenses which appears on pages 77 and 78 of the Comprehensive Export Schedule[†]. The effect of these exemptions, supposing Plan "A" to be in operation, would be that Canadian shipments of the specified commodities might be stopped in transit through the United States if a United States authority were to decide that the commodities were urgently needed in the United States for war purposes and that the United States need should take precedence over the necessity of the South American country, which had been established before the Canadian export permit had been granted. The maintenance of this right exposes Canadian trade to a serious danger and does not appear to be justified from the military point of view if consideration is given to the care which will be exercised before permission to export is granted by Canada. The maintenance of the exemption would be particularly objectionable because it would deprive the decentralization plan of its reciprocal character as between Canada and the United States. It would have this effect because exports destined for South America could be pre-empted by the United States if they originated in Canada but could not be pre-empted in Canada if they originated in the United States.

4. A second point which should be dealt with, as soon as an exchange of notes is arranged, concerns the publicity to be given in Latin America to the fact that Canada will participate in Plan "A". From the standpoint of Canadian trade relations, it is important to correct at once the existing impression that materials urgently required in South America cannot be obtained from Canada under Plan "A". Indeed cases have occurred in which importers in South America have feared that by obtaining supplies from Canada they might destroy the basis for future allocations from the United States which might be made to depend on their previous importations from that country.

5. As the interim plan for Argentina came into effect on April 1st, it would be appreciated if arrangements could be made on an interim basis under which B.E.W. would make available immediately to the Canadian Legation any Certificates of Necessity which may have been received from Argentina which indicated Canada as a source of supply. It would be also helpful if the Legation could be furnished with rejected Certificates of Necessity indicating Canada as a source of supply.

6. During his visit Mr. Scott repeated the suggestion made by Mr. Ravndal that someone from the State Department should visit Ottawa to explain the State Department's point of view as to the best procedure to adopt in putting Plan "A" into execution. The proposed visit would be welcomed in Ottawa, but it is hoped that it will not be necessary to postpone the proposed exchange of notes until it has taken place. If the notes are confined to the general question of principle, the discussions in Ottawa could be concerned with the details which must be settled in order to put it into effective operation. It is of the utmost importance to have a formal agreement on the general principles as early as possible in order that publicity may be given in the Latin American countries to the fact that the operation of the decentralization plan will not interrupt their

trade relations with Canada, nor replace them by trade relations with the United States.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1136.

DEA/836-AN-39

Le secrétaire d'État des États-Unis au ministre aux États-Unis
Secretary of State of United States to Minister in United States

Washington, April 16, 1943

Sir,

I have the honor to acknowledge the receipt of your note no. 124 of March 4, 1943¹³¹, concerning certain measures taken recently by this Government in connection with the control of exports to Latin American countries.

In keeping with the close cooperation to which you refer, the various special missions representing this Department and the Board of Economic Warfare that were sent to the Caribbean area and to Central and South America to discuss Decentralization Plan A with the interested governments held themselves at the disposal of the Canadian representatives, and it is my impression that every effort was made either to include the Canadian representatives in the numerous discussions that took place or to report the nature of the discussions to them. I might mention in this connection that copies of the itineraries of the various special missions that went to the field in January were made available in advance to the Canadian Legation in Washington so that the Canadian representatives could join these special missions en route. With this background, therefore, the untoward cancellation of the General In-Transit License was the source of embarrassment and immediate steps were taken to insure its reinstatement.

May I take this opportunity to express the hope that the Canadian Government will see its way clear to participate in Decentralization Plan A. The objective of the Plan is to achieve a more scientific determination and implementation of the essential requirements of the other American republics and to make the most effective use possible of the limited amount of shipping space available to us. The Plan, as you perhaps know, is designed to integrate Canadian exports into the flow of materials from United States ports.

I feel certain that the various procedures contemplated by the Plan as well as supply problems can be worked out between the Legation and officers of this Department within the spirit of the circular instruction to which you made

¹³¹ Voir les documents 1130 et 1132.

¹³¹ See Documents 1130 and 1132.

reference, and you will find that not only this Department but also the other interested agencies of this Government will welcome a full discussion of any phase of the Plan in question. While Plan A provides a procedural framework, it is to be anticipated that changes may be required according to circumstances peculiar to certain of the Latin American countries; and I should like to suggest, accordingly, that the formalization of procedure be postponed until such time as the Plan is functioning smoothly.

Accept etc.

DEAN ACHESON
for the Secretary of State

1137.

DEA/836-AN-39

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1472

Ottawa, April 20, 1943

IMMEDIATE. Following for Scott, Begins: Your WA-1818 of April 16.[†]

As a result of the conversations which took place in Ottawa on April 19 and 20, the details concerning Canadian participation in Decentralization Plan "A" have been worked out sufficiently to enable the Legation to reply favourably to the note on this subject from the State Department replying to your note 124 dated March 4.

It is understood that the United States authorities wish for a specific request from the Canadian Government that United States missions should deal with import recommendations naming Canada as a source of supply which are received in countries in which Canada has no trade representatives available at the present time. It appears to be essential to the success of the Plan that this request should be made, but it would appear desirable to soften it as much as possible by describing it as a temporary measure pending the appointment of some Canadian representative and by indicating that the nearest Canadian Trade Commissioner will endeavour to keep in touch with the work of the United States missions within his sphere of activity.

The State Department should be informed that as soon as the agreement has been settled in Washington the Canadian Government will take steps to bring it to the attention of the governments of the Latin American countries concerned either through the Canadian Minister or through the British Minister in countries where there is no Canadian Minister. It will be explained to the British Minister in each instance that the Plan is purely a wartime arrangement and that its purpose is to help in the effective prosecution of the war by limiting the strain on scarce materials and on shipping space to essentials.

It is the view of the Department of Trade and Commerce and of this Department that when Plan "A" is put into operation it would be timely to formalize

the Joint Supply Committee in Washington¹³² so that if any difficulties arise in the execution of Plan "A" the authority for dealing with them will be clearly settled. If you see no objection you might mention this matter when presenting your reply to the State Department's note, and ascertain the views of the State Department on the subject.

A draft press announcement[†] for use by the Minister of Trade and Commerce in connection with Canadian participation in Plan "A" was handed to you in Ottawa. It is intended to release this announcement as soon as telegrams have been despatched to the Canadian and British Legations in Latin America. It will, therefore, be appreciated if you will discuss the proposed announcement with the United States authorities. Ends.

1138.

DEA/836-AN-39

Le ministre aux États-Unis au secrétaire d'État des États-Unis
Minister in United States to Secretary of State of United States

No. 222

Washington, April 24, 1943

Sir,

I have the honor to acknowledge the receipt of your note of April 16th concerning certain measures taken recently by the United States government in connection with the control of exports to Latin American countries, and the invitation to the Canadian government to participate in Decentralization Plan A in order to achieve a more scientific determination and implementation of the essential requirements of the other American republics, and to make the most effective use of the limited amount of shipping space available.

As a result of the conversations which have taken place in Ottawa, since the receipt of your note, between the appropriate United States and Canadian authorities, the details concerning Canada's participation in Decentralization Plan A have been worked out sufficiently to enable me to inform you that the Canadian government is now in a position to accept your invitation to cooperate in the operation of Plan A.

In respect to Canada's participation in the plan in those Latin American countries where Canada has no trade representative available at the present time, it is requested that, as a temporary measure pending the appointment of some Canadian representative, the United States missions should deal with import recommendations which name Canada as a source of supply. It is understood, of course, that the nearest Canadian Trade Commissioner will endeavour to keep in close touch with this aspect of the functions of the United States missions within his sphere of activity.

¹³² Le Comité conjoint des approvisionnements pour les républiques d'Amérique latine fut établi au printemps 1942 pour empêcher la duplication des exportations à l'Amérique latine. Voir les documents 1128 et 1131.

¹³² The Joint Supply Committee for Latin American Republics was established in the spring of 1942 to prevent duplication of exports to Latin America. See Documents 1128 and 1131.

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Now that agreement has been reached as to Canada's participation in Plan A, the Canadian government will immediately take steps to bring this to the attention of the governments of the Latin American countries concerned, through either the Canadian Minister or the British Minister in countries where there is no Canadian Minister.

I have also been asked to point out that, in the view of the appropriate Canadian authorities, when Plan A is put into operation it would be timely to formalize the Joint Supply Committee in Washington so that, if any difficulties arise in the execution of Plan A, the authority for dealing with them will be clearly settled. I would be glad to have the benefit of your views on this subject.

Accept etc.

L. B. PEARSON
for the Minister

1139.

DEA/836-AN-39

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-2770

Washington, June 8, 1943

Following for H.F. Angus, External, C.M. Croft, Department of Trade and Commerce, and G.R. Heasman, Export Permit Branch, 220 Queen Street, from Bull, Begins: Ravndal of State Department telephoned this afternoon to report that B.E.W. had made certain important changes in Decentralization Plan in Current Export Bulletin No. 99, dated June 7. These changes affecting Canada were made without consultation, as provided by our exchange of notes. Ravndal was disturbed at this further evidence of B.E.W.'s failure to consult with State Department and this Legation before issuing Export Control Bulletins. Aside from the fact that we were not consulted in connection with this change in Decentralization Plan, the new policy should assist Canadian exporters to move non-essential commodities made up for shipment to Latin America.

Current Export Bulletin No. 99 reads in part as follows:

"1. Appeals on 'non-essential' exports under Decentralization.

1. B.E.W. policy outlined — the Office of Exports announces that application from exporters for licenses to export commodities on so-called 'non-essential lists' (Bulletins 90 and 94) will be received and considered by the Office of Exports in all cases where exporters can show either essentiality of the product in question, or undue hardship in case of rejection of license application. This policy announcement follows substantially recommendations made by exporters and is in line with B.E.W.'s policy of flexibility in its export control regulations.

2. Certain conditions must be met — exporters whose products are listed on the so-called 'non-essential lists' as issued by various countries in Latin America (Bulletins 90 and 94) may nevertheless apply for export licenses and receive consideration from B.E.W., whether accompanied by import recommendation

or not, provided the exporter accompanies his application with a letter either:

(a) Establishing the essentiality of the product in the country of destination; or

(b) Proving that denial of such export license would work undue hardship upon the exporter. Since there can be no hard and fast rule as to what 'undue hardship' means, each case must be judged on its own merits.

Likewise, where foreign importers have been denied import recommendations, whether or not the item is on the non-essential list, but can show that the product is essential, such proof should be forwarded by the exporter to the Office of Exports, and each case will be examined on its own merits.

3. Changes in 'non-essential' lists — similarly, exporters, whether applicants for export licenses or not, may at all times indicate to the Board of Economic Warfare recommendations with respect to any item appearing on any of the 'non-essential' lists as published in Bulletins 90 and 94, which are defined in terms of Schedule 'B' numbers and therefore cover at times broad classification. Where inclusion in such lists cover 'essential' products, exporters are invited to submit proof and recommendation to the Board of Economic Warfare for appropriate action.

4. 'Non-essential' lists are not definite prohibition lists — the lists of so-called 'non-essential products' as published in both Bulletin 90 and Bulletin 94 are intended as aids to exporters, and indicate only products which, under conditions of short shipping space and wartime needs, will ordinarily receive no import recommendation from foreign country agencies, or receive no supply assistance or export license from the Board of Economic Warfare in the United States. They do not, however, preclude the granting of such import recommendations, nor the issuance of export license by the Board of Economic Warfare, if the conditions outlined in paragraph 2 above are met. Subject 1, Bulletin 90, is amended accordingly." Ends.

1140.

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Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-2203

Ottawa, June 11, 1943

Your WA-2770 of June 8, changes in Decentralization Plan.

While we do not wish to make any formal protest to the State Department because of the failure to consult the Canadian Government, as provided in our exchange of notes, before making the changes in Decentralization Plan "A", contained in Export Bulletin No. 99 of June 7, it will make it easier for us to give the necessary explanations to the Canadian officers in the field if we may have a statement from the State Department notifying us formally of the changes which have been made and explaining the reasons for the changes. It will be appreciated if you could bring to Ravndal's attention the desirability of such a communication.

1141.

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Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-2850

Washington, June 14, 1943

Following for H.F. Angus, External Affairs from Scott, Begins: Your EX-2203 of June 11th — changes in decentralization plan.

When I conveyed your message to Ravndal on Saturday morning he was considerably upset, as he felt that we were putting the State Department most decidedly on the spot, which is apparently what you intended.

Ravndal freely admits the guilt over our not having been consulted beforehand regarding the changes announced in export bulletin No. 99 but as he pointed out when reporting to Bull earlier in the week, neither was the State Department consulted by B.E.W. Furthermore, he told me on Saturday that the State Department would never have agreed to these changes had they known the intention of B.E.W. Accordingly strenuous efforts are being made by the State Department to have bulletin No. 99 rescinded, in view of the undertakings which they have entered into with the Latin American Governments concerned. Ravndal also agreed that Bulletin No. 99 is completely ambiguous. In the circumstances, Ravndal would prefer that the State Department be given a little time to straighten out this domestic mess with B.E.W. rather than have to formally advise us of the reasons for the changes made, since, as you will see from the above, State does not agree with these changes.

The line I took with Ravndal was that on personal grounds I could sympathize with their position, but that from the Canadian standpoint you were beginning to wonder whether as partners to Plan A we were expected automatically to accept any changes without being consulted beforehand, and that these recurring incidents were creating a very embarrassing situation for our Government.

I would be grateful if you would show this teletype to Pearson, since before your EX-2203 had reached me I had previously asked him to discuss this problem with you in Ottawa from the standpoint of just what tactics we should employ in our further negotiations with State Department and B.E.W. on the subject of non-consultation on export control matters.

Considering all of the angles of this latest development, and particularly having in mind that we are not expected to fully adhere to Plan A until August 1st, it does not seem to us in Washington that our trade is being very much affected; indeed except for the confusion which has been caused the prospects are now good for cleaning up the backlog on commodities already licensed, but for which no freight space has been available heretofore. [It] occurs to us that to press the State Department too actively at the present juncture might possibly impair to some extent their goodwill, particularly now that we have registered an informal complaint. Ends.¹³³

¹³³ La note suivante était écrite sur cette copie du télégramme:

¹³³ The following note was written on this copy of the telegram:

This seems a pretty reasonable message. R[OBERTSON]

1142.

DEA/836-BZ-39

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-4923

Washington, October 5, 1943

IMMEDIATE. Referring to Angus' teletype EX-3786 of September 29th¹ re terms of reference of proposed United States-Canadian Joint Exports Committee, the suggestions made therein have been accepted by the State Department, and a note has now been received under date of October 5th which reads as follows:

"I have the honor to refer to the concluding paragraph of the Legation's note of April 24th, 1943, regarding the desirability of establishing a formal Joint Committee in Washington to handle the numerous mutual problems arising out of the United States plan for decentralized control of exports to the other American republics.

"This matter has been fully discussed by representatives of the Department of State and the Canadian Legation during recent months, and the further conclusion has been reached that the scope of such a committee should include all wartime export matters of mutual concern to the two Governments, without restriction as to areas or commodities.

"I am accordingly enclosing for your consideration a draft of the suggested terms of reference for a United States-Canada Joint Exports Committee, which may be established immediately upon the receipt of the concurrence of the Canadian Government.

"Accept, Sir, the renewed assurances of my highest consideration.

"For the Secretary of State,

DEAN ACHESON"

The suggested terms of reference read as follows:

"1. The United States-Canada Joint Exports Committee has been established by agreement between the United States and Canadian Governments as a wartime measure to ensure the maximum coordination of exports from the two countries of non-military goods needed by third countries. In its deliberations this Committee shall be guided by the underlying policy of both Governments, that no advantage should be taken by the Government or by nationals of either country at the expense of the Government or nationals of the other, either in wartime trade or with respect to post-war trading opportunities. In this connection the post-war trading position of other countries shall be given due consideration. Furthermore the Committee will seek to preserve and protect the normal functioning of private traders to the fullest possible extent consistent with the most effective prosecution of the war.

"2. The principles underlying this coordination are as follows:

(a) That when considering the minimum essential requirements of third countries of commodities in short supply they should be met from the most economical source in the interest of the United Nations' war effort, but where

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the overriding interests of the war effort do not otherwise dictate neither country shall re-export goods of the other country in short supply;

(b) That there shall be no overlapping in shipments resulting in excess supply to any particular area;

(c) That all relevant factors of foreign and commercial policy are taken into account in the formation of joint export programs;

(d) That where the overriding interests of the war effort do not otherwise dictate, all exports of the two countries shall be maintained in equitable proportion to peacetime exports in cases where both have previously been sources of supply;

(e) That the technical licensing and shipping control procedures of the two countries shall be kept in harmony so far as is practicable or necessary.

"3. The Committee meets under the chairmanship of the Department of State and includes on the part of the United States permanent representatives from the Department of State and the Office of Economic Warfare; on the part of Canada it includes permanent representatives from the Canadian Legation in Washington. Representatives of other agencies of the two Governments having special knowledge of the problems in hand, or representatives of other supplying countries, may be invited to attend whenever the Committee deems necessary.

"4. The Committee is concerned with exports of either raw materials or manufactured goods, whether or not in scarce supply, which both countries are in a position to supply to third markets.

"5. Where it is necessary to establish an agreed joint export program for any commodity or area the Committee assembles from all available and mutually acceptable sources full data on the minimum essential requirements of third countries or areas dependent upon imports from the United States and Canada, with a view to determining the net global demand on each of the two economies for each given commodity, due regard being paid to any alternative source of supply.

"6. Agreed export programs will normally be formulated on a calendar year basis and will remain in effect until revoked, amended, or superseded by mutual agreement. Each program shall become effective as of the date of transmission of the program to the respective licensing or shipping authorities of the two Governments.

"7. In addition to such export programs, the Committee may at the instance of any permanent member place on the agenda special problems relating to the supply of particular areas or to particular export licensing or shipping controls of either Government.

"8. The Committee will establish and maintain close relationship with the Combined Boards and other combined organizations concerned with foreign civilian requirements. The precise nature of these relationships is left for future determination."

The terms of reference as submitted above appear to fully cover all amendments suggested by you, and the Commercial Counsellor has been informed

today by the Division of Exports and Requirements (which was responsible for drawing up the terms of reference) that a note of acceptance would be appreciated as early as possible, in order to commence the functioning of this Committee without further delay.

Your early instructions would therefore be appreciated.

1143.

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Le ministre aux États-Unis au secrétaire d'État des États-Unis
Minister in United States to Secretary of State of United States

No. 529

Washington, October 9, 1943

Sir,

I have the honour to acknowledge receipt of your Note of October 5, 1943, with which you enclosed a draft of the suggested terms of reference for a United States-Canada Joint Exports Committee in Washington to deal with all wartime export matters of mutual concern to the two governments, without restriction as to areas or commodities.

This proposal and the suggested terms of reference have been fully considered by the competent Canadian authorities and I am now directed to inform you that the Canadian Government concurs in the establishment of this formal joint committee.

Accept etc.

LEIGHTON MCCARTHY

1144.

DEA/836-AN-39

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-4700

Ottawa, December 2, 1943

Following for H.A. Scott from C.M. Croft, Begins: Pursuant to telephone conversations which you and Bull have had with various officers here concerning the operation of Decentralization, at the last meeting of the Executive Subcommittee of the Advisory Committee on Export and a later meeting of the Departmental Coordination Committee, it was agreed that you should be asked to open discussions in the Canada-United States Joint Exports Committee as to the desirability of reviewing the Plan, its purpose, objects and mechanics, with a view to making further drastic modifications or even completely abandoning or suspending the Plan. Our reasons for suggesting this are:

(1) That the Plan was originally predicated upon the shortage of shipping space and that this factor has now become of relatively minor importance in the case of shipments to Latin America.

(2) That the Plan demands the full and efficient co-operation of the Latin American countries and that such co-operation has not materialized in several countries, Mexico being the outstanding example.

(3) That there are exceptions to the requirements of import recommendations for certain exports from the United States and that such cases upset our administration of the Plan to dissatisfaction of Canadian exporters.

Examples of the effects of one or other of the above are as follows:

(a) The extensive Special Project Licencing system in force in the United States which accords their exporters preferential treatment by waiver of I.R.'s¹³⁴. We have tried to follow the United States practice for shipments to mines, oil companies, etc., known to be on the S.P.¹³⁵ or mines serial list but it is obviously impossible for us to accord Canadian exporters equal treatment for shipments to all consignees enjoying United States S.P. procedure.

(b) The difficulty of determining the interpretation of distressed stocks and permitting exports of such stocks without I.R.'s. We feel that the United States authorities have possibly been more liberal in this than we have, to the consequent disadvantage of Canadian exporters.

(c) The case of the National Steel Company of Brazil referred to you by Export Permit Branch. This consignee does not appear to be under S.P. procedure but shipments are nevertheless made from the United States without preference requests.

(d) Delays in the arrival of original (approved or denied) copies of I.R.'s, thus retarding the issuance of export permits and occasioning correspondence with F.E.A.¹³⁶ Frequently such cases involve commodities which are in relatively long supply and it is extremely difficult to give good reasons to our exporters as to why export permits may not be issued when they have provided fourth copies of the I.R.'s and know that lack of shipping is not the impeding factor.

(e) I.R.'s are not being granted in some countries in favour of Canadian exporters for commodities for which estimates of supply have been announced, let alone commodities included in the ratio list or otherwise indicated as available from Canada. It seems to be impossible to ascertain the reasons for the non-issuance of I.R.'s in favour of Canada but a number of exporters have complained of this and doubtless there are many cases of which we are not aware.

(f) The confusion in interpreting instructions concerning the issuance of I.R.'s on Canada. This is a further development of (e). Usually the confusion is due to lack of understanding of our statements of supply. This problem might be solved by explaining our positive estimates sent to the United States Missions but as you know the work involved is out of proportion to the volume or value of the trade.

(g) Shippers of small-bulk high-value commodities such as vitamin concentrates, cannot see the object of the procedure when their shipments do not present a space problem.

¹³⁴ Import Recommendations.

¹³⁵ Special Project.

¹³⁶ Foreign Economic Administration.

In our opinion it will never be possible to bring our procedure in the handling of exemptions to the Plan into line with that followed in the United States because the decisions are based upon the merits of individual cases which leaves room for varying interpretations and moreover we have not developed and do not wish to develop the complete systems of allocations, S.P. Licences, etc., that would bring us into complete uniformity with F.E.A. controls.

In essence we suggest that the problem is one of supply rather than shipping. In other words if an export permit were granted on the basis of supply, there would appear to be no reason for otherwise controlling the shipment although we admit that the mechanics involving freight space applications, etc. should be kept in operation in case shipping again becomes tight.

It is not suggested that you should mention anything that follows when you propose discussions on this subject. However, you should have the information in mind in the event that your conversations lead the United States officials to the point where they themselves question whether Decentralization should continue.

Our experience leads us to question the value or purpose of continuing the Decentralization procedure at the present time. Possibly your discussions will bring out reasons why shipping is still or may again become a serious factor, thus necessitating the continuance of the Decentralization machinery to meet such an eventuality. It is admitted that in our considerations we have had in mind the fact that the volume of Canadian shipments is small in comparison with those from the United States and does not justify the elaborate mechanics required by Decentralization, particularly when our main bulk items are exempted from the Plan, viz., newsprint, flour and calcium carbide for mines. There may be strong reasons, however, why the United States would want to continue the Plan for their own purpose but we would enquire whether it would not be possible for Canada to abandon the Plan without injury to United States interests and also without prejudicing our own exporters' chances of obtaining shipping space. We are, of course, not unmindful of the possibility that, for diplomatic reasons, it might be desirable for Canada to continue to participate, even nominally, in the Decentralization Plan.

In conclusion we admit the advisability of keeping Latin American countries informed of the quantities of materials in short supply which they may reasonably expect to receive from Canada so that they may plan accordingly and if necessary set up their own domestic controls to take care of distribution. Thus whether the Plan continues or is abandoned we feel that estimates of such materials should continue to be supplied. Furthermore, it is expected that we would continue to require export permits for all exports, except newsprint, to Latin America, unless the Administrators and Controllers change their present views. Thus we contemplate maintaining effective control over all exports including newsprint from the standpoint of supply.

As the difficulties reported by our exporters and partially listed herein are retarding or completely preventing certain Canadian shippers [shipments?] to Latin America, it is hoped that you will be able to initiate the proposed discussions without undue delay. You should, of course, feel at liberty to request

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further clarification of any points which are doubtful or to suggest modifications of our proposals where in the light of your own knowledge of the situation they are ill-advised.

1145.

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Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-6037

Washington, December 3, 1943

Following for C.M. Croft, Department of Trade and Commerce, from Scott, Begins: Reference your EX-4700 of December 2nd and further to our telephone conversation, we will explore the possibility of winding up the Decentralization Plan on the strength of your paragraphs Nos. (1) and (2). We would hesitate to raise No. (3) in a discussion, as it would be difficult to back up this statement with examples. For instance, your (a) and (c) page 2. As reported to Ottawa in earlier correspondence, all S.P. licenses are not exempted from I.R.'s. F.E.A. estimates that less than half the S.P. licenses are exempt. The following S.P.'s do not require I.R.'s:

- (1) Oil companies,
- (2) Mining companies on the mines serial list,
- (3) United States Government sponsored projects,

that is, projects directly connected with the war effort in the procurement of strategic commodities, such as rubber, sisal, peanuts, sunflower seeds, mahogany, etc. The National Steel Company, Brazil, is not under S.P. procedure, however, Brazilian Government requested that this undertaking be exempted from preference requests.

Your (b) on page 2 "distressed stocks". This regulation has only been in effect for six weeks and we would appreciate any definite evidence you have to the effect that during this short period the United States authorities have been more liberal than Canadian authorities in interpreting this information.

Your paragraph (e) page 2. We have hopes that this operational problem will be corrected by the new procedure reported in our WA-6028 of December 2nd, under which we would discontinue the practice of breaking down our estimates into "Projects and Programmes" and "General". It is also anticipated that Mexican position will be cleared up by January 1st, as an airgram has gone forward to Mexico, suggesting the re-institution of a modified type of Certificate of Necessity procedure to replace the present export recommendation procedure which everyone admits has completely broken down. If Mexico will accept this drastic modification of decentralization, there should be no further difficulty as, at the most, certificates would only be required on three or four items of interest to Canada. The remainder of our trade would be subject to Canadian controls only.

We are not sure what is meant in your paragraph (f) by "explaining our positive estimates".

The question of vitamin concentrates, your paragraph (g), will also be solved by January 1st, if the Latin American countries accept the new proposed roll-back, details of which will go forward to you by mail to-day. Briefly, it is proposed that the following groups of commodities be removed from requirements of I.R.'s. These items will remain under license in the United States, but licenses will be issued without I.R.'s: farm implements and machinery; drugs and medicinals; chemicals (with some exceptions); communication requirements; foods; fats and oils.

Subject to any fresh instructions which you may wish to let us have on the strength of my telephone conversation with you this morning and the foregoing remarks in this teletype, we have arranged for exploratory discussions early next week. Our approach will be that surely the same operational difficulties must be affecting American exporters and that we would accordingly be interested in knowing what the prospects are of winding up the Decentralization Plan.

You will note that this approach will not be made in a spirit of complaint on the way Canada has been treated, but that in our joint interests we are beginning to think that the time has come when the Plan is no longer serving a useful purpose to either the United States or Canada under present conditions.

This approach will be predicated, however, on our continued co-operation with the United States in all export control problems and provision will also be made for the possibility of having to revert to the plan itself, if and when shipping considerations warrant the tightening up of exports.

In view of the rather important implications, some of which are referred to in your EX-4700, I would like to have the opportunity of reporting the results of my exploratory discussions to you and other Departmental officers concerned, during my visit to Ottawa commencing December 20th, before any decisions are made which would commit us to a drastic change in policy. Ends.

1146.

DEA/836-AN-39

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-6070

Washington, December 6, 1943

Following for C.M. Croft, Department of Trade and Commerce, from Scott, Begins: Further to our WA-6037 of December 3rd concerning the operation of decentralization, Bull and I had a satisfactory informal discussion today with Farriss, the State Department official who is currently acting as Chairman of the United States-Canadian Joint Exports Committee, in that we found him entirely sympathetic to our point of view. He volunteered that in his view the Decentralization Plan had outlived its usefulness, and that this opinion was held by certain other officers in the State Department.

Farriss's first reaction was that perhaps the best approach might be to have a note from the Canadian Government to the State Department proposing that

the scheme be wound up. We do not like the idea, however, of Canada being used by State Department as a lever against another agency, and stressed to Farriss the desirability of having the problem approached from the standpoint of asking whether or not the plan had not, as mentioned above, outlived its usefulness, instead of signifying that Canada is the sole victim of the impracticability of the plan. In other words, while we were content to put up with the paper work and restrictions imposed by the plan because of the need to conserve shipping space, the argument we put forward this morning was that we could no longer see any reason for the continuation of this cumbersome procedure.

It was agreed that Farriss would try to arrange a meeting of the United States-Canada Joint Exports Committee towards the end of this week, with F.E.A. and W.P.B.¹³⁷ officials in attendance, with the objective of further developing the above-mentioned point of view, and he gave us his assurance that State Department's support would be forthcoming at this meeting.

Meanwhile, considering that the operational difficulties referred to in your EX-4700 are, in the main, likely to be removed, as forecast in our WA-6037 of December 3rd, within a very short time, we are somewhat apprehensive regarding our position at this forthcoming meeting, from the standpoint of trying to illustrate defects in the plan by pointing to operational difficulties.

This would seem to suggest that our only recourse is to fall back on the stand that, from the Canadian point of view, the Decentralization Plan is an unnecessary hindrance to Canadian export trade with Latin America under present conditions.

In the light of the foregoing, we would appreciate having from you at your earliest convenience any fresh point of view you may wish to express on this matter, in order that we may be governed accordingly in our discussions later this week. Ends.

1147.

DEA/836-AN-39

*Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis**Secretary of State for External Affairs to Minister in United States*

TELETYPE EX-4813

Ottawa, December 10, 1943

IMMEDIATE. Reference your WA-6037 December 3rd, regulation regarding "distressed stocks" has, as you say, not been in effect long enough to provide us with any actual evidence that Canadian export interests have suffered. However, the interpretation of the term is capable of such wide variations that we foresee difficulties in the future and we are sure the United States officials will agree.

Paragraph (f) EX-4700 should read "expanding" not "explaining". We fully approve your proposed approach as outlined in the last four paragraphs of your WA-6037 and in the penultimate paragraph of your WA-6070 of December 6th.

¹³⁷ War Production Board.

When we first agreed to participate in Decentralization it was with the understanding that the scheme was necessary because of shipping. Moreover, it was to embrace all commodities, except newsprint, which made for ease of administration.

As the shipping situation has improved it has been possible to make more and more exceptions to the scheme but this has made administration progressively more complicated, not so much for ourselves as for the Latin American countries and the possibility of delays, mistakes or outright non-cooperation has been thereby increased. Furthermore, as the scheme becomes more cumbersome and requires more careful administration in order that I.R.'s will not be insisted upon where none is required, the list of exceptions is apparently to be extended in accordance with copies of airgrams¹ attached to your letter to Croft of December 4th¹. Extensions to the list of exceptions seem to be a tacit admission that the scheme is not needed for an ever increasing number of items, but additions to the list of exemptions will add to the possibilities of misinterpretation by the Agencies issuing I.R.'s. It seems to us that we are overtaxing the competence and integrity of the officials of the countries with which we are dealing and that we are imposing too heavy a burden upon them, especially when the shipping situation would appear to make it possible for us to consider abandoning or at least suspending the scheme.

For most effective administration in Latin America there would appear to be only two ways of ensuring satisfaction, (a) one hundred per cent Decentralization including all commodities or (b) one hundred per cent control in Washington and Ottawa. With shipping as it is (a) does not seem to be necessary which leaves (b) as the alternative. Under (b) supply would be the controlling factor and commodities in generous supply would move freely. As stated in EX-4700 we suggest that estimates of supply for short items should still be given to the Latin American countries so that they could introduce any internal administration they desire to ensure equitable distribution. In cases where our supplies are so limited that we require information as to end-use before export permits can be granted, such cases could be referred individually to the Field Officers.

We, therefore, do not feel that the removal of the operational difficulties exemplified in EX-4700 will solve the problem either for us or the United States. The trouble seems to lie in the fundamental fact that difficulties of administration in Latin America are disproportionate to the benefits to be gained in the face of the existing shipping situation. We agree, however, that provision might be made for the immediate revival of the scheme should shipping or some other factor make such course necessary. Ends.

1148.

DEA/836-AN-39

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-6168

Washington, December 10, 1943

Following for C.M. Croft, Dept. of Trade and Commerce, from Scott, Begins:
 On the strength of the verbal concurrence given by you and Butler to the ap-

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proach suggested in our WA-6070 of December 6th, we had an exploratory discussion today at a meeting of the United States-Canada Joint Exports Committee to discuss the prospects of the Decentralization Plan being wound up in the near future. The Americans readily conceded our arguments from the Canadian point of view, but it was pointed out to us that it was one thing to start such a scheme and another to pull out from under it too suddenly.

Their contention is that they are, in fact, trying gradually to wind up the plan, and in support of this contention illustrated the new Mexican scheme and the proposed rollback of four main commodity groups for the other Latin American countries, as reported in my letter of December 4th¹.

When the Decentralization scheme could be finally dispensed with, no one could predict; but at this point a rather disturbing explanation was given as to the need for proceeding gradually with the abolishment of the plan. It was suggested that the alternative to Decentralization would be a more stringent application of exchange control by the importing countries, by reason of the fact that most of the Latin American markets are over-bought in the United States, and that there is a danger that continued unrestricted purchases in this country might jeopardize their credit position. The ultimate result would be detrimental to United States export interests in Latin America.

We find it difficult to see how Decentralization can be justified on such grounds as, if it is necessary to withhold merchandise from such customers, surely the control can be adequately taken care of from the supplying end, through licensing procedure. It almost appears as though the Americans are trying to develop this control on a paternalistic basis, which doubtless will be resented by some importing countries. Certainly, it is a long way from the original conception of Decentralization. For the reasons already explained and agreed to by you, we refrained from giving any impression that Canada wishes to withdraw from the plan, and, although it was not specifically stated, it was clear from the remarks by the Americans present that they would not like to see us withdraw, as it would obviously make their position very difficult.

One of the imponderables discussed was the future shipping situation, and it was frankly admitted that it was impossible to give any long-range guide, because the War Shipping Administration was unable to gauge military demands ahead for any length of time. It was, however, pointed out that just at present there is a rather tight position on the west coast of South America.

From the standpoint of procedure, as you will have gathered from our several recent teletypes, there now seems to be some hope of our being relieved of the worst features of Decentralization within the next two to three months. In these circumstances, having in mind the obvious implications of our withdrawal from the plan, it is suggested that our further negotiations with the Americans be deferred, pending my being able to discuss the matter with you and others concerned during my forthcoming visit to Ottawa.

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Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-5006

Ottawa, December 31, 1943

Following for H.A. Scott, Begins: In the final paragraph of Knox's¹³⁸ letter to you of December 16th¹ respecting maintenance of Decentralization Plan, he refers to "problem of foreign exchange availabilities in other American republics" and alludes to danger of causing "exchange or financial difficulties by increasing the flow of exportations in a precipitate or erratic manner". It can be readily understood that, as Mr. Knox suggests, a large increase in exports to Latin America might lead to a depreciation of Latin American currencies in terms of United States dollars if the importing countries do not at the same time increase their exports to the United States, or acquire United States dollars through other channels, as, for instance, by the export of capital from the United States. What comes as a surprise is Mr. Knox's anticipation that the increase in imports in Latin American countries, which would be likely under existing conditions if the restrictions involved in the Decentralization Plan were removed, would itself suffice to produce a collapse of these currencies. While this might be the case in respect of some Latin American countries, it seems unlikely that it would be true of them all at the same time.

Mr. Knox's statements are unfortunately too obscure to be at all useful. It is very important, if foreign exchange considerations are causing the United States Government to delay modification of the Decentralization Plan, that we have a clear understanding of just what these difficulties are and the magnitude of them. It would be appreciated, therefore, if you could secure a more detailed explanation of the financial difficulties which Mr. Knox had in mind and a statement of the financial policy which the United States authorities are following, or propose to follow, in relation to Latin American countries, together with any special considerations affecting particular countries.

¹³⁸ Conseiller sur les républiques américaines,
département d'État des États-Unis.

¹³⁸ Adviser on the American Republics, Depart-
ment of State of United States.

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SECTION D

RÉSERVES CANADIENNES DE DOLLARS AMÉRICAINS¹³⁹
CANADIAN RESERVES OF UNITED STATES DOLLARS¹³⁹

1150.

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*L'attaché financier, la légation aux États-Unis,
au sous-ministre des Finances*

*Financial Attaché, Legation in United States,
to Deputy Minister of Finance*

Washington, December 28, 1942

Dear Dr. Clark,

At Dr. White's request I called on him today and he formally raised the question, "What should be the accepted level around which the Canadian reserves of gold and United States dollars ought to fluctuate?"

On December 14 I wrote to you transmitting a copy of the minutes of the American Section of the Joint War Production Board,¹ in which it was indicated that a new procedure would be adopted in relation to Canadian gold and dollar balances. Under the new procedure it was suggested that when Canadian balances sunk unduly low, the Treasury and other agencies would take steps to see that additional orders were placed through War Supplies Ltd. On the other hand, if Canadian balances grew unduly large, steps would be taken to divert some War Supplies Ltd. orders into other channels. Obviously the working of such a system implies that between the Canadian and U.S. Treasury there has been some broad agreement regarding what constitutes an unduly low or an unduly high reserve. In other words, it postulates an agreement between the treasuries on a normal Canadian working balance. Dr. White expressed the hope that this matter might be settled before the end of January 1943. He said he felt sure that it would be possible to reach an amicable settlement of this point. He seemed willing to discuss with the Canadians (either directly with yourself or through me or through any other person you might suggest) any figure which you cared to put forward as a basis for discussion. I do not think that he has any firm idea of his own regarding the proper figure, although he casually mentioned that he thought it might possibly be in the vicinity of the existing reserve of gold and dollar balances.

For what they are worth, I would like to offer the following comments: (1) I do not feel that the existing level of Canadian-U.S. dollar balances is adequate, particularly in view of the burdens to which such balances might be subjected in the immediate post-war period. (2) I think it would be well worth while to have prepared in Ottawa a memorandum as brief as possible indicating the size of the balance which you would consider reasonable and particularly emphasizing (if you agree with me) that the current balance is inadequate. (3) Amongst the

¹³⁹ Voir les documents 172 et 174

¹³⁹ See Documents 172 and 174.

points which I would bring forward in such a memorandum if I were preparing it would be the fact that the Canadian balances were on the low side at the outbreak of war in 1939. (I put forward my own views on this subject in my "Central Banking in the British Dominions" almost at the end of the next to last chapter.)

I will be in Ottawa during the week of January 11 and will discuss this matter with you.

Yours sincerely,

A. F. W. PLUMPTRE

1151.

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*Mémorandum du sous-ministre des Finances*¹⁴⁰

*Memorandum by Deputy Minister of Finance*¹⁴⁰

[Ottawa,] January 7, 1943

SUGGESTIONS AS TO A REASONABLE RESERVE OF U.S.
DOLLAR EXCHANGE TO BE MAINTAINED BY CANADA

1. It is believed that it would be desirable for the United States and Canada to reach an agreement as to what should be the magnitude of the reserve of gold and U.S. dollar balances which Canada should seek to maintain, having regard to the interests of both countries.

It is suggested that minimum and maximum figures might well be agreed upon. In that case it would be the understanding that if Canada's reserves tended to fall below the agreed minimum, the United States would be willing to increase her purchases of war supplies in Canada, in accordance with the principles of the Hyde Park Declaration. Conversely, if Canada's reserves tended to rise above the agreed maximum, Canada would be willing not only to accept reductions in U.S. orders for war supplies being placed in Canada but also to contribute free to the United States (either for her own use or for assignment to other United Nations through the Munitions Assignments Board) finished war supplies manufactured in Canada as a result of orders placed by the United States through War Supplies Limited.

2. In considering the appropriate magnitude of a U.S. dollar reserve to be maintained by Canada, the following *general* considerations are believed to be important:

(a) *The high degree of vulnerability of Canada's international trading position.* (Her foreign trade is very large in relation to her size and national income. Her economy is geared to export markets to an extent that is matched by few other countries. To a very large extent also her exports consist of agricultural products and basic raw materials and, at the first blast of depression, are apt to

¹⁴⁰ Ce mémorandum fut donné à Harry White par W.C. Clark le 8 janvier 1943. Voir le document suivant.

¹⁴⁰ This memorandum was given to Harry White by W.C. Clark on January 8, 1943. See following document.

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fall off rapidly because of declines in volume and more drastic declines in prices. In previous major depressions, drastic decreases in export receipts have immediately emerged, while the cost of imports based to a considerable extent on machinery and capital equipment has tended to keep up for a time, with a consequent serious strain on Canada's balance of payments).

(b) *Canada's heavy external indebtedness, now owing largely to the United States.* (In recent years Canada has had to find from \$200 to \$250 millions U.S. to meet interest and dividend payments payable to U.S. investors. In addition, it must be remembered that the investment markets of the countries are so closely interrelated that securities move back and forth across the boundary line with great freedom and in enormous volume — in 1937 the total of this trade was over \$1000 millions. If confidence in Canada's currency or financial position is impaired, capital may flow out quickly in very large volume not only in the form of marketable securities but also in the form of withdrawal by U.S. parent companies of surplus funds held by their Canadian subsidiaries or branches).

(c) *Canada's probable post-war reconstruction needs.* (We hope to have post-war a much higher rate of general economic activity as compared with pre-war conditions. Even if the U.S. follows a policy of expansion, the character of the trade between the two countries is such that the balance of payments could be heavily against us in the early post-war years).

(d) *The desirability of being able to restore parity of exchange, eliminate various restrictions and maintain a liberal commercial policy.* (In addition to the normal problems of post-war reconstruction, Canada will desire, and it will be in the interest of the U.S. that she should be in a position, to return to the pre-war parity between the Canadian and U.S. dollars; to remove exchange control, the 10% War Exchange Tax, heavy excise taxes on certain commodities and other restrictions on imports from the U.S., and the prohibition on pleasure travel in the U.S., all of which Canada has had to impose during the war in order to conserve her scanty reserves of U.S. dollar exchange; and generally to resist successfully any internal, sectional pressures attempting to force the solution of an exchange problem by reactionary trade policy or by exchange control or depreciation).

3. In the light of these general considerations, we may approach the concrete problem of what should be a reasonable magnitude for Canada's exchange reserve by reviewing a number of historical situations:

(a) At September 15, 1939, Canada's official and available private reserves of gold and U.S. dollars were \$390 millions, made up as follows: *Official Spot Position Millions of U.S. dollars* Foreign Exchange Control Board and Bank of Canada gold 205 Foreign Exchange Control Board, Bank of Canada and Dominion Government U.S. balances 56 Total official spot position 261 *Private Spot Position*¹⁴¹ Corporation balances (excluding minimum working balances)¹⁴² 85 Individuals' balances¹⁴³ 23 Chartered banks'

¹⁴¹ Les sept notes suivantes étaient dans l'original. ¹⁴¹ The following seven footnotes were in the original.

¹⁴² Data from tabulation of Form M (issued by Foreign Exchange Control Board) less estimated minimum working balance of \$20 millions (roughly 1941-42 average).

¹⁴³ Data from Tabulation of Form M.

excess cash reserves¹⁴⁴ 21 Life insurance companies excess cash¹⁴⁵ Total private spot position 129 Total spot position¹⁴⁶ 390

(b) The size of the exchange reserve possessed by Canada just before the war, as shown above, was much smaller than that maintained by Canada in the years preceding the great depression. In this connection the following extract from Professor A.F.W. Plumptre's "Central Banking in the British Dominions" (published in 1939 [1940]) is pertinent:

"Although Canada's long-term foreign indebtedness has been greatly reduced in the years 1933-8, the short-term international position of the financial system has by no means been restored to that of ten or twelve years ago. The change is shown in an accompanying table. At the end of 1938 the net short-term international assets of the system were less than half the amount eleven years earlier. In the event of a new severe depression, entailing falling income from exports and difficulty in meeting foreign debts, it seems desirable to have at least as large a reserve of international assets as was available before the last one." (page 421).

Net Short term Foreign Assets of Canadian Banking System, December 31, 1927.

	\$ 000,000
Net foreign assets of chartered banks ¹⁴⁷	\$ 293.4
Gold of chartered banks	
In central gold reserves	21.2
In Canadian vaults ¹⁴⁸	48.1
Elsewhere	28.5
Gold of Dominion Government (at \$20.67 per oz.)	127.7
	518.9

December 31, 1938

Net foreign assets of chartered banks ¹⁴⁷	8.7
Foreign exchange of Bank of Canada	28.4
Gold of Bank of Canada (at \$35 per oz.)	185.9
	223.0

To Professor Plumptre's comment there might be added the further comment that in spite of what now seems like a large exchange reserve held in 1927 and just prior to the end of the last major business boom), a falling trade position and an outflow of funds to the New York market brought weakness and some

¹⁴⁴ Impossible to determine banks' minimum cash requirements accurately; amount shown represents sales by banks to F.E.C.B. during first month of control.

¹⁴⁵ Canadian life insurance companies showed an excess of U.S. assets over U.S. liabilities at end of 1939 but no reliable estimate is available as to their excess cash reserves.

¹⁴⁶ Does not include U.S. currency in the hands of individual residents — amount unknown.

¹⁴⁷ Without deducting liabilities on letters of credit.

¹⁴⁸ Includes also holdings of subsidiary coin which in Canada usually amount to some \$5 millions.

depreciation in the Canadian dollar during 1929, followed by acute weakness and substantial depreciation in 1931 and 1932 when the United Kingdom went off gold and Canada's balance of payments showed serious worsening.

(c) By the middle of 1941, Canada's reserve had dropped from \$390 millions at the outbreak of war to \$255 millions.

The following table shows the position at June 30, 1941:

June 30, 1941.
(millions of U.S. dollars)

Foreign Exchange Control Board gold	137
Foreign Exchange Control Board — U.S. balances	72
Dominion Government — U.S. balances	46
Total official spot position	<u>255</u>

(d) As a result primarily of the working of the Hyde Park agreement and of capital movements, the drain on Canada's reserve which had amounted to \$142 millions (U.S.) in 1941 was checked and then reversed in 1942. Preliminary figures for the past year show a gain of approximately 133 millions, bringing the official reserve up to 318 millions as at December 31, 1942, made up as follows:

December 31, 1942.
(millions of U.S. dollars)

Gold held by Foreign Exchange Control Board and Dominion Government	154.9
U.S. balances held by Foreign Exchange Control Board and Dominion Government	163.6
Total official spot position	<u>318.5</u>

(e) The following table shows the net impairment of Canada's U.S. position, the liquidation of U.S. assets and the increased purchases by U.S. investors of Canadian assets, by various periods since the outbreak of war up to December 31, 1942. (The table was prepared about the middle of December last and consequently the figures used for the year 1942 are estimates which may vary slightly from the figures as finally determined):¹⁴⁹

It is important to note from the preceding table that in addition to losing \$72 millions of her liquid U.S. dollar reserves since the outbreak of war, Canada has also lost approximately \$115 millions of other U.S. dollar assets and in addition has increased her indebtedness to the U.S. by approximately \$109 millions net during the same period. In other words, there has been a total net impairment in her position and indebtedness vis-à-vis the U.S. of approximately \$296 millions.

¹⁴⁹ Voir Appendice A de ce volume.

¹⁴⁹ See Appendix A of this volume.

4. With the above historical and statistical background, we are now in a position to make concrete suggestions as to the magnitude of an appropriate U.S. dollar reserve for Canada, having in mind the best interest of the two countries.

One alternative might be that Canada should be allowed to return to the position at September 15, 1939, when she had gold and U.S. dollar balances of \$390 millions, or about \$72 millions more than at December 31, 1942. It should be noted, however, that the present cash position has been attained only at the expense of our capital resources to a net extent of about \$224 millions. On the other hand it would be unrealistic to suggest that we should be allowed to recoup ourselves for this loss by building up our liquid resources to a corresponding extent; we must be prepared to accept some increase in our net debt to the U.S. as a result of the war.

A second alternative might be based on the argument that, as it was during the spring of 1941 that the Hyde Park discussions took place, Canada might be asked to accept a net impairment of position up to, say, mid-1941 on the ground that after that date it was the general intention that the Hyde Park arrangements should obviate any further substantial impairments of Canada's U.S. capital resources. On this basis, we would have to make up a net impairment in position and indebtedness of \$119 millions which, added to our actual liquid reserve of \$318 millions at December 31, 1942, would mean total liquid resources of \$437 millions.

The average of the two alternative approaches outlined above works out at \$414 millions. It is therefore respectfully suggested that consideration be given to agreeing upon a range of \$400 to \$430 millions. Bearing in mind that under certain circumstances an annual exchange loss of \$150 millions is by no means improbable and that one of \$200 millions or even more is quite conceivable, liquid reserves of the magnitude here suggested are no more than sufficient to give Canada a breathing spell of 1 1/2 or 2 years if things do not go well in the post-war years. The reference to such a period assumes that desperate measures have to be taken before exchange reserves reach the vanishing point.

It is also suggested that consideration should be given in agreeing upon a suitable exchange reserve, to the desirability of leaving out of the calculations for operating purposes any cash which may later be accumulated through net sales of securities in the U.S. — either Canadian or U.S. securities. (By net sales is meant gross sales of securities minus redemptions or purchases, leaving other capital transactions out of account for the sake of simplicity). Behind this suggestion is a question as to the wisdom of Canada borrowing in order to maintain her liquid position. There is also behind it the conviction that a minimum cash reserve of \$400 millions does not fully take into account the vulnerability of Canada's international position and her probable post-war reconstruction needs. There is also the further fact that we will have to deal with a number of maturing Dominion bond issues in the near future, such for instance as the \$30 million issue due January 15, 1944, and callable on or after January 15, 1943, and the \$76 million issue due August 15, 1945, and callable on or after August 15, 1943. These issues might be retired in part with funds accumulated by the ordinary market sales of U.S. or Canadian securities to the U.S.

1152.

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*Mé morandum du sous-ministre des Finances**Memorandum by Deputy Minister of Finance*

[Ottawa,] January 11, 1943

DISCUSSIONS WITH THE UNITED STATES TREASURY RELATING TO OUR PROPOSED PROGRAM OF FINANCIAL ARRANGEMENTS WITH THE UNITED KINGDOM AND OTHER UNITED NATIONS, TO THE POSSIBILITY OF AGREEING WITH THE UNITED STATES TREASURY UPON THE UNITED STATES DOLLAR RESERVE WHICH CANADA SHOULD BE ALLOWED TO KEEP, AND TO THE DESIRABILITY OR UNDESIRABILITY OF PAYING OFF OUR 5% ISSUE MATURING IN 1952 RATHER THAN REFUNDING IT.

By appointment I saw Dr. Harry White on Friday, January 8, and had a very pleasant and helpful discussion with him on the above points, the discussion lasting for about two and a half hours. The purport of the discussion may be briefly summarized as follows:

(1) I explained to him in some detail the fact that our billion dollar gift appropriation had been exhausted in the closing days of 1942, that our Parliament would not meet until January 27, and that it was impossible, or at least highly undesirable, that we should embark upon any new program for financing the United Kingdom and other United Nations until we had an opportunity of explaining our proposals to Parliament and, if possible, having any necessary legislation passed. In the meanwhile, therefore, it was necessary for the United Kingdom to pay cash, and she was proposing to turn over to us \$150 million in gold and U.S. balances which was expected to be sufficient to take care of the situation until after Parliament met. Dr. White was very interested in this fact and asked a good many questions about it. I then went on to say that apart from two or three special steps which we could take to increase the supply of dollars available to the United Kingdom, it now appeared that our general program of financing the United Kingdom and other United Nations would take the form of something closely approaching the United States Lend-Lease program. In other words, our idea would be to pool our surplus war production and make contributions out of it directly to each of the United Nations in accordance with the strategic requirements of the war. In answer to a question from him, I intimated that it might mean making certain free contributions to the United States itself, which appeared to please him. I pointed out that the proposal was still in an exploratory stage, being considered by a sub-committee of the War Committee and would later have to be discussed by the War Committee and then by the Cabinet itself before any official statement could be made. Dr. White was very much interested and asked a great many questions. I did not discuss specifically with him the question of the machinery of allocating our surplus output, but I did ask him whether he thought there was any value in getting some kind of reciprocal undertaking from the Nations to whom aid was given, even though such undertaking was very largely in the form of platitudinous expressions in regard to the United Nations' attitude to the war and the post-war world. Dr. White discussed the background of their own legislation and expressed the view that it was desirable to have some undertaking on the part of the receiving countries.

(2) I then raised with him the question of an appropriate U.S. dollar exchange reserve to be maintained by Canada, pointing out that the program we had in mind could hardly be adopted unless we had some assurance of being able to meet our U.S. exchange problem. I then presented the attached memorandum to him and called attention to the main points in it. He had various questions as we went through the memorandum, and disclosed some confusion of mind in regard to our present official balances and their comparison with official and private balances at the outbreak of war. At the end he stated that it was an able and comprehensive memorandum and set forth the case very clearly and forcefully. He seemed to be impressed by the arguments, and it was the view of both Mr. Plumptre and myself that the proposal would be generally acceptable to him. However, he said that he would like to discuss it with his Committee and then take it up with Secretary Morgenthau. He would then be in a position to give me the answer and would do so either by calling me back or by telling it to Mr. Plumptre. I told him that unless he was anxious to have a further discussion, it would be preferable from my point of view to have the answer given to Mr. Plumptre who could pass it on to me. He also said something about the desirability of Mr. Morgenthau mentioning the matter to, and securing the approval of, the President, which would then make it a binding arrangement and enable directions to be given to officials all down the line.

(3) I told him about negotiations going on with New York underwriters in regard to the refunding of our 5s of '52, and asked him whether from their point of view they would object to us paying off the loan instead of refunding it. He immediately expressed the opinion that it would be a mistake for us to pay off the loan and would create political embarrassment for them. Furthermore, he said that if we did pay off the loan, they would have to take the use of these funds in this way into account in any arrangement they agreed to in connection with my proposal under No. 2 above. He was so confident of his own opinion on this point that I immediately dropped the matter without pressing it further.

I should add that Mr. Morgenthau was ill and away from the office. It would have been impossible for me to see him unless I had stayed over until some time during the present week.

1153.

DEA/5207-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-295

Washington, January 20, 1943

IMMEDIATE. Following for Dr. W.C. Clark, Deputy Minister of Finance, Ottawa, Canada, from A.F.W. Plumptre, Washington Office, Begins: I visited Dr. White this afternoon and discussed with him the question of a maximum and minimum Canadian reserve of gold and United States dollars. Miss Kistler was present and I also had a little further discussion with her after I left Dr. White.

2. Your proposal as set forth in your memorandum of January 7th, that the Canadian reserve should range from \$400 to \$430 millions has been given consideration, not only by Dr. White and Treasury officials, but also by an interdepartmental group of officials of similar rank to White. It appears that this

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group is concerning itself with the reserves of gold and United States dollars which are to be held by such countries as Canada, the United Kingdom and others of the United Nations.

3. Dr. White said that this group had regretfully reached the conclusion that the range which you suggested was rather higher than they could support in the face of adverse criticism, wherever it might arise. Accordingly, he wished to suggest as an alternative a range from \$300 to \$350 millions.

4. Dr. White emphasized that he was rather apologetic in suggesting any reduction from the range which you mentioned. He said he hoped that we would understand that this in no way implied any unwillingness on the part of the Treasurer to support our current wartime needs for exchange. Under the Hyde Park Agreement¹⁵⁰ they had undertaken to supply us with whatever exchange we needed under wartime conditions and they fully intended to carry this out whatever it might cost, running to many hundreds of millions or even into billions. He also said that the difference between the amounts which you had suggested and the amounts which he was suggesting was, as an absolute sum, very small.

5. On the other hand, he hoped we would appreciate that the Canadian reserve balance which was guaranteed by the Treasury had to be something which could be defended, not only in relation to the pre-war Canadian position, but also in relation to the treatment which was accorded to other countries, including the United Kingdom. Even the range of \$300 to \$350 millions was pretty large in relationship to what was being allowed to the United Kingdom, (the amount of which he did not state). Moreover, it was felt by the interdepartmental group that it would be difficult for them to justify an aggregate reserve larger than that which was held at the outbreak of war (i.e., \$390 millions). Therefore, the top of the range which they were suggesting was somewhat below this figure.

6. He made it clear that the matter was still definitely open for discussion. On the other hand, it is very clear that we shall have to put forward a very strong case if we wish to press for a higher figure.

7. It appears to me in retrospect that the chief difference between his approach and your own lies in the fact that you are very strongly concerned with the post-war position. On the other hand he and the interdepartmental group are concerned with what can be defended in public; and the comparisons which will be made are almost certain to be with the treatment accorded to other countries and the position of the Canadian reserve balances at the outbreak of the war. He emphasized that while the Treasury could supply practically unlimited exchange for current wartime purposes, they could not very well supply funds for putting Canada in a more comfortable exchange position than it had had at the outbreak of war. Dr. White said that under wartime conditions he doubted whether it was possible to justify a reserve as high as you had proposed. Indeed it might be difficult to justify one as high as they were proposing. (Actually I suppose under conditions where they are more or less guaranteeing a minimum it is extremely difficult to justify any particular minimum above zero.

¹⁵⁰ Voir le volume 8, document 191.

¹⁵⁰ See Volume 8, Document 191.

Granted that guarantee, our basic needs for exchange reserve relate almost entirely to the post-war position and that, as I have said, is something to which the interdepartmental group does not appear to be giving much consideration.)

8. In the final paragraph of your memorandum you suggested the possibility that such additions to Canadian reserves as were accumulated by net sales of securities should be left out of account when computing the official maximum and minimum. This suggestion, Dr. White said, had met with "some raised eyebrows" in the interdepartmental group. It seems clear that such a proposal is not likely to be acceptable. It would establish a principle which might cause very serious difficulties, particularly if any proposal were made to make it retroactive. (Of course, there was no suggestion that you had made this proposal). He pointed out that in regard to the United Kingdom, this proposal might involve the Treasury in supplying several billions of balances which was of course quite impossible.

9. While Dr. White did not feel it was impossible to establish this principle as you had put it forward in your memorandum, he suggested that, if in the future we wanted to raise the question of adding to our balances on account of specific net capital movements, he would always be willing to discuss the matter. Indeed, he emphasized that whatever maximum and minimum were determined in the near future, these need not be considered as absolutely final. It would always be possible to reconsider the figures. Moreover, he said that he saw no reason to expect under any circumstances that the figures would be revised downwards.

10. You will recall that you and I were both worried after our discussion with Dr. White because he was inclined to compare the current official Canadian reserves with pre-war official reserves; i.e., without allowance for the private reserves which had been taken over by the Foreign Exchange Control Board. I raised this matter with Miss Kistler. She recognized the point immediately and said that Dr. White had in the past been making the comparison which we considered to be incorrect. On the other hand, she assured me that he was not making this comparison now and that in the discussion of the interdepartmental group our present position had been compared with our pre-war aggregate position and not merely with our pre-war official position.

11. Dr. White is obviously anxious to get this matter settled amicably as soon as possible. I told him that there was some hope of my being able to give him further information regarding the trend of our opinion later this week. There is apparently some possibility of early and definite action on this matter down here and White expressed the hope that agreement would be reached before this action was necessary. Ends.

1154.

DEA/5207-40

*Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis**Secretary of State for External Affairs to Minister in United States*

TELETYPE EX-234

Ottawa, January 22, 1943

IMMEDIATE. Following for A.F.W. Plumptre, Canadian Legation, Washington, from W.C. Clark, Deputy Minister of Finance, Ottawa, Begins:

1. Please thank Dr. Harry White for the consideration which he had given to the proposal set forth in my memorandum of January 7th.
2. I am disappointed, of course, but I can see the reasons which have led Dr. White and his committee to take the position they have. As you point out, the chief difference between his approach and our own lies in the fact that we are concerned with the post-war position and the post-war relations between the two countries, while he and his group seem to be worried over the possibility of public criticism based primarily on possible comparisons between the exchange reserve which I had suggested for Canada and that which may be agreed upon in the case of certain other countries. Of course I think such criticism would be more tenable if our exchange reserves were being built up as a result of lend-lease assistance by the United States to Canada as in the case of the other countries with which comparisons would be made. Actually, however, we think that we are giving the United States dollar for dollar value in the delivery of war supplies which can be secured here quickly and economically. Furthermore, in making comparisons between countries, regard should be had to Canada's debtor position vis-à-vis the United States, the peculiar vulnerability of her trade position and the other considerations outlined in my memorandum.
3. I still believe that the principles and considerations developed in my memorandum of January 7th were sound and appropriate and that the size of the reserve which I suggested therein was likely to be in the best interests of both countries. I am not in a position to make any alternative suggestion which would be sound on the basis of the principles that seem relevant to us and of course I would not consider this a matter for bargaining. You may therefore tell Dr. White that we are prepared to leave ourselves in his hands if the Treasury believes that they must settle the question primarily on the basis of considerations relating to possible comparisons with settlements reached for other countries. You might point out, however, that while, as he says, the differences between the two suggestions for the minimum figure is not as an absolute sum very large, it represents nevertheless a substantial percentage and would probably bring forward by eight or ten months the time when drastic action would have to be taken to protect our reserves if a drain upon them began in the immediate post-war period.
4. If the Treasury feel they must adhere to the minimum figure suggested by Dr. White, I would make only this one suggestion. Under those circumstances would he agree that the United States authorities would have no objection if we should wish to pay off in the next year or two maturing or callable securities payable in U.S. funds, up to the amount, say, of the net proceeds of sales of securities after the date of the new arrangement. This would avoid a further impairment in our capital position vis-à-vis the United States.

5. You should point out to Dr. White that of course there was no suggestion in my original memorandum or in our discussion that the provision in regard to security sales should be made retroactive.

6. I have expressed our position frankly but have no objection to your showing this despatch to Dr. White. As we are prepared to leave the question in his hands, I do not think any further discussions are necessary but in view of our Parliament meeting next week, we would appreciate anything he can do to expedite a decision.

1155.

DF/Vol. 3972

*L'adjoint du secrétaire au Trésor des États-Unis
au sous-ministre des Finances*

*Assistant to Secretary of the Treasury of United States
to Deputy Minister of Finance*

Washington, January 26, 1943

Dear Dr. Clark,

Mr. Plumptre has been kind enough to send me a copy of your dispatch to him dated January 22, 1943, concerning the tentative decision on Canada's U.S. dollar exchange reserve.

It appears, from your reply, that there is a misunderstanding concerning the basis of our tentative views. It is true that one of the factors taken into account is the relationship between Canada's reserve and that of other countries. However, this was of only minor importance. The major considerations were Canada's total international financial situation since the outbreak of war and the overall policy of this Government in extending financial assistance to our Allies.

The prime purpose of the policy of this Government in extending financial assistance to the United Nations is the prosecution of the war. In view of Congressional directives and public commitments made by the Administration, it would be most difficult to defend extension of financial aid to the Allied Governments for the purpose of providing for their post-war needs.

So far as concerns the second major consideration, we were dubious about the feasibility of evaluating Canada's U.S. dollar position without reference to changes in her overall international financial situation. Other factors influencing our decision were (1) the fact that your suggested minimum figure is higher than the U.S. dollar reserve held by Canada at the outbreak of war in September 1939, and (2) the lack of any justifiable basis for special treatment of Canada's post-war needs.

There is to be another meeting tomorrow morning at which time your views will be submitted. We shall, at that time, also examine very carefully your suggestion for handling the net proceeds of security sales.

Very truly yours,

H. D. WHITE

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1156.

DEA/5207-40

*Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures**Minister in United States to Secretary of State for External Affairs*

TELETYPE WA-431

Washington, January 29, 1943

Following for W.C. Clark, Deputy Minister of Finance, from Plumtre, Begins: Your EX-234 of January 22 regarding maximum-minimum Canadian holdings of United States dollars was transmitted immediately to Dr. White according to the permission given in paragraph 6.

He has just telephoned me to say that an answer¹⁵¹ was air mailed to you two days ago with a copy to myself which I have not as yet received.

He asked me to raise one further matter with you connected with paragraph 4 of your teletype. He said that the interdepartmental group had shown sympathetic interest in your suggestion that securities might be paid off in U.S.A. up to the next proceeds of sales of securities after the date of the new arrangement.

Dr. White asked us to supply him with more information on this matter indicating (1) the possible programme of repayment of maturing or callable securities (2) whether these are solely Dominion Government issues or whether other issues are involved and (3) whether the net proceeds of sales of securities which are to be counterbalanced are sales of all types of securities including stocks and bonds or only certain types. Ends.

1157.

DEA/5207-40

*Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures**Minister in United States to Secretary of State for External Affairs*

TELETYPE WA-767

Washington, February 19, 1943

Following for Dr. W.C. Clark, Department of Finance, from A.F.W. Plumtre, Begins: Maximum-minimum Canadian Balances of U.S. Dollars.

I obtained some information on the above subject when Miss Kistler telephoned to me about something else today.

She tells me that arrangements are going steadily forward for the establishment of the maximum-minimum balances along the lines indicated by Dr. White.

I specifically asked her whether your suggestion that certain security issues might be repaid at maturity had proved acceptable. She said that it had and that provisions to incorporate its principle were included in the arrangements which were being drafted along with certain arrangements to give "protection" to the U.S.A.

I asked her whether there had been any objection or annoyance to your suggestion and she said that to the best of her knowledge there had been none. Ends.

¹⁵¹ Voir le document précédent.

¹⁵¹ See preceding document.

1158. DEPARTMENT OF STATE DEPARTMENT OF STATE
DEA/5270-40*Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures**Minister in United States to Secretary of State for External Affairs*

TELETYPE WA-1053

Washington, March 6, 1943

Following for Dr. W.C. Clark, Department of Finance, from Plumptre, Begins: Maximum-Minimum Balances, Treasury Decisions.

Late yesterday afternoon I had a brief telephone conversation with Miss Kistler, who told me that our maximum-minimum balance arrangements had been completed and finally approved down here. This morning I have had rather a longer and more informative telephone conversation with Dr. White and I am now in a position to give you fairly full information.

Mr. J.B. Carswell called me yesterday evening and explained that after an unsuccessful attempt to reach me by telephone he had telephoned to you and given you the information that the arrangements had been completed although he did not know exactly what form they took. He had also told you that certain sales of ships to the U.S.A. were to be delayed pending clarification of the whole situation.

Dr. White tells me that he is writing to you today to explain what has been done in regard to the maximum-minimum balance. However, the following information may be useful.

1. The range is, as he had previously indicated, from \$300,000,000 to \$350,000,000.

2. Canex arrangements are to be discontinued.¹⁵²

3. During 1943 receipts from net sales of securities in the United States may be used for the reduction of bonds in United States.

Dr. White emphasizes that in order to make the maximum-minimum balance arrangements workable, it is absolutely essential that the Treasury should be informed promptly immediately after the end of each month what changes have occurred in balances during the month and what net sales of securities have occurred. He pointed out that, while we had sometimes been able to fulfil our promise to give him monthly information, we had not always done so. (I assured him that our intentions at least were pure). Ends.

¹⁵² Pour une discussion de ces arrangements voir R.W. James, *Wartime Economic Cooperation: A Study of Relations between Canada and the United States*. Toronto: Ryerson Press, 1949, pp. 33-34.

¹⁵² For a discussion of these arrangements, see R.W. James, *Wartime Economic Cooperation: A Study of Relations between Canada and the United States*. Toronto: Ryerson Press, 1949, pp. 33-34.

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1159.

DEA/5207-40

*Mémorandum du ministère des Affaires extérieures¹⁵³ au
sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Department of External Affairs¹⁵³ to
Under-Secretary of State for External Affairs*

[Ottawa,] August 26, 1943

It has become apparent from the observations of the Department of Finance with respect to the Brazilian desire to buy ships in Canada and the Shipping Board's memorandum[†] on the employment of Canadian ships that the Department of Finance has entered into an exchange agreement or understanding with the United States, of which this Department has no knowledge — at least the Records Branch is unable to find the text of any agreement or even a reference to the fact that one exists. Quite apart from this unusual method of making an international agreement, ignorance of its terms makes it difficult for this Division to formulate an opinion or participate in discussions on questions of trade and economic matters generally or even to follow such discussions intelligently.

A few examples, in addition to the Brazilian and shipping questions referred to above, will make the difficulty clear:

(a) Some time ago the Government of Ireland was authorized to buy agricultural machinery in Canada which would require 450 tons of steel. The question has now arisen as to whether or not Canada has any financial interests in the completion of such a transaction. The Export Permit Branch, after consulting the Foreign Exchange Control Board, reports that Ireland has no Canadian dollars at its disposal and expresses the opinion that "sterling and American dollars are of no use to Canada". The conclusion suggested, however, is not that the transaction should be cancelled but that it becomes, in essence, a gift to Ireland. As Ireland is a neutral country, the gift cannot be made by means of Mutual Aid and it is, therefore, suggested that the United Kingdom's Department of Agriculture should act as intermediary and place the order on behalf of Ireland eventually making payment from United Kingdom sources, either in cash or under Mutual Aid. This is a peculiarly involved way of considering the transaction and one which it will be very difficult to explain in public.

(b) The Food Requirements Committee had occasion to consider a proposal for apportioning Canada's exportations of apples between Britain, the United States and Latin America. It is not easy to consider this question in total ignorance of the importance of receipts from these countries nor is it easy to balance the importance of maintaining stocks for home consumption against the advantage of exporting them.

(c) In considering Canada's trade relations with Latin America under the United States Decentralization Plan, to which Canada has adhered, or under

¹⁵³ L'auteur de ce mémorandum était probablement J.S. Macdonald.

¹⁵³ The author of this memorandum was probably J.S. Macdonald.

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the arrangements which may be substituted for it, it is important to know whether Canadian exports to Latin America should be considered merely as a drain on Canada's resources which is accepted with equanimity at the present time because it contributes to maintaining Canada's foothold in markets which may be important after the war; or if the receipts from this trade, at the present time, are also of importance to Canada.

(d) Similar questions arose when concessions to the United States in the matter of taxation were under discussion. If American dollar receipts are not important, there is no reason why we should not be financially generous whenever any minor questions arise.

I have drafted the attached letter[†] with a view to securing the information we need.

You may prefer to ask for the information verbally but in any case I wish to stress that the information is essential if we are to participate effectively in many of the questions of an international economic character that come before us.

1160.

DEA/5207-40

*Mémoire du conseiller au sous-secrétaire d'État
aux Affaires extérieures*

*Memorandum from Counsellor to Under-Secretary of State
for External Affairs*

[Ottawa,] August 28, 1943

The copies of a number of teletype messages which have passed between Dr. Clark and Mr. Plumptre in the period January-April 1943, which Mr. Cullen showed me this morning, do not materially change the situation respecting our lack of knowledge of the financial relations between Canada and the United States.

It is clear from these teletypes that an exchange agreement or arrangement was made between the Department of Finance and the United States Treasury last winter. The terms of the arrangement, however, have not been communicated to this Department nor is there sufficient information in the teletypes (which were supplemented by telephone calls and at least two conferences in Washington) to permit us to form a clear understanding of the purpose of the arrangement and how it works in practice.

The position, very roughly, appears to be as follows:

In the spring of 1941, after eighteen months of war, the Canadian Government found that, in spite of the shipment of gold, the sale of foreign assets and of Canadian securities abroad, the ban on pleasure travel in the United States and the prohibition or reduction of imports of many commodities under the Foreign Exchange Conservation Act, it had placed orders for war materials in the United States for delivery during the next twelve months two or three hundred million dollars in excess of its capacity to pay, without borrowing abroad. In these circumstances the United States, under the Hyde Park Agreement of

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April 20th, 1941, agreed to purchase Canadian goods to a value of between two and three hundred million dollars in order to permit Canada to pay for these materials. This arrangement has apparently, by tacit consent, continued to operate and by the end of 1942 expenditures under it had reached three hundred and fifty million dollars. Presumably Canadian purchases in the meantime gradually dropped off and United States exchange began to accumulate.

It appears that there is an interdepartmental group of officials in Washington, of which Dr. White is a member, that has been concerning itself with the reserves of gold and United States dollars which are to be held by Canada, the United Kingdom and others of the United Nations. From the United States point of view it would, of course, be difficult to justify the maintenance of their policy of placing orders here, particularly if these orders are more or less artificial, if we continue to accumulate considerable quantities of United States exchange.

In January of this year Dr. Clark proposed directly to Dr. White that the Canadian reserve of gold and United States dollars should not be allowed to exceed \$430,000,000 nor to fall below \$400,000,000. (The reserve at the outbreak of the war was \$390,000,000). The Committee agreed that the Canadian reserve shall not fall below \$300,000,000 nor rise above \$350,000,000 and that net sales of Canadian securities in the United States may be used for the reduction of Canadian indebtedness in the United States.

It must be emphasized that this is a very sketchy outline of the position as no record of the arrangement has been communicated to this Department and we have only fragmentary accounts of the discussions held and conclusions reached.

Following our discussion on Thursday I outlined our difficulties to Mr. Deutsch and asked him to look up any teletype messages that may have been exchanged on the subject, get in touch with Dr. Mackintosh and any other Finance Department officials who have special knowledge of the arrangement and prepare a memorandum setting forth its terms and analysing it in sufficient detail to enable officials of this Department, and of the Canadian Legation in Washington, to form a clear understanding of its general purpose and how it works in practice. I have asked him to proceed with it as rapidly as possible as we have an immediate problem in deciding what attitude should be adopted on a number of important questions involving exports which would produce United States dollars or gold. In addition, of course, there is the broader question, which might be considered also, of deciding whether or not it would be worth examining this arrangement and its implications in the light of our foreign policy generally. Some aspects of the arrangement appear to involve such fundamental issues as equality of sacrifice — seeing that we continue to subject ourselves to restrictions such as a ban on imports and on travel which Americans do not impose on themselves and that while we have paid off our indebtedness to the United Kingdom we refrain from a similar policy with respect to the United States. As war orders in the United States are rapidly falling off and questions of commercial exports are again coming to be considered, the time may have come for a re-appraisal of the position. My suggestion, in any case,

would be that the best course to follow would be to defer our meeting until Mr. Deutsch's memorandum is complete when it could be used as a basis for discussion.

J. S. M[ACDONALD]

1161.

DEA/265s

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

SECRET

[Ottawa,] September 25, 1943

Under the arrangements negotiated with the United States Treasury in February last, the United States agreed to take steps to see that Canadian holdings of gold and United States funds did not fall much below \$300,000,000, on the understanding we would take steps to see that these holdings did not exceed \$350,000,000, and that we would maintain our existing exchange controls and restrictions. In the course of the year our United States exchange position has grown steadily stronger and we now have a very sizeable accumulation of United States funds in excess of the upper limit of \$350,000,000 contemplated in the original Treasury arrangement. The additional receipts of United States funds which have swollen our holdings are, in large part, the proceeds of deliveries to the United States of munitions and equipment ordered from War Supplies Limited by the United States Government for Lend-Leasing to the United Kingdom and other parts of the British Commonwealth. The Administration in Washington has always been worried lest it be criticized for buying goods from one part of the Commonwealth to give away to other parts of the Commonwealth. They were willing, under the Hyde Park Agreement, to place war orders in Canada to meet their own requirements and for Lend-Leasing to other countries up to the value required to match our war requirements of United States funds. They were unwilling, however, to place orders here which would enable us to put up United States funds while they were giving assistance to other Allies under Lease-Lend. This was the reason for their stipulation that our holdings of United States funds should not be allowed to go above a certain figure. Their reason for asking us to maintain our existing exchange control regulations was similar, i.e., they were worried about the political consequences of the United States Government spending in Canada on a scale which would, for example, have enabled the Canadian Government to relax the prohibition on pleasure travel.

As a consequence of these arrangements with the United States and of our undertaking to meet the Canadian dollar requirements of the sterling area, we are now in a rather peculiar financial position. One aspect of this position was explained in the note I gave you the other day¹ about some of the problems of export policy with which we are confronted, e.g., we receive no increment to our

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national income from additional export sales either for United States dollars or for sterling.

Another very important aspect of the present position directly concerns our relations with the United States. In the ordinary course, an easing of our exchange position would enable us to relax or remove the emergency restrictions which were necessary to preserve our exchange position under the financial strains of the first three years of the war, e.g., we could think about removing travel restrictions, rescinding import prohibitions or removing the War Exchange Tax of 10 per cent *ad valorem*, which is now levied on all imports from outside the sterling area. Under the arrangement with the United States Treasury, however, we cannot take any of these measures until after consultation with them. I explained the financial relations between our countries in general terms to Mr. Atherton last week before he went to Washington, stressing the damaging effects on long term Canadian-American relations of the indefinite continuance of restrictive measures which we had had to take to his country's hurt, but which we could not now undo without his country's concurrence, and suggested to him that there was perhaps a broader American interest in our early removal of the War Exchange Tax and import prohibitions or relaxation of travel regulations than the purely financial considerations which had led the United States Treasury to insist on our retaining these restrictive measures. The longer the import restrictions were in force the harder it would be to remove them because, inevitably, and in spite of all our protestations about their temporary character, they would become assimilated to ordinary tariffs in the minds of firms and individuals benefitting from the incidental protection which they gave. I reminded him of the difficulties we had both had in removing the 3 per cent Special Excise Tax, and thought it likely that the 10 per cent War Exchange Tax would be just as hard to get rid of if it was permitted to operate after the emergency conditions which had made its imposition necessary had ceased to exist.

The travel restrictions were in rather a different case. Neither Canada nor the United States wished to encourage any kind of pleasure travel under war conditions, but there was now no more mischief in north-south travel than in east-west travel, which both countries permitted, though under increasing restrictions and discouragements. I did not think we should restore "pleasure travel" as such, but I thought we might work out an overall policy of discouraging unnecessary travel on scarce rail and bus facilities, etc., which would supersede the specific border restrictions on travel which Canada had originally put on to conserve United States exchange. I told him that we were worried about the problem of enforcing restrictions which no longer had behind them the great sanction of public opinion, which had helped to make them operative in the first phase. We did not like having laws on the statute books that were not enforced, but at the same time found it increasingly difficult to justify the oppressive and exemplary measures which any serious attempt at enforcement would require. Our position in enforcing the travel restrictions in the border cities was alarmingly like the United States position in the years immediately preceding the repeal of prohibition. This was a special reason why we would like to have the travel regulations pretty thoroughly revised.

Mr. Atherton, on his return from Washington today, told me that he had had an opportunity of discussing the points I had made in a general way with officials of the Department of State and had found them very receptive. It was a situation, however, which they would have to examine or explore with the United States Treasury. This they proposed to do, and he hoped to give me an informal, preliminary indication of the United States attitude toward the whole question within the next few weeks.¹⁵⁴

SECTION E

CHASSE AU PHOQUE PÉLAGIQUE

PELAGIC SEALING

1162.

DEA/5330-40

*Extraits du procès-verbal d'une réunion entre des
représentants du Canada et des États-Unis*

*Extracts from Minutes of a Meeting between
Representatives of Canada and the United States*

February 11, 1942

MEETINGS FOR CONSULTATION ON INTERNATIONAL FISHERY
MATTERS, HELD AT THE DEPARTMENT OF STATE IN
WASHINGTON, D.C., ON JANUARY 30TH AND 31ST, 1942

The next item discussed was possible arrangements for continued utilization of the fur seal resources of the Pribilof Islands. Representatives of the United States Fish and Wildlife Service indicated that plans were being made to take seals on the Pribilof Islands as usual and that the chief problem was to determine the scale of possible operations in comparison with former years. The abnormally large take in 1941 was mentioned, but difficulties likely to affect operations in the coming summer were said to involve increased labour costs, transportation, accommodations for personnel and supplies, and the problem of military protection for the Pribilof Islands.

Mr. Sturgeon called the meeting's attention to the need for a new agreement between the United States and Canada, to replace the expired Convention of 1911¹⁵⁵, and to make at least temporary provision for the taking and disposition of seals on the Pribilof Islands. It was recognized that the share of seal skins

¹⁵⁴ La note suivante était écrite sur ce mémorandum:

¹⁵⁴ The following note was written on the memorandum:

O.K. K[ING]

¹⁵⁵ Voir Canada, *Treaties and Agreements Affecting Canada in Force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925*. Ottawa: Imprimeur du Roi, 1927, pp. 374-6.

¹⁵⁵ See Canada, *Treaties and Agreements Affecting Canada in Force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925*. Ottawa: King's Printer, 1927, pp. 374-6.

formerly going to Japan may now be subject to division between Canada and the United States, and there was in conclusion discussion of a basis for the division. It was mentioned that the Soviet Union had not received any share of the skins under the expired agreement, and it seemed to be the consensus of opinion, therefore, that the situation might be dealt with by means of a simple form of agreement between Canada and the United States.

For the purpose of tentative discussion, Mr. Bevans of the Treaty Division, Department of State, supplied a draft fur seal agreement[†] which he made clear was only to facilitate the development of views as to what might be practicable to include in a later proposal.

In line with this procedure the Canadian representatives indicated their approval of a number of suggestions relating chiefly to possible provisions for pelagic sealing in emergency, scientific investigations, and methods of controlling the size of the resources. The preferable course appeared to be one which would least disturb established principles of conservation and administrative practices while providing for the needs of the emergency period.

January 31, 1942

Consideration was given immediately to the draft fur seal convention which was presented to the Conference on the previous day. Mr. Whitmore made numerous suggestions in regard to the draft, which were incorporated therein. Some discussion was had regarding the question as to whether the draft convention provided that each Government would have the right to operate expeditions for restricted pelagic sealing or whether each Government might contract with a private firm for the take of seals for scientific purposes. Several other points concerning the agreement were raised and it was agreed that the Department of State would very shortly present, through the Canadian Legation, a copy of the draft agreement for further consideration of and recommendations by the competent authorities of the Canadian Government.

1163.

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Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

DESPATCH 1147

Washington, May 12, 1942

Sir,

With reference to my Despatch No. 359 of February 11, 1942[†], and subsequent correspondence[†] with regard to the desirability of concluding a provisional arrangement for the preservation, protection and utilization of the fur seal herd of the Pribilof Islands, I have the honour to enclose herewith copies of a Note dated May 7th from the Honourable Cordell Hull[†], Secretary of State of the United States, which contains a brief summary of the changes in the wording of the Convention of 1911, as discussed at the meetings that took place at the

Department of State on January 30th and 31st, 1942. The note contains also the terms of the provisional Fur Seal Agreement which the Government of the United States is prepared to enter into with the Government of Canada, based on the Convention of 1911.

2. It is noted that the United States Government proposes that the Canadian Government's share in the annual take of seal skins on the Pribilof Islands may be increased to 20 per cent. During the discussions at the meeting on January 30th it was recognized that the share of seal skins formerly going to Japan would be subject to division between Canada and the United States, and although no conclusion was reached on a basis for division the Canadian representatives were hopeful that the United States would propose a division in excess of 20 per cent.

3. Unfortunately the Legation is unable to check the changes made by the United States authorities in their draft agreement which was submitted for discussion. Nearly all of these changes were suggested by Dr. Finn and Mr. Whitmore. The latter took with him the draft on which the changes were noted.

4. I also enclose a copy of formal acknowledgment of Mr. Hull's Note[†] and I shall be glad to be informed in due course of the views of the competent authorities of the Government in respect of the proposals submitted by the Secretary of State and to receive instructions as to the nature of the further reply that should be returned to the United States Government.

I have etc.

M. M. MAHONEY
for the Minister

1164.

DEA/387-40

*Le sous-ministre des pêcheries au sous-secrétaire d'État
aux Affaires extérieures*

*Deputy Minister of Fisheries to Under-Secretary of State
for External Affairs*

Ottawa, July 2, 1943

Dear Mr. Robertson,

I desire to refer to your Note of May 15th[†] enclosing copy of Despatch No. 1147 of May 12th from the Canadian Legation at Washington, to which is appended Note dated May 7th from the Honourable Cordell Hull[†], Secretary of State of the United States, containing the terms of Provisional Fur Seal Agreement which the Government of the United States is prepared to enter into with the Government of Canada, as well as a summary of changes it includes arising out of conversations in Washington in January last.

I am authorized to say that the terms of the Note and the Provisional Agreement are generally acceptable to this Department. In accepting such, this Department would like there to be interpretation of certain specific points in the manner outlined hereunder. There was general agreement to such interpreta-

tions at further conversations between officials of the two Governments held at Montreal on June 10th.

1. That the increase in the Canadian share of fur seal skins taken at Pribilof Islands from 15 to 20 per cent. by adding a part of the share formerly received by Japan is an arbitrary figure, not arrived at on a calculated basis, and that our agreement thereto is provisional only, based on prevailing abnormal circumstances; also, that such increase in the Canadian share recognizes the principles underlying the 1911 Convention, in addition to the cooperation of the Canadian Government in scientific arrangements for the conservation of the fur seal herd and the need for further cooperation in scientific study of the fur seals.

2. That the word "North" as used in "North Pacific Ocean" in Article I, is redundant and may be dropped in view of the context immediately following.

3. That consultations between the two Governments from time to time regarding the level of population at which the seal herd is to be maintained, provided for by Article VIII, shall also include other important phases of management or policy relating to the herd.

4. That the Agreement through Article X shall be retroactive for the 1942 season; also, that it shall remain in effect for twelve months after the end of the present emergency unless either Government enacts legislation contrary to its provision or until twelve months after either Government shall have notified the other Government of an intention of terminating the Agreement.

I am attaching two copies¹ of the Provisional Agreement with the word changes contemplated by the foregoing embodied in the several provisions affected.¹⁵⁶

Yours truly,

D. B. FINN

¹⁵⁶ Des notes signalant l'entente furent échangées à Washington le 8 et 19 décembre 1942. Voir Canada, *Recueil des traités*, 1942, N° 25.

¹⁵⁶ Notes recording agreement were exchanged in Washington on December 8 and 19, 1942. See Canada, *Treaty Series*, 1942, No. 25.

SECTION F
PÊCHE/FISHERIES

1165.

DEA/5134-D-40

*Extraits d'un mémorandum du sous-secrétaire d'État adjoint
aux Affaires extérieures¹⁵⁷ au sous-secrétaire d'État
aux Affaires extérieures*

*Extracts from Memorandum from Assistant Under-Secretary
of State for External Affairs¹⁵⁷ to Under-Secretary
of State for External Affairs*

[Ottawa,] June 17, 1943

CANADIAN FISHERIES AND INTERNATIONAL LAW

1. A meeting of the Fisheries Advisory Committee of Canada and the United States was held in the Roosevelt Hotel, New York City, on Monday, June 14. Those in attendance were

FOR CANADA:

Dr. D. B. Finn, Deputy Minister of Fisheries

A. J. Whitmore, Supervisor of Western Fisheries

H. L. Keenleyside, Assistant Under-Secretary of State for External Affairs.

FOR THE UNITED STATES

L. D. Sturgeon, Department of State

Mr. Zimmerman, Department of State

C. E. Jackson, Assistant Director, Fish and Wild Life Service, Department of the Interior

Dr. Deason, Fish and Wild Life Service, Department of the Interior.

2. The discussions fell into three parts. The first had to do with the *Great Lakes Fisheries*. The second was concerned with the *Conference on Northern Fisheries* which the United Kingdom is calling¹⁵⁸. The third encompassed a discussion of *North Pacific Problems* and developed into a consideration of a proposal which I advanced in the field of International Law.

5. *North Pacific Problems*: The United States representatives had indicated that they wished to discuss the post-war protection of the North Pacific (extra-territorial) Fisheries. It will be recalled that before 1941 the Japanese had been invading this area and that on one occasion the Canadian and United States Governments had made representations in London to stop a British factory ship from entering this zone. The essence of the problem is found in the fact that the waters in which protection is required are part of the high seas. The right of Canadian and American fisheries to the exclusive exploitation of the fisheries is

¹⁵⁷H.L. Keenleyside.¹⁵⁸Voir le document 793.¹⁵⁸See Document 793.

based on equity and arises from the fact that until recently no other nationals were active in these waters. Canada and the United States had joined in self-denying regulations without which the fisheries in question would long since have been exhausted.

6. The facts of the situation are all clearly understood; the problem is to find some means of maintaining Canadian and American rights against foreign interests who rely on the simple assertion that high-seas fisheries are open to all. After some discussion I put forward a proposal which I had been developing in my own mind but which I had never committed to paper or discussed with any officer of the Canadian Government. I had intentionally refrained from consulting with anyone in Ottawa on this matter in order to be able to say that it was purely an idea of my own and that in advancing it for discussion I was not in any way committing the Department of External Affairs, the Department of Fisheries or any other agency or individual connected with the Canadian Government. The proposal in question would constitute, if generally accepted, an addition to the body of international law. I suggested that in the first instance it should be agreed upon and announced as a basis of Canadian and United States policy with an invitation to other countries to adhere. It is in general terms and would be generally applicable.

7. Somewhat to my surprise both the Canadian and United States representatives accepted the idea, subject to subsequent more detailed consideration, with something approaching enthusiasm. It was felt that it was soundly based on equity, that it would be readily applied and that it would probably be acceptable to most if not all the major fishing countries. Obviously the proposed doctrine will have to be further examined and be refined in detail. Our United States colleagues asked that it then be transmitted officially to Washington with a request that the Government of the United States consider the advisability of

- (a) the acceptance of the principle involved and
- (b) the issuance of a joint declaration or the adoption of some other means of making the acceptance effectively known.

8. A copy of the draft proposal is attached. A copy of the draft Great Lakes Convention¹ is also attached.

[PIÈCE JOINTE/ENCLOSURE]

A DRAFT OF A DOCTRINE DESIGNED TO APPLY TO CERTAIN
FISHERIES OUTSIDE TERRITORIAL WATERS, SUGGESTED FOR
ADOPTION BY THE GOVERNMENTS OF CANADA AND THE UNITED
STATES AND FOR SUBSEQUENT ACCEPTANCE AS AN ADDITION
TO THE BODY OF INTERNATIONAL LAW BY ALL COUNTRIES

[Ottawa,] June 17, 1943

Any fishery conducted on the high seas by the nationals of any country shall be open to the nationals of that country alone when the following conditions exist:

- A- The fishery is conducted in waters contiguous to the national domain.
- B- The fishery has been conducted habitually, continuously, exclusively, and over a reasonable period of time by the nationals of the country concerned.

C- The fishery has been conducted under regulations designed to conserve and protect the species concerned.

D- The fishery is conducted in a clearly defined area.

Provided that when nationals of two or more countries have been engaged in any single fishery, and when the conditions outlined above apply to all those thus engaged, the two or more countries, if unanimous, may claim the right to the joint exclusive exploitation of the fishery concerned.

1166.

DEA/5134-D-40

*Mémorandum du conseiller juridique au sous-secrétaire d'État adjoint
aux Affaires extérieures*

*Memorandum from Legal Adviser to Assistant Under-Secretary
of State for External Affairs*

[Ottawa,] July 20, 1943

1. I am returning the papers entitled "Canadian Fisheries and International Law", under your reference of June 17, together with a note prepared by Mr. Willis.

2. I had hoped to have a chance to discuss this with you before you left for the West, but there was not time.

3. Mr. Willis has analyzed the difficulties presented by this proposal. At the moment we could get away with a scheme of this sort, but I am not so sure that it would be practicable to do so over a long period of years. In view of the fact that we would be attempting to assert an exclusive proprietary right on the high seas, I am certain that we should be faced with long-term unrelenting opposition of the United Kingdom Government.

4. I should think that there would be more likelihood in obtaining general acceptance for a policy of this sort, if we limited our claim to an assertion of the right to police and regulate the fisheries on the high seas, where such policing and regulation was essential to the preservation of the territorial fisheries.

5. The difficulty arises from the need for the establishment of a new rule of International Law. A new rule can be established in the following ways:

(a) By the building up of a usage generally recognized and accepted by the nations of the world. Usages of this sort are not ordinarily the result of deliberate action, but there is no real reason why policies should not be carried out with the conscious objective of a new rule of International Law.

(b) By the embodiment of the new rule in a multilateral agreement.

(c) Legislative action by an organization of nations endowed with such powers. At present there is, to all intents and purposes, no such organization, but in the future it is probable that a world organization will be established, having some law-making power.

(d) By bold and lawless action by a powerful State or States, ultimately reluctantly acquiesced in by the nations of the world unwilling to challenge their action.

It is the last way, namely (d), that is envisaged in the present proposal.

6. The real question is whether we could get away with this sort of action, and it involves an appreciation of the probability of its being challenged within the near future.

J. E. R[EAD]

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum de l'adjoint spécial

Memorandum by Special Assistant

[Ottawa,] June 22, 1943

COMMENTS ON DRAFT DOCTRINE DESIGNED TO APPLY
TO CERTAIN FISHERIES ON THE HIGH SEAS.

1. The doctrine suggested would reserve in essence, an exclusive right of fishery to the nationals of any country in any sea area contiguous to that country which has been "occupied" by its national fishermen and fished by them under regulations designed to preserve the species of fish concerned. When the representatives of the United States, and Canada in New York felt "that it was soundly based on equity", they meant, I take it, that where a country subjects its fishermen to conservation regulations in any fishing area it should in fairness be able to protect them from unfair competition in that area by foreign fishermen who are not bound by those regulations.

2. Foreign nations would not be slow to point out that the doctrine goes much further than is necessary to carry out the "equity" on which it is said to be based. It is, I can hear them saying, quite fair that foreigners who share in the bounty produced by the self-denial of national fishermen should be forced to exercise a similar right of self-denial, but how is it fair to exclude foreigners altogether? We might, they would say, just possibly consider adherence to a new principle whereby a country would have power to impose outside its boundaries on fishermen unconnected with it its ideas of conservation but we would immediately reject as a shameless grab any principle that excluded foreign fishermen altogether; we might admit, for these special circumstances, your jurisdiction to regulate our fishing on part of the high seas, but we would never admit your right to prevent us from fishing at all on part of the high seas.

3. Previous efforts to conserve the supply of fish have taken the form of (a) agreements between all the nations concerned but that is not contemplated here (b) unilateral declarations by a single nation that its territorial waters extend beyond the generally accepted three-mile limit, Portugal for instance claiming six miles, and Russia twelve. Riesenfeld, *Protection of Coastal Fisheries under International Law*, 1942, pp. 177-180, and 161-164, but no such unilateral declaration has ever been recognised by any foreign nation otherwise than by treaty. Great Britain, and Canada in particular have always except in the case of

sedentary fisheries such as oysters adhered to the three-mile limit. No nation has ever yet suggested that because (a) its fishermen had "occupied" ("occupation" of any part of the high seas being impossible in international law) a defined area of the sea for fishing purposes and (b) it had made wise use of the area "occupied" by putting conservation regulations in force there, this area should for fishing purposes belong to its nationals exclusively. The reason why no such suggestion was ever made is, surely, that it could never have any hope of success.

4. In my opinion, therefore, the principle proposed to be jointly enunciated by Canada and the United States is (a) not justified by the equity on which it is rested and (b) opposed to the well recognised principle of international law that a nation's right of exclusive fishery is confined to its own territorial waters, and is therefore unlikely to obtain recognition by any foreign nation. It could of course, be made binding on any foreign nation by agreement with that nation.

5. The following verbal changes are suggested:

(i) Instead of the word "fishing" in the first line of the doctrine, the word "fishery" which is used elsewhere throughout.

(ii) Instead of the phrase "high seas", in the heading and in the first line of the doctrine proper, it might be wise to use the phrase "outside territorial waters". The doctrine would then appear to be (what it is) an extension under certain specialized circumstances of the admittedly exclusive right of fishery in territorial waters and not an attempt to interfere with the jealously guarded "freedom of the seas". The change makes no legal difference, but the new wording might put fewer backs up than the old.

(iii) Instead of the words "national domain" the words "territorial waters" might be more artistic.

1167.

DEA/5134-D-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

DESPATCH 788

Ottawa, July 21, 1943

CONFIDENTIAL

Sir,

At the meeting of the Canada-United States Advisory Committee on Fisheries Problems which was held in New York on June 14, 1943, the members and technical personnel present gave consideration to a proposal advanced by Mr. Keenleyside of the Department which has now been prepared in draft form for consideration as a possible addition to the body of international law. In the discussion in New York it was suggested that the proposed doctrine might be examined with a view to its initial adoption by Canada and the United States and that subsequently it might be recommended for more general acceptance.

2. The proposal as now drafted is set out in an annex to this despatch. I attach also a brief memorandum on the subject prepared by the Legal Adviser and a copy of the note prepared by Mr. Willis to which Mr. Read refers.

3. It is suggested that the Legation transmit a copy of Mr. Keenleyside's draft informally to the State Department and seek an early opportunity for a discussion of it with the interested officers there. It should be indicated that the Canadian Government has not come to any conclusions as to either the practicability or the desirability of the proposal, but that it is considered worthy of discussion and that the views of the State Department in regard to it would be read with great interest here.

4. You will have observed that the Prime Minister was interrogated in the House on July 9th in regard to certain fisheries problems by Mr. Reid and that in reply he said "The Department of External Affairs and the Department of Fisheries have been looking into the problem of the Pacific Coast fisheries, both the halibut and salmon fisheries. I shall be very glad to take careful note of what the honourable member has said and I welcome from any source suggestions that may be helpful." As has been indicated to you in previous despatches the whole question of our fisheries policies has recently been receiving considerable attention and it would be useful if the consideration of the proposal referred to in this despatch could be advanced with as much expedition as its importance will permit.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1168.

DEA/5134-D-40

*Le chargé d'affaires aux États-Unis au
secrétaire d'État aux Affaires extérieures*

*Chargé d'Affaires in United States to
Secretary of State for External Affairs*

DESPATCH 1774

Washington, July 27, 1943

CONFIDENTIAL

Sir,

I should like to refer to your despatch No. 788 of July 21, 1943, enclosing a draft doctrine of international law regarding fisheries outside territorial waters.

2. Copies of the draft doctrine were handed today informally to Mr. Hickerson of the European Division of the State Department. Mr. Wershof of the Legation spoke to Mr. Hickerson along the lines of paragraph 3 of your despatch No. 788. Mr. Hickerson is to let the Legation know as soon as the State Department is ready to have an informal discussion with the Legation of the draft doctrine.

3. Mr. Hickerson said that the draft doctrine has already been studied by several members of the State Department, having been brought back by the State Department representatives from the meeting of the Fisheries Advisory Committee held on June 14, 1943. His own reaction to the draft doctrine was not only favourable but enthusiastic. He said that members of the State Department are looking into the factual question of whether there are any fisheries in the world, other than the North Pacific Fishery, that would in practice be affected by the draft doctrine. If the North Pacific Fishery is the only one that would be affected, no country except Japan would have a real reason to oppose it.

I have etc.

L. B. PEARSON

1169.

DEA/5134-D-40

Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
Memorandum by Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa,] August 30, 1943

DRAFT DOCTRINE ON HIGH SEAS FISHERIES

1. Following the New York meeting of the Canada-United States Fisheries Advisory Committee a separate meeting was held which was attended only by Messrs. Dooman¹⁵⁹ and Sturgeon of the United States and Finn and Keenleyside of Canada to discuss the proposal of a new doctrine to govern certain high-seas fisheries which had been submitted to the United States by Canada a few weeks ago.

2. As a result of the discussion it was apparent that the United States Government had come to the conclusion that they would be prepared to join with Canada in accepting and announcing the proposed doctrine. They indicated that they would like to make one or two minor additions or changes and they suggested the addition of one rather long supplementary proposal designed to meet a situation affecting United States relations with Mexico.

3. In the course of the discussion we were able to point out to the State Department officials that their proposal for the solution of their Mexican problem was not in fact necessary and had arisen from a misapprehension of the way in which it had been intended that the original doctrine should apply. Dooman and Sturgeon agreed with our views in regard to this matter and stated that they would look into the whole position again as soon as they returned to Washington.

4. We were assured that the State Department, including the Legal Division, were in agreement with the general principle of the new doctrine and it was indicated that a United States answer to our note on the subject might be expected very shortly.

¹⁵⁹ Conseiller, département d'État.

¹⁵⁹ Adviser, Department of State.

5. It was felt that it would be useful to have a technical paper prepared and published in say the *American Journal of International Law* at about the same time that the two governments announce their adherence to the proposed doctrine. I agreed to undertake the preparation of this paper and have been promised the assistance of the State Department as well as our own Department of Fisheries.

H. L. KEENLEYSIDE

1170.

DEA/5134-D-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au conseiller, l'ambassade aux États-Unis*

*Assistant Under-Secretary of State for External Affairs
to Counsellor, Embassy in United States*

Ottawa, November 25, 1943

Dear Merchant [Mahoney],

I have received your letter of November 23, 1943¹ and the memorandum from Max Wershof² on the subject of international law relating to fisheries outside territorial waters which accompanied it.

The situation is as follows. We have discussed the proposed formulation with the United States members of the Fisheries Advisory Committee at three different meetings. In addition we sent to the State Department through the Legation a copy of the new "doctrine" and at that time the officers of the Legation proposed that discussions might be initiated in Washington. As a result of these steps the United States became fully seized of our ideas and we were told that legal officers of the State Department were working on the problem. We were also told that we might expect an official communication from the State Department about it.

At the meeting of the Fisheries Advisory Committee held in Montreal on September 24th and 25th (a copy of the minutes³ was forwarded to you with our despatch of November 19⁴) the matter was again considered in some detail, and we were assured that an official communication from the United States would shortly be forthcoming.

I don't think that any good purpose would be served by having the Legation pursue the matter any further until we get the question of United States cooperation in the Northwestern Atlantic worked out.¹⁶⁰ I hope that some progress in this direction will be made when Mr. Hickerson comes to Ottawa next week to talk about the Northwestern oil situation.¹⁶¹

Yours sincerely,

H. L. KEENLEYSIDE

¹⁶⁰ Voir le document 807.

¹⁶¹ Voir le document 1017.

¹⁶⁰ See Document 807.

¹⁶¹ See Document 1017.

SECTION G

AGRICULTURE

1171.

W.L.M.K./Vol. 328

*Le président, le comité canadien, Comités économiques conjoints,
au Premier ministre*

*Chairman, Canadian Committee, Joint Economic Committees,
to Prime Minister*

Ottawa, March 3, 1942

Dear Mr. King,

I enclose herewith two resolutions adopted by the Joint Economic Committees of Canada and the United States on February 27th last.

The first¹⁶² recommends that the movement of used agricultural machines and their operators and of seasonal farm labour across the international boundary be facilitated. If crops are small, this may be unimportant but if they are large, its importance may be substantial. This is particularly true in the western areas where movement of machines and their crews with the progress of the harvest is a common feature of American agriculture.

The second recommendation¹⁶³ is of much greater importance. Briefly, it is that, in setting their agricultural production goals, Canada take into account the need of the United States for oats, barley, flax and the United States Canada's need for soy beans and soy bean oil. The obligation to be undertaken is that of endeavouring to produce adequate supplies, not the delivery of a stated quantity of the products.

The Joint Economic Committees considered it of major importance that advantage be taken of this opportunity of recognizing complementary, rather than competitive aspects of Canadian and United States agriculture. It was considered better that we should produce for each other's needs and get away from the present embargoes and other restrictions. The arrangement, if entered into, will contribute greatly to the supplies of vegetable oils needed by Canada. It will provide an assured market for any surpluses of oats, barley, and flax which we may have. In this respect, the recommendation is merely an extension of the policy of encouraging the production of these grains which I understand the Government is contemplating.

The undertaking of the United States not to impose additional restrictions on the importation of oats, flax and barley would be substantial as it would prevent the operation of a section of the Agricultural Adjustment Act which has already been applied against wheat. The reciprocal undertaking by Canada with reference to soy beans would be nominal.

It is contemplated that the detailed agreement, embodied in whatever instrument seems desirable, should be arranged through the regular channels with both Departments of Agriculture participating.

¹⁶² Pièce jointe 2.¹⁶³ Pièce jointe 1.¹⁶² Enclosure 2.¹⁶³ Enclosure 1.

It is necessary to stress that it is of the utmost importance that no announcement of any kind be made concerning this recommendation or any agreement which might result from it, without the full concurrence of the United States Government and particularly of the Department of Agriculture in the form and content of the announcement. You will recognize readily that, in view of the recent history of agricultural policy in the United States, a proposal to encourage the importation of such common products will require careful handling by the United States Department of Agriculture.

I add for your information that officials of both Departments of Agriculture participated in the sub-committee which formulated these recommendations.

Yours very truly,

W. A. MACKINTOSH

[PIÈCE JOINTE I/ENCLOSURE I]

Résolution 8 des Comités économiques conjoints

Resolution 8 of Joint Economic Committees

February 27, 1942

WHEREAS, The United States and Canada are confronted by a serious shortage of fats and oils due to inability to obtain customary imports owing to war operations and the shortage of shipping, increased wartime requirements, and the necessity of supplying substantial quantities of these products to the United Nations, chiefly the United Kingdom and the Union of Soviet Socialist Republics; and

WHEREAS, The United States and Canada, in addition to meeting their own expanded requirements, have each undertaken to supply the United Kingdom with extensive quantities of livestock products involving the necessity of increasing the supplies of feed grains; and

WHEREAS, An increased supply of oil can be obtained by expanding the acreage of soy beans in the United States and of flax-seed in Canada; and

WHEREAS, A material increase in feed supplies can be obtained by expanding the acreage of oats and barley in Canada; and

WHEREAS, The facilitating of such a program of expansion would contribute to the joint war effort of the two countries, and at the same time encourage a more effective use of their respective resources;

THEREFORE, The Joint Economic Committees of Canada and the United States recommend:

A. That the Governments of the two countries, through their appropriate departments or agencies, undertake the following:

(1) The United States to increase its acreage of oil-producing crops with the object of alleviating the impending shortage of oils in both the United States and Canada.

(2) Canada to increase its acreage of flax-seed to provide as large a volume as possible for domestic needs and an excess to offset in part the reduction in North American imports of vegetable oil and oil seeds.

(3) Canada to increase its acreage of oats and barley with the object of obtaining adequate supplies of feed grains for the expanded livestock program of Canada and supplementary supplies for the United States.

B. That in order to encourage such a program, while at the same time providing necessary assurances in the matter of market outlets, the respective Governments agree, effective from next autumn, that:

(1) Canada shall facilitate the delivery in the United States, at the then current United States prices, of whatever quantity of flax-seed, oats, and barley Canada may be in a position to supply;

(2) The United States shall not impose additional restrictions on the importation of flax-seed, oats and barley moving from Canada to the United States;

(3) The United States shall facilitate the sale to Canada, at the then current United States prices, of whatever quantity of vegetable oils or vegetable oil seeds the United States may be in a position to supply;

(4) Canada shall not impose additional restrictions on the importation of vegetable oils or vegetable oil seeds moving from the United States to Canada.

W. A. MACKINTOSH

Chairman,

Canadian Committee

ALVIN H. HANSEN

Chairman,

United States Committee

[PIÈCE JOINTE 2/ENCLOSURE 2]

Résolution 9 des Comités économiques conjoints

Resolution 9 of Joint Economic Committees

February 27, 1942

The Joint Economic Committees of Canada and the United States recommend that the Governments of the two countries take suitable action:

(1) To permit used agricultural machines and their operators or normal crews, to move across the border without payment of duty, with a minimum of restrictions, and with such regulations as either country may consider necessary to insure that the machines or members of the crews return within a specified time to the country from which they came.

(2) To facilitate the seasonal movement of farm labor across the common boundary under such rules and regulations as will further the efficient distribution of labor for peak requirements.

The reasons for these recommendations are:

Shortages of agricultural machines and of farm labor skilled in their use impede the wartime agricultural programs both in Canada and in the United

NON-CIRCULATING

States; and scarcities of steel and other metals limit the current output of labor-saving machinery. The movement of machines within each country has contributed to economies in the use of machines and labor and achieved greater efficiency of agricultural output. The removal of such regulations and restrictions as now impede the movements across the common boundary of both farm machines and the labor associated with them, would further increase their efficient use, thereby contributing to the common war effort.

Seasonal requirements for farm labor especially in adjacent areas of Canada and the United States ordinarily occur in a time sequence that gives opportunity for the movement of such labor, especially at planting and harvest time when labor shortage caused by the war might have serious effects on farm production in many localities on both sides of the border.

W. A. MACKINTOSH
Chairman,
Canadian Committee
ALVIN H. HANSEN
Chairman,
United States Committee

1172.

W.L.M.K./Vol. 328

Mémorandum du secrétaire du Cabinet au Premier ministre
Memorandum from Secretary to the Cabinet to Prime Minister

CONFIDENTIAL

Ottawa, March 4, 1942

RE: CANADA-U.S. JOINT ECONOMIC COMMITTEES — RECOMMENDATIONS
REGARDING AGRICULTURAL POLICY

Attached are two important resolutions adopted by the Joint Economic Committees, along with the original letter of transmission from Mr. Mackintosh, as Chairman of the Canadian Committee.

You will observe that the Joint Committees give great importance to these recommendations, and their adoption by the two governments. Mr. Mackintosh also emphasizes the importance of giving no publicity to the proposals, or to any action which may result, without full agreement of the U.S. government.

In view of the nature of the recommendations, I propose to have them submitted, at an early date, to the full Cabinet, rather than to the War Committee. Meantime, I am sending copies to members of the Cabinet Wheat Committee.¹⁶⁴

A. D. P. H[EENEY]

¹⁶⁴ La note suivante était écrite sur ce mémorandum: ¹⁶⁴ The following note was written on the memorandum:

1173.

DEA/3629-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1338

Washington, June 15, 1942

You will recall that the Joint Economic Committees recommended that agricultural machinery with their normal crews and seasonal farm labor should be allowed to move freely across the border.

The State Department have been studying the administrative action necessary to implement these recommendations and have approached us informally with the following proposals:

1. Agricultural machine crews and seasonal farm labor. The passport requirement would be waived and a blanket waiver of the contract labor law would be obtained. However, as these people will be spread over rather extensive territory, it is believed that some documentary control should be instituted and it is suggested that border-crossing cards be issued by either United States Consulates or Immigration offices at the border, whichever is more convenient for the persons concerned. The concurrence of the Department of Justice would be obtained to enable such persons to remain in the United States for longer than 29 days. The State Department will require assurance that these people will be readmitted into Canada on the termination of their temporary employment. It is suggested that this be arranged by obtaining from the Canadian Immigration officials at the border, a written statement that the holders of these border-crossing cards will be readmitted into Canada upon presentation to the Canadian officials of the United States border-crossing cards.

This should take place in the presence of a United States Immigration official, who would then be able to take up the border-crossing card. Alternatively, if the Canadian officials do not wish to follow this procedure, it is suggested that the Canadian authorities issue cards of identity upon which the equivalent of a border-crossing card is printed, for completion by a United States Consular or Immigration officer.

2. Agricultural machinery. There is no duty on the following items:

Tractors, either gas- or steam-propelled;

Combines and threshing outfits;

Reapers and binders;

Plows;

Harrows, tooth or disc;

Drills;

Cultivators;

Rollers and packers;

Ensilage cutters;

Feed grinders;

Hay-making machinery;

Portable elevators.

These items are said to include everything except motor trucks, on which the duty is 25 per cent if valued over \$1000.00 and 10 per cent if less than that.

Section 308, paragraph 5 of the Tariff Act of 1930 provides for the free importation under bond, for exportation within six months, of automobiles, motorcycles, bicycles, et cetera, which are brought temporarily in o the United States by non-residents for touring purposes or for the purpose of taking part in races or other specific contests. It seems highly doubtful whether this provision could be construed sufficiently broadly to cover the present problem but this is being looked into further. If, as expected, the duty cannot be waived on trucks, it might be possible to arrange for United States trucks to meet these people at the border or to introduce in Congress a Bill covering this specific item.

State Department would be glad to learn whether these proposals commend themselves to the Canadian authorities and what reciprocal arrangements the Canadian authorities are prepared to make. It will probably be necessary to work out the various aspects of this scheme in some detail.

1174.

DEA/3629-40

Le secrétaire d'Etat aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1313

Ottawa, June 24, 1942

Your WA-1338 of June 15 and WA-1422 of June 22¹, implementation of the resolution of the Joint Economic Committees regarding agricultural labour and farm machinery.

Canadian authorities propose to go ahead with the scheme. Commissioner of Customs is prepared to permit temporary entry of used United States agricultural machinery without duty and taxes on import and without bond or deposit, it being the duty of the Customs Collector concerned to see that the machinery is duly returned to the United States within the time allowed. Trucks or vehicles carrying the implements or the agricultural machine crews are to be admitted without duty on Travellers' Vehicle Permit.

Canadian immigration authorities prefer that border-crossing cards be issued by United States officials to Canadian farm workers wishing to enter the United States under the scheme. Canadian immigration officials would readmit workers into Canada upon presentation of border-crossing card endorsed "seasonal farm labour". The Director of National Selective Service is prepared to co-operate fully in permitting available seasonal farm labour to go to the United States in accordance with the purposes of the recommendation.

United States seasonal farm workers would be admitted into Canada if they establish, to the Canadian immigration officers at the points of entry, that they are United States citizens. In the case of naturalized United States citizens they would be required to show their naturalization papers. An alien would have to be in the possession of a certificate which would ensure readmission into the United States. Of course, enemy aliens would not be admitted into Canada. In

view of the treatment of persons of Japanese origin in both countries we assume that it is contemplated that such persons should not enter into the movement in either direction under the scheme.

Each country will wish its own residents to return when the purpose for which they were allowed to enter the other country was fulfilled. Because of different wage scales residents of the United States will have an incentive to return to the United States while residents of Canada may not have an incentive to return to Canada. What arrangements are contemplated to ensure that the Canadian farm labourers will return to Canada?

With regard to the United States duty on trucks it would in practice be desirable if the duty could be set aside. Perhaps it might be possible to do so under the recent Presidential order whereby the Secretary of Agriculture can recommend the removal of duties for emergency purposes.

1175.

DEA/3629-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1583

Washington, July 2, 1942

Your EX-1313 of June 24th, movement of agricultural labour and farm machinery. A meeting was held yesterday with representatives of the Departments of State and Agriculture at which the following points came up:

1. Canadian Customs and Immigration procedure. United States authorities find this most satisfactory.

2. United States Customs procedure. Unfortunately the power of the Secretary of Agriculture to recommend the removal of duties for emergency purposes apply only to *bona fide* imports where the title passes to a United States entity. It cannot therefore be used to facilitate temporary entry of trucks. The truck question has been studied carefully here and the United States authorities regret that they cannot find a way of admitting Canadian trucks temporarily duty free. They feel that all that can be done is to arrange for United States trucks to meet Canadian trucks at the border.

3. United States Immigration procedure has not yet been discussed in detail with the Immigration authorities. This will be done soon.

4. Methods of bringing supply and demand together. Department of Agriculture will probably have their county agents (who are joint Federal-State officers) handle details and want to know with what offices in Canada these county agents should correspond. The suggestion is that local offices on each side of the border will write back and forth to each other advising as to where labour is required and where it is available. Department of Agriculture will attempt to get a rough estimate of the Canadian labour that might be required and would be grateful if a similar Canadian figure could be compiled.

5. Foreign Exchange Control. The United States authorities would like an assurance that United States labour on returning to the United States after working in Canada will be permitted to buy United States funds. Presumably the Foreign Exchange Control Board can instruct its authorized dealers to sell United States funds to such persons. There is a problem here of identifying the transients who are entitled to this privilege but it is probable that the necessary safeguards can be worked out locally by the banks. Alternatively, the Canadian Immigration authorities might issue a card to each transient labourer admitted which could be used as proof of his status.

6. You inquire what arrangements are contemplated to ensure that Canadian farm labourers will return to Canada. Both the Immigration authorities and the Selective Service authorities have an obligation in this respect. The United States authorities ask us in turn, what arrangements are contemplated to ensure that United States trucks going to Canada will be returned, to which we replied that the Canadian Customs authorities were responsible for securing compliance with the law.¹⁶⁵

1176.

DEA/3629-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1607

Washington, July 4, 1942

Reference WA-1583 of July 2nd and previous correspondence concerning the movement of agricultural labour and farm machinery.

State Department have now discussed the details of immigration procedure with the Immigration Service. Two points emerge.

(1) Department of Agriculture say that the demand in the wheat country will be almost entirely for combines and other machines with their crews. These crews are usually small, not more than three or four men. Immigration Service would like to restrict the operation of the agreement to such small groups for the following reasons. Speedy arrangements are essential as this movement in the wheat country may be expected to start within two weeks. There are problems in connection with the posting of departure bonds for large numbers of farm labourers which cannot be solved within the time available. (This is being worked out on the Mexican border and it is expected that satisfactory arrangements can be applied to the movement of large groups of potato harvesters later in the summer). Will the Canadian authorities agree to this limitation?

(2) Immigration Service are afraid that security authorities will object to the entry of enemy nationals and will even have doubts about naturalized Canadians of enemy origin.

¹⁶⁵ La note suivante était écrite sur cette copie du télégramme:

I spoke to Mr. Matthews of F.E.C.B. who informed me that U.S. funds would be made available provided that some means of identification was worked out. J. J. D[EUTSCH]

¹⁶⁵ The following note was written on this copy of the telegram:

Apprehension about the latter group appears needless in view of the supervision exercised by the Canadian authorities. The United States authorities have tentatively agreed that the scheme will be applied to (a) United States and Canadian nationals (by birth or naturalization), (b) aliens residing in either country who are not enemy aliens. Is this agreeable to you?

United States authorities agree that Japanese should not participate.

1177.

DEA/3629-40

Le ministre aux États Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1626

Washington, July 7, 1942

Reference WA-1607 of July 4 and previous correspondence concerning the movement of agricultural labour and farm machinery.

Department of Agriculture are today sending to the Immigration Service a letter which sums up the immigration and employment aspects of the scheme. The letter reads as follows:

"Your attention is directed to the arrangement between the United States and Canada, announced by the President on April 10, 1942, which included a provision for facilitating the exchange of agricultural machinery and seasonal farm labor between the two countries. This department is interested in implementing that arrangement as soon as possible.

"We are informed by the Farm Placement Section of the United States Employment Service that the number of inquiries from farmers seeking labor in the northern wheat producing states is heavily in excess of the labor supply now available. We understand from Canadian sources that the labor situation there is perhaps more unfavorable than on this side of the line.

"It is recognized that in view of the short time available, it will not be possible to work out a general program covering the movement of all types of seasonal agricultural labor between now and the start of the wheat harvest in our northern border states. It is hoped, however, that some plan can be agreed upon by July 15 which will apply to the movement of men and machines for handling that crop. Our proposal regarding this limited implementation of the agricultural arrangement, subject to the approval of the Canadian authorities, is:

1. Each country permit the entry, without bond, of grain harvesting machinery and necessary crews, comprising the owner or lessor of the machinery and not more than 4 helpers.

2. Persons admissible to either country under these special terms shall be nationals of either country (other than nationals of either country of Japanese ancestry) and aliens residing in either country who are not citizens of enemy countries.

3. Requests for foreign labor to help with the grain harvest shall be made to the nearest office of the United States Employment Service in the case of the

United States farmers, and to the corresponding Canadian service in the case of Canadian farmers. Such requests may be made direct, or through the County Agricultural Agent, the County War Board, or other qualified agency.

4. When the employment authority of either country engages workers under this proposal for employment in the other country, that authority shall furnish the immigration officers of the host country at the port of entry nearest the point at which the work will be performed with the following information:

A. Name and address of owner or lessor of the harvesting machinery in question.

B. Names and addresses of all helpers in each party.

C. Statement of citizenship of each member of each party.

D. Name and address of employer or employers.

E. Approximate length of time each party will spend in the host country.

5. If while in the host country a harvesting crew secures employment as harvesters in addition to or other than that for which entry was originally granted, the employment authority of the host country shall be so informed. That authority shall in turn inform the Immigration authorities of the host country of any such change in working status.

6. The employment authority of the supplying country shall provide each worker engaged under this arrangement with some means of identification which can be checked by the Immigration authorities of the host country with the information supplied them by the employment authority of that country. It is proposed that entrants from Canada have border-crossing cards marked 'Seasonal Farm Labour'. Passport requirements will be waived by the State Department."

There is one catch in connection with the nationality problem. The Visa Division of the State Department assert that a Presidential Proclamation includes among enemy aliens those who were natives or denizens of an enemy country even if they have been naturalized elsewhere in the meantime. There are apparently endless complications in the way of bringing such persons into the United States and it therefore looks as though Canadian citizens by naturalization who originally came from enemy countries will not be able to participate in the scheme.

Your views on the contents of this message and of WA-1607 of July 4th, would be appreciated. Ends.

1178.

DEA/3629-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1458

Ottawa, July 8, 1942

Reference your WA-1626 and previous correspondence concerning the movement of agricultural labour and farm machinery.

1. Pending time to work out a general arrangement Canadian authorities agreeable to limited implementation of the scheme as suggested by Department of Agriculture.

2. Methods of bringing demand and supply together. United States proposals are acceptable. On our end, the Canadian Department of Agriculture is sending out a request to the Provincial Departments of Agriculture in the three prairie provinces asking the deputy ministers and their local provincial agricultural representatives to act as points of contact and to arrange details for the operation of the scheme. It is suggested that the United States authorities wishing to obtain Canadian machines and crews should get in touch, in the first instance, with one or other of the provincial deputy ministers of agriculture or local representatives. These officials would determine whether or not machines and crews are available and who and where they are. The provincial department or local representative, after having found available machines and labour, would make application to the local Canadian employment office for permission for the owner or lessor of the machinery and not more than 4 helpers to proceed to the United States for a specified period of time. The Canadian employment officer would provide each worker with a means of identification and forward information suggested in the United States proposals to the United States immigration officers at the port of entry nearest the point at which the work will be performed. At the United States end, with whom should the Canadian authorities get in touch when they wish to secure machines and crews from the United States? It would be convenient if there were some central points of contact, either federal or state, over and above the county agents.

3. Return of machines and labour. When the time specified for the stay in the United States has expired, Canadian labourers should not be allowed to proceed to another job or to remain in the United States without further express permission from the Canadian authorities. We understand that both the United States Immigration and Selective Service authorities have an obligation to see to it that Canadian labourers return to Canada within the period for which they were allowed to go to the United States.

4. Return of United States trucks. The Canadian customs collectors are responsible for seeing to it that the trucks are returned within the specified time.

5. Proposal that persons admissible to either country under this arrangement shall be nationals of either country (other than nationals of either country of Japanese ancestry) and aliens residing in either country who are not citizens of enemy countries, is acceptable to Canadian authorities. Persons entering Canada under the scheme from the United States must be able to provide evidence that they will be permitted to return to the United States.

6. Foreign Exchange Control. Foreign Exchange Control Board will grant permission to United States labour to convert their net Canadian earnings into United States funds provided there is a means of identification and check on the amounts converted in each case. It is suggested that the identification card to be issued by the United States employment authorities to United States labour going to Canada under the scheme should contain a blank space upon which the authorized dealers of the Board could insert the amount of United States funds

purchased. The presentation to a local authorized dealer of such an identification card showing that the holder has come to Canada for employment under this arrangement for a certain period would enable the labourer to convert his net Canadian earnings into United States funds. If this proposal is not acceptable the Foreign Exchange Control Board would be glad to furnish special forms to the United States authorities for distribution to labourers going to Canada under the scheme. These forms when properly filled out and presented to the local authorized dealers would enable the labourer to convert his net Canadian earnings into United States funds.

1179.

DEA/3629-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1836

Washington, July 25, 1942

Reference my immediately preceding teletype^t concerning the movement of agricultural labour and farm machinery. I wish to draw the following points to your attention.

1. The group of persons eligible for entry into the United States from Canada has been changed. They are citizens of Canada or British subjects domiciled in Canada, except those who are natives of an enemy country, and non-enemy aliens domiciled in Canada. Passports and visas will be waived for all and special identification cards will be issued by the United States Immigration and Naturalization Service at the port of entry to each and every one of them. There will be no need of the men taking photographs with them to the border.
2. There will be three forms A, B, and C for United States men going to Canada and three forms A, B, and the Immigration Identification Card for Canadian men going to the United States.
3. The arrangements made for the entry of trucks and motor cars engaged in hauling the harvesting machinery and crews into the United States have been completed as indicated in the above quoted directive. The cars and the trucks enter the United States free of duty and may bring back the men and the machinery at the end of the time spent in the United States. They may not cart men and machinery between points of employment in the United States. The trucks and cars may either remain at the first point of employment until the crew is done or return to Canada, coming back later to pick up the men and machinery under the same free entry. In fact, it is quite possible that if the trucks and cars remain at the first point of employment during the whole period, they may when the job is finished go to point of employment B, C or D to pick up workers and machinery and bring them back to Canada.
4. May we be informed at the earliest opportunity that the Canadian authorities concerned are prepared to proceed on the arrangements made to date. The United States authorities would be very grateful if they could be given copy of the Canadian directives, similar to the American ones transmitted in my immediately preceding telegram.

1180. DEA/3629-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1655

Ottawa, July 29, 1942

Reference your WA-1835^t and WA-1836 of July 25th, concerning the movement of agricultural labour and farm machinery.

1. Canadian authorities are ready to proceed with the scheme. Canadian immigration employment service, customs, foreign exchange control and agricultural authorities have issued instructions to their officers to implement the scheme immediately according to the arrangements agreed upon to date.
2. Canadian authorities will use forms A and B according to the procedure outlined in your WA-1835. Draft form C as contained in your WA-1835 is satisfactory.
3. Texts of Canadian directives^t will be forwarded shortly.
4. Please obtain names and addresses of the State Directors of the United States Employment Service in North Dakota and Montana.

1181.

DEA/4730-40

Le conseiller, la légation aux États-Unis, au
sous-secrétaire d'État aux Affaires extérieures
Counsellor, Legation in United States, to
Under-Secretary of State for External Affairs

Washington, January 19, 1943

Dear Mr. Robertson,

In continuation of my Teletype Messages, Nos. 66 and 68 of January 6th^t, I enclose herewith a brief report on the proceedings of the Canadian-United States Food Production Conference, held in Washington, January 4th to 6th, 1943.

This report is based on notes made during the course of the two general meetings, at which the Legation was represented. It was anticipated that the United States Department of Agriculture would furnish a statement of the recommendations of the joint sub-committee as revised at the second general meeting. However, I am now informed that no statement will be issued beyond the press announcement which was released at the conclusion of the conference.

No doubt you have already received a more complete report from the Canadian Delegation¹⁶⁶, as I understood from Dr. Barton that on their return to Ottawa a report would be prepared and sent to you. If so, it will perhaps contain

¹⁶⁶ Non trouvé.¹⁶⁶ Not located.

a record of the discussions at the joint sub-committee meeting, held on January 5th, at which the Legation was not represented.

Yours sincerely,

M. M. MAHONEY

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du conseiller, la légation aux États-Unis

Memorandum by Counsellor, Legation in United States

Washington, January 18, 1943

CONFERENCE IN WASHINGTON ON CANADIAN-UNITED STATES
AGRICULTURAL PRODUCTION GOALS

The Conference consisted of two general meetings and a joint sub-committee meeting. The general meetings took place in the office of the Honourable Claude R. Wickard, United States Secretary of Agriculture, on the afternoon of January 4th and the morning of January 6th. The joint sub-committee meeting was held on January 5th in the office of Mr. Leslie A. Wheeler, Director of Foreign Agriculture, United States Department of Agriculture.

The personnel of the Conference was as follows:

(Those marked (1) attended the first meeting only; those marked (2) attended the second meeting only; all others attended both general meetings.)

CANADIAN DELEGATION

Hon. J. G. Gardiner, Minister of Agriculture

Dr. G. S. H. Barton, Deputy Minister of Agriculture

Hon. J. G. Taggart, Food Administrator, Wartime Prices and Trade Board

Dr. A. M. Shaw, Director of Marketing Service and Chairman
of the Agricultural Supplies Board

R. S. Hamer, Director of Production Service and Vice-Chairman
of the Agricultural Supplies Board

Dr. J. F. Booth, Assistant Director of Marketing Services in charge of Economics

C. V. Parker, Secretary to the Minister

CANADIAN LEGATION

M. M. Mahoney, Counsellor

H. A. Scott, Commercial Attaché(2)

S. V. Allen, Assistant Commercial Attaché(1)

UNITED STATES DEPARTMENT OF AGRICULTURE DELEGATION

Hon. Claude R. Wickard, Secretary of Agriculture

M. Clifford Townsend, Associate Director of Food Production

J. Joe Reed, Food Production Branch, Department of Agriculture

J. B. Hutson, President, Commodity Credit Corporation

C. C. Brown, Vice-President, Commodity Credit Corporation

L. A. Wheeler, Director, Foreign Agricultural Relations, Department of Agriculture

Eric England, Gordon P. Boals, John L. Stewart, Office of Foreign Agricultural Relations,
Department of Agriculture

Carl Hamilton, Assistant to the Secretary, Department of Agriculture
 Ronald Mighell, Farm Management Division, Department of Agriculture
 H. W. Parisius, Director of Food Production, Department of Agriculture
 C. T. Taylor, Agricultural Attaché, United States Legation, Ottawa

UNITED STATES DEPARTMENT OF STATE:

E. T. Wailes, Division of European Affairs (1)
 Constant Southworth, Division of Commercial Policy and Agreements (1)

AGENDA:

- (1) Consideration of United States and Canadian agricultural production goals for 1943.
- (2) Possible arrangements for United States-Canadian exchange and utilization of farm and food products in the wartime mobilization of agricultural resources.
- (3) Desirability of establishing a standing joint policy committee on wartime agricultural production and food supplies.

The January 4th meeting began at 4:30 p.m.

In a general discussion of the first two items on the agenda, Mr. Secretary Wickard outlined the difficulties which the United States Department of Agriculture would have to face in increasing or even maintaining production during 1943 at levels sufficient to meet all requirements including the anticipated needs of re-occupied countries. The burden might become increasingly onerous during the year. It was therefore desirable in his opinion that 1943 agricultural production of Canada and the United States should be re-examined with a view to eliminating duplication and to ensure that each country would concentrate on the items for which they were best suited. A dovetailing of agricultural resources in this way, and any revision of production goals resulting therefrom, would assist in determining how labour and equipment, as well as Government financial support, could be used to best advantage.

Reference was then made by Mr. Wickard to a number of specific United States problems including increased livestock production in the face of a feed-stuffs shortage, and augmented production of dairy products, which might merit detailed joint study by officials of both Departments of Agriculture. Mr. Gardiner then outlined in general terms Canada's position in respect to wheat and the programme for increased production of coarse grains (oats and barley), and to Canada's commitments to meet the United Kingdom's requirements of bacon, cheese and eggs. This led to a brief discussion regarding United States feed requirements and possibilities of importing feed wheat or other grains and feedstuffs from Canada during 1943.

Other apparent problems to which reference was made and which were considered suitable for detailed study were:

Possible duplication in the production of cheese by both the United States and Canada, for the United Kingdom.

Production of beans in both countries to meet United Kingdom requirements.

Increased production by Canada of hayseeds to meet United States requirements.

A number of questions were raised by members of the United States delegation regarding Canada's rationing programme, and Mr. Wickard requested figures which he could use if need be, before a Congressional Committee, showing normal per capita Canadian consumption of food items in scarce supply, as compared with quantities now available under rationing or other forms of control.

Mr. Taggart offered to supply these data.

Arrangements were made for a joint committee to meet the following day to examine in detail the problems discovered at this meeting, as well as any others which might come to light, and to report at a general meeting on the morning of January 6th.

No discussion took place at this meeting regarding Item 3 on the agenda — (Standing Joint Policy Committee on agricultural production and food supplies).

The focus of the second general meeting (January 6th) was discussion and ironing out of the recommendations submitted by the joint sub-committee which recommendations were explained to the meeting by Mr. Leslie Wheeler. The discussion resulted in a revision of the recommendations and an arrangement under which the proceedings of the Conference were announced to the press in a joint press statement¹, copies of which are attached hereto.

1182.

W.L.M.K./Vol. 357

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] February 22, 1943

A reference was made in the Speech from the Throne¹⁶⁷ to an agreement to appoint a joint committee representative of the Departments of Agriculture of Canada and the United States to coordinate the efforts of the two countries in the production of food for the United Nations. This arose directly from a meeting between Mr. Gardiner and Mr. Wickard early in January and the prospective appointment of the committee was mentioned in a joint press release² given out by them at the end of their meeting in Washington. There had been intermittent discussion of the project for some months before this announcement was made.

We have now received from Washington suggestions for the terms of reference of the Committee and for the United States personnel. The terms of reference proposed by Mr. Wickard are as follows:—

¹⁶⁷ Voir Canada, Chambre des Communes, *Débats*, 1943, volume 1, p. 2.

¹⁶⁷ See Canada, House of Commons, *Debates*, 1943, Volume 1, p. 2.

“To keep agricultural and food production and distribution in Canada and the United States under continuing review, in order to further such developments as may be desirable in reference to those phases of our wartime agricultural and food programs that are of concern to both countries.”

The personnel on the American side would be as follows:—

L. A. Wheeler, Director, Office of Foreign Agricultural Relations.

R.F. Hendrickson, Director, Food Distribution Administration.

J.B. Hutson, President, Commodity Credit Corporation.

M.C. Townsend, Director, Food Production Administration.

Mr. Wheeler would act as the Chairman of the United States Section.

Their proposal is that reports and recommendations of the Committee should on the U.S. side be addressed to the Secretary of Agriculture and on the Canadian side “to the Minister or other appropriate Canadian authority.”

The Department of Agriculture is anxious to have the committee established as soon as possible, as they have, among other matters, an urgent problem respecting protein feeds for livestock which they wish to take up through this channel.

I think that the committee can serve a useful purpose and may help to keep the agricultural policies of the two countries more closely in line. The terms of reference seem to be satisfactory.

The question arises, however, whether other agencies beside the Department of Agriculture should be represented on the Canadian Section. The United States Department of Agriculture has a wider field than the Canadian Department, and has authority in the area covered here by the Foods Administrator of the Wartime Prices and Trade Board and the Canadian Wheat Board. The terms of reference include matters which are within the competence of the Foods Administration and matters which come before the interdepartmental Food Requirements Committee. It seems to me that the Canadian panel might include two officials from the Department of Agriculture (the senior of whom would be chairman), the Foods Administrator or his nominee, and a fourth member from the Food Requirements Committee. It might be desirable that this fourth member should be Mr. H.F. Angus of this Department who is chairman of the Food Requirements Committee.

I assume that the committee should be appointed by Order-in-Council and I think that it would be desirable for this to be done on your motion.¹⁶⁸ That is the procedure that was followed in establishing the Joint Economic Committees and the Joint War Production Committee. If you agree, I shall have the papers prepared.¹⁶⁹

N. A. R[OBERTSON]

¹⁶⁸ La note suivante était écrite sur ce mémorandum:

I agree. W. L. M[ACKENZIE] K[ING]

¹⁶⁹ Voir Décret en Conseil P.C. 2044 du 15 mars 1943 (DEA/4496-40).

¹⁶⁸ The following note was written on the memorandum:

¹⁶⁹ See Order in Council P.C. 2044 of March 15, 1943 (DEA/4496-40).

SECTION H

PROJET DE PLANIFICATION DU PACIFIQUE NORD
NORTH PACIFIC PLANNING PROJECT

1183.

DEA/4228-40.

*Le président, le comité canadien, Comités économiques conjoints,
au greffier du Conseil privé*

*Chairman, Canadian Committee, Joint Economic Committees,
to Clerk of the Privy Council*

Ottawa, December 17, 1942

Dear Mr. Heeney,

The Joint Economic Committees of Canada and the United States have agreed to sponsor a study of the extent to which post-war collaboration between Canada and the United States can contribute to the development of the North Pacific area, namely, Alaska, Yukon and Northern British Columbia.

The study will have as its minimum objective the provision of a broad basis of fact on which decisions can be made as to the post-war use of the various wartime facilities which are being built up in that area and which would to some degree be useless if both countries were to revert to their pre-war statutes and regulations. Beyond this, the study would give definite leads as to ways in which a joint pattern of development might be followed so that such expansion as is possible and desirable might take place with a minimum of overhead cost and a maximum of effectiveness.

The study is one which falls very clearly within the terms of reference of the Joint Economic Committees, and as it is not proposed that the Canadian government should make any considerable expenditure of funds, specific government approval of the project has not been sought. However, the matter has been discussed with Dr. Camsell and Commander Edwards who have promised such assistance as their departments could give in the course of their regular operations. It has also been explained to the Premier of British Columbia who has readily promised the assistance of his officials. The actual direction of the study is in the hands of Mr. James C. Rettie who is in charge of the office at Portland, Oregon, of the Natural Resources Planning Board of the United States, which has undertaken to bear the cost of the study.

It is proposed that when the results of the study have been drafted, any suggested measures for dealing with post-war problems in this area shall be discussed with the departments or agencies concerned with them in both countries, probably in a series of joint conferences. If it is possible in such a way to reach some substantial measure of agreement, the Joint Economic Committees will then turn the proposals over, with their own recommendations, to their respective governments so that any international agreements which may seem desirable can be worked out by the State Department and External Affairs.

I am making this explanation now because it has come to the point where those actively concerned with the study think it would be helpful to them if a brief press announcement could be made. While the study is wholly within the competence of the Joint Economic Committees, it would be well that the Prime Minister, and if he thinks best the War Committee, should learn of the study directly rather than in the press, and also should have the opportunity of making any comments they desire concerning the announcement.

I would be glad, therefore, if you would let me know whether there is any objection to the announcement being made. I might add that the announcement as drawn would be for simultaneous release here and in Washington.

I am,

Yours very truly,

W. A. MACKINTOSH

1184.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 23, 1942

CANADA-U.S. JOINT ECONOMIC COMMITTEES —
STUDY OF NORTH PACIFIC AREA

8. THE PRIME MINISTER reported that the Joint Economic Committees had agreed to sponsor a study of post-war collaboration between Canada and the United States in the development of the North Pacific area, namely, Alaska, the Yukon and northern British Columbia.

The study was to be undertaken, at American expense, by J. C. Rettie of the U.S. Natural Resources Planning Board. In this connection, a draft press release had been submitted for consideration.

(Letter, Chairman, Canadian Committee, Joint Economic Committees to the Secretary, and enclosure¹, December 17, 1942).

9. MR. KING expressed the view that announcement that a study of such large areas in Canada was to be made under the direction of an American agency would be resented and would give rise to suspicions as to the post-war intentions of the United States.

10. THE MINISTER OF PENSIONS AND NATIONAL HEALTH enquired whether the government of British Columbia had been consulted.

11. THE WAR COMMITTEE, after discussion, agreed that the proposal be referred back to the Canadian Committee of the Joint Economic Committees, on the ground that it was not satisfactory to have this study undertaken under U.S. direction, with the suggestion that the government of British Columbia be consulted in this respect.

1185.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 30, 1942

CANADA-U.S. JOINT ECONOMIC COMMITTEES —
PROPOSED STUDY OF NORTH PACIFIC AREA

22. THE SECRETARY reported that, in accordance with the decision of the War Committee on December the 23rd, he had communicated with the Chairman of the Canadian Committee. A letter from Dr. Mackintosh had now been received, together with an amended draft press release.

Dr. Mackintosh explained that the ultimate direction of the study would come from the Joint Economic Committees and would, therefore, be international. Choice of Mr. Rettie, as director, had been made because he could be obtained on loan, whereas no Canadian of the desired training or experience, not otherwise engaged in war work, was available.

The government of British Columbia had been informed of the proposed study and had undertaken to facilitate it in every way and to designate certain officials to assist the director. The draft press release had been revised in order to emphasize the international nature of the project.

(Letter, Dr. Mackintosh to Mr. Heeney, December 30, 1942)†

23. THE PRIME MINISTER expressed the opinion that the proposed arrangement was still not satisfactory. If joint planning of the kind proposed were to be carried on by Canada and the United States, it should be on a basis of equal participation.

This was one example of a general situation. The Canadian public would expect the government to safeguard Canadian interests and to avoid even the appearance of American control where Canada was directly concerned.

24. THE MINISTER OF MINES AND RESOURCES agreed with Mr. King, and emphasized the great importance of having clear agreement upon the post-war position in respect of all U.S. undertakings in Canadian territory. Every care should be taken to provide for protection of Canadian rights.

25. THE WAR COMMITTEE, after further discussion, agreed that it was desirable that a qualified Canadian be appointed co-director of the proposed study.

1186.

DF/Vol. 3574

*Le président, le comité canadien, Comités économiques conjoints,
au président, le comité américain, Comités économiques conjoints
Chairman, Canadian Committee, Joint Economic Committees, to
Chairman, American Committee, Joint Economic Committees*

CONFIDENTIAL

Ottawa, January 4, 1943

My dear Hansen,

With further reference to the proposed press release on the North Pacific Project, I have run into certain delays here. In seeking approval of the press release, I encountered an unexpected opinion in the Cabinet that for the sake of appearance at least there ought to be in the project a Canadian Co-director. I think it is not doubted that the project in itself would be successfully and acceptably carried out under our present arrangements but general considerations to which Cabinets are susceptible incline them to the view that we ought to adhere more strictly to the joint pattern.

I have been working on an arrangement which I think might be acceptable to you and to Mr. Rettie, and would meet both the Cabinet view and the request which Mr. Rettie has made a number of times that we might appoint a Secretary or other official here who would be available to act as liaison man with him and maintain contact with Canadian officials and Canadian sources of information. The primary assumption from which I start is that the work which Mr. Rettie is already engaged on will not be upset or delayed but rather facilitated by additional arrangements. It is not yet clear, but I think it is possible, that we can persuade Dr. Camsell to accept a position as Co-director giving him a Research Assistant who would do the spade work and a liaison man leaving Dr. Camsell to keep his eye on developments and be available for consultation and for consideration of the larger aspects. I have a meeting of our Committee tomorrow to consider this, but it will probably take some days thereafter to work out a definite plan.

I take it that this sort of arrangement would be acceptable to the United States Committee as it would be my view that it would not involve any essential change of plan. I am sending a copy of this letter with explanation to Mr. Rettie so that he may be informed.

In the meantime, it will, unfortunately, be necessary to hold up the press release for some days further.

I am,

Yours very truly,

W. A. MACKINTOSH

1187.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, January 13, 1943

CANADA-U.S. JOINT ECONOMIC COMMITTEES —
NORTH PACIFIC STUDY

6. THE SECRETARY submitted a revised draft press release forwarded by the Chairman of the Canadian Committee. Following the decision of the War Committee, on December 30th, arrangements had been made for the appointment of Dr. Charles Camsell, Deputy Minister of Mines and Resources, as co-director of the study. Reference to this had been incorporated in the revised press release, of which copies had been circulated.

(Secretary's note, January 12, 1943 — C.W.C. document 382)¹⁷⁰.

7. THE WAR COMMITTEE, after discussion, approved revised arrangements for the study as set out in the draft press release submitted.¹⁷⁰

SECTION I

AVENIR DES COMITÉS ÉCONOMIQUES CONJOINTS
FUTURE OF THE JOINT ECONOMIC COMMITTEES

1188.

DEA/1497-40

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures¹⁷¹
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs¹⁷¹
to Under-Secretary of State for External Affairs*

SECRET AND CONFIDENTIAL

[Ottawa,] September 2, 1943

JOINT ECONOMIC COMMITTEES OF CANADA
AND THE UNITED STATES

1. The Joint Economic Committees were appointed in 1941 in an effort to meet certain immediate difficulties and in the hope that they might contribute towards the solution of prospective — particularly post-war — problems of joint or concurrent interest.

2. In the autumn of 1940 the channels of communication between Ottawa and Washington were unable to provide for that degree of coordination and

¹⁷⁰ Le communiqué à la presse fut publié à Ottawa le 25 janvier.

¹⁷⁰ The press release was issued in Ottawa on January 25.

¹⁷¹ H.L. Keenleyside.

rational integration of the war industries of the two countries which was felt to be essential for the adequate handling of the economic and military problems which had arisen or were obviously in prospect. (See memorandum HLK/JG, December 27, 1940). In an effort to meet this situation the Permanent Joint Board on Defence had recommended that supply members be appointed by each Government to its respective Sections, but this recommendation had, and in my opinion wisely, been turned down. The existing arrangements, however, which had been developed chiefly by the Department of Munitions and Supply were less than satisfactory for immediate purposes, and were not designed for the consideration of post-war problems.

3. It was in these circumstances that a series of informal meetings and discussions took place in the office of the Under-Secretary of State for External Affairs during the months of October, November and December, 1940, and January, 1941. In addition to Dr. Skelton and myself those participating in these discussions were Dr. W.C. Clark, Mr. Victor Sifton, Mr. H.R. MacMillan, Mr. R.A.C. Henry, Colonel O.M. Biggar and two or three others. All of the participants, but particularly Dr. Skelton and Mr. Henry, were impressed with the importance of providing machinery through which problems of the kind experienced and envisaged could be adequately handled.

4. At about the same time informal discussions of the situation were initiated with Mr. A.A. Berle, and a very cordial response was received (See Mr. Reid's letter of January 13, 1941¹⁷²).

5. At a meeting of the Cabinet War Committee on January 21, 1941 Mr. Henry was authorized to prepare a memorandum for the Government "dealing with the coordination of war industrial activities with the United States", as well as with the long-term and post-war problems referred to above. In Mr. Henry's absence, and at his request, a memorandum was prepared by Mr. Goldenberg and myself which reflected Mr. Henry's views and which became the basis on which the Committees were eventually established. (See memorandum February 25, 1941).¹⁷² On February 28, on the recommendation of the Honourable Mr. Howe, the proposals made in this memorandum were approved and negotiations with the United States were authorized. In presenting the Canadian views to the United States on March 18, 1941¹⁷³ the following explanation was given:

"It is the belief of the Canadian Government that the promotion of economy and efficiency during the present period of crisis, the solution of the problems which will be posed during the period of transition from war to peace, and adequate and effective provision for the continuing requirements of hemispheric defence; all demand that early and detailed study be given to this question.

The Canadian Government attach great importance to the proposal. If it is accepted by the Government of the United States, they consider it desirable that an early start should be made by the Joint Committees of Inquiry, since the tasks

¹⁷² Voir le volume 8, document 180.

¹⁷³ Voir le volume 8, document 182.

¹⁷² See Volume 8, Document 180.

¹⁷³ See Volume 8, Document 182.

to be assigned to them will inevitably involve protracted study. It is intended that the duties of the Committees should be strictly confined to investigation, study and report, and that decisions as to any action that may be required should be taken by the respective Governments after the Committees' reports have been presented."

While discussions with the United States were still under way the Hyde Park Agreement of April 20, 1941¹⁷⁴ was announced by the Prime Minister and the President, and pursuant thereto the Minister of Munitions and Supply arranged for the establishment of the Material Coordinating Committee. The creation of this body provided coverage for part of the area that it had been intended to assign to the Joint Economic Committees, but a large and important field for immediate activity as well as for long-term planning still remained.

7. [sic] On June 6, 1941 the United States accepted the Canadian proposals with certain modifications made necessary by the establishment of the Material Co-ordinating Committee. These modifications were accepted by the Canadian Government and public announcement of the appointment and functions of the Committees was made on June 17. That statement read as follows:

"The Government of Canada and the Government of the United States of America today announced that they have established joint committees of inquiry to explore the possibility of a greater degree of economic cooperation between Canada and the United States. They will be known as the Joint Economic Committees.

The Committees have been instructed to study and to report to their respective governments on the possibilities of (1) *effecting a more economic, more efficient and more coordinated utilization of the combined resources of the two countries in the production of defence requirements* (to the extent that this is not now being done) and (2) *reducing the probable post-war economic dislocation consequent upon the changes which the economy in each country is presently undergoing.*

It is the common belief of the two governments that such studies and reports should assist the governments and peoples of each country in formulating policies and actions for the better utilization of their productive capacities for the mutually greater welfare of each, both in the present emergency period and after the emergency has passed.

This joint inquiry marks one further step in the implementation of the declaration made by President Roosevelt and Prime Minister Mackenzie King at Hyde Park on April 20, 1941:

The members of the United States committee will be Mr. William L. Batt, Mr. Harry D. White, Professor Alvin H. Hansen and Mr. E. Dana Durand. Mr. A.A. Berle, Jr., Assistant Secretary of State will sit with the Committee from time to time as occasion may render desirable.

The members of the Canadian Committee will be Mr. R.A.C. Henry, Professor W.A. Mackintosh, Mr. J.C. Bouchard, Mr. Alex Skelton. Mr. Keenleyside of

¹⁷⁴ Voir le volume 8, document 191.

¹⁷⁴ See Volume 8, Document 191.

the Department of External Affairs will sit with the Committee from time to time as occasion may render desirable.

In order that the Secretary of State may be kept closely in touch with the activities of the committees, Mr. Leroy D. Stinebower has been appointed as liaison officer from the Department of State. A liaison officer from the Department of External Affairs will also be appointed shortly." (Mr. Angus was subsequently appointed.)

8. Owing to the sudden illness of Mr. Henry the chairmanship of the Canadian Committee passed before the first meeting to Dr. Mackintosh.

9. During 1941 and the first three or four months of 1942 the Committees met with reasonable regularity and made a number of useful recommendations to the two Governments. Some attention was paid to the long-term responsibilities which had been assigned to the Committees and the first two drafts of a Report in this field were prepared. The responsibilities of the Committees were further restricted however by the acceptance by the Government of a recommendation from the Committees themselves that the appropriate elements of their duties should be transferred to a Joint War Production Committee. This was done on October 31, 1941.¹⁷⁵

10. By the spring of 1942 it was apparent that the Joint Economic Committees were becoming progressively less important in the Canada-United States complex. The subject matter of their deliberations was becoming less and less significant and no serious and extended attention was being given to post-war problems. The technical assistants who had been employed were drifting to other tasks and there was a growing and understandable tendency on the part of other Government agencies to ignore the Committees. This was due, in my opinion, to the following factors:

- (a) Weakness of personnel on both Committees;
- (b) Preoccupation of able members with other tasks;
- (c) The growth in number and influence of alternative agencies; and, above all,
- (d) a belief on the part of certain Canadian members that the Joint Economic Committees were not the proper instruments to use for the purposes which had been assigned to them.

11. At a meeting held on June 9, 1942 certain members of the Committees gave consideration to their position and agreed upon a formula for their subsequent activities. This agreement was embodied in the following memorandum:

"Each Committee shall give consideration to reorganizing its membership with the object of having effective contact with the more important agencies concerned with post-war planning.

2. Without abandoning their broad terms of reference, the Committees will direct their attention to post-war problems. They will deal with wartime collaboration only as matters are referred to them for consideration or as opportunities are seen of improving a neglected phase of collaboration.

¹⁷⁵ Voir le volume 8, documents 209 et 210.

¹⁷⁵ See Volume 8, Documents 209 and 210.

3. The Committees will take as their future agenda the areas of collaboration set out in their draft report.¹⁷⁶ They will endeavour to ensure that adequate work is being done in those areas, either by their own staff or other agencies, and each will inform the other Committee of the work in hand and the progress made.

4. To the extent that its own circumstances require it, each Committee shall report to its Government on its progress during the past year and inform its Government of the work which it is undertaking unless otherwise instructed.

5. Joint Meetings shall be held at the call of the Chairmen. As far as possible, each shall be devoted to a single topic and specialists who are not members of the Committees may be invited to participate in the discussions.

6. To the fullest possible degree, and as soon as practicable, each Committee undertakes to make available to the other Committee information concerning proposals and copies of relevant studies in the field of post-war planning made by the agencies of their own government. The Committee receiving such studies will communicate them to the appropriate agencies of their own government and may transmit such views and comment as may seem appropriate.

7. In the field of post-war collaboration, the Committees shall make advisory reports rather than formal recommendations to their Governments, and, as deemed appropriate, they may report jointly or separately.

8. The Agricultural Sub-committee shall be continued but shall clear its recommendations through the Chairmen who shall be empowered to report them direct to the Governments unless, in their opinion, it is desirable to submit them to the main Committees for consideration.

9. These proposals shall be presented by the Chairmen to their separate Committees for confirmation."

Neither Committee, except in one or two particulars, has carried out the terms of this understanding.

12. The United States Committee did eventually revise and strengthen its membership. That Committee has also initiated one or two useful studies. In the past year, however, there have been only two joint meetings. At the first of these the Committees agreed to support the proposal of the National Resources Planning Board of the United States for a study of the Northwest.¹⁷⁷ At the second the United States members described various post-war economic studies under way in Washington. At neither meeting was there any particularly useful contribution from the Canadian Committee nor have the Committees made any serious attempt to initiate or to stimulate others to initiate any large-scale post-war planning. The draft Report has apparently been completely abandoned.

13. It may be that the Joint Economic Committees are not the proper agencies through which to handle the problems described in their terms of reference. If this is the case I think we should say so and clear the Committees of the responsibilities which they have accepted but about which they are doing nothing. If the Committees continue to operate with their directives unchanged, however, a

¹⁷⁶ Non trouvé.

¹⁷⁷ Voir le document 1183.

¹⁷⁶ Not located.

¹⁷⁷ See Document 1183.

serious effort to meet their responsibilities should be made. It is obvious now that the duties of the Committees in the field of wartime co-operation are not likely to be of the first importance. Other channels have been opened, other agencies created, which can handle most if not all that needs to be done in this area.

14. It is in the realm of planning for the transition period and for the post-war that the Committees have had the greatest responsibilities and that the least has been done. There have been excuses for this. International collaboration in the field of economics must depend very directly upon national policies, and so far neither Canada nor the United States has reached any very solid conclusion as to the character of its own post-war economy. This in turn has been, in part at least, due to the inability of either Washington or Ottawa to forecast with assurance the general terms of international economy in the post-war world.

15. Now, however, the situation is changing. The terms and conditions — the strategic outlines though not the tactical details — of the post-war economic set-up, both national and international, are likely to come much closer to definition during the next few months than has heretofore been the case. Nationally, the revivification of the Economic Advisory Committee in Canada and the work being done by the Treasury, the State Department and other agencies in the United States, have led to the hope that some serious results in the form of practical post-war programmes may be expected to emerge in both countries. If this expectation is even partially realized, the possibilities for the useful employment of the Committees will be greatly expanded. It is impossible to arrange for really effective co-operation until the potential co-operators are known. When that time comes the Joint Economic Committees, reformed and revitalized, might properly be expected to serve a useful purpose.

16. The work that is being done in the way of definition of transition and post-war national policies in Canada and the United States depends in turn, in some measure at least, on what is accomplished in the larger field of international economic agreement. Here the recent talks in London and the prospective general and commercial conversations in Washington offer hope of significant developments.

17. All this leads to the conclusion that current and prospective developments make it possible for the Joint Economic Committees to play a more useful role in the next eighteen months than has been the case since the spring of 1942. If full advantage is to be taken of this increased opportunity for service it will be necessary for the personnel of both Committees to be revised in the hope of making them a more efficient tool for the tasks that they may be expected to perform.

18. In one field in particular the Canadian Committee should, in my opinion, be giving most serious study to post-war possibilities. Some Canadian war-fostered industries can survive United States competition in days of peace without great difficulty. Others will survive, if at all, only by Government assistance or by the conclusion of working arrangements with United States competitors. If such industries are not to be maintained at the expense of the Canadian taxpayer or the Canadian consumer, arrangements for their rational integration

into the economic fabric of the continent are essential. I feel strongly, therefore, that the Joint Economic Committees, *or some other agency*, should be organizing, with the assistance of the responsible leaders of industry from both the United States and Canada, a long series of specialized industrial studies.

19. This does not mean that the Joint Economic Committees should sit in a hotel room and decide on the division of industrial functions and markets for the post-war era. It means that they or some other agency should foster the establishment [of] and keep in close touch with small industrial committees organized for the specific purpose of working out viable schemes for their respective components in the North American post-war scene. It is reasonable to assume that this proposal would be welcomed by many industrial leaders. Berle and other members of the United States Committee have expressed their willingness, and indeed their anxiety, to approach the problem in this way. But it is primarily the responsibility of the Canadian Committee. It is for the most part Canadian welfare that is at stake. If we are not willing to make an effort the United States members cannot be expected to worry unduly about it.

20. If it would be better to have this problem handled in some other way we should say so, and try to ensure that it is so handled. If it can be done best through the Joint Economic Committees action should be initiated at once; we have already wasted a great deal of time. We cannot guarantee that the end of the war will await our convenience.

21. If revised and strengthened Committees are to be kept in active being the following duties might be accepted as their agenda during the next year. They should:

a — be free to intervene in the field of wartime co-operation as this may, in any particular instance, appear useful.

b — support, and receive reports from the Directors of the Study of the North-west Regional Project.

c — revise, in the light of new conditions and prospective developments, and eventually present to the Governments, the long-term Report on Economic Co-operation between Canada and the United States which up to the present, because of the insecurity of the assumptions and hypotheses upon which it is predicated, has been little more than an interesting academic study.

d — act as the agency through which plans for post-war co-operation or rationalization of production in specific industries and trades are developed.

e — act as an agency through which consultations on major economic policies can be conducted as and when national policies are clarified in Washington and Ottawa.

22. If the Joint Economic Committees are not to concern themselves with a programme of this nature there is little excuse for going through the motions of continued animation. As mere channels for the passing of information (as at the last meeting in Montreal) they are cumbersome and inefficient. There are three possibilities. The Committees can:

- (a) work on a programme such as that outlined above;
- (b) agree that they have no particular function to perform and disband — in effect if not in form.
- (c) continue with the present policy of drift.

In my opinion these possibilities are listed in their order of desirability: (a) would constitute an intelligent effort to meet our responsibilities; (b) would be evidence of an honest decision; (c) has nothing to recommend it. The present situation has been allowed to last far too long. We are quite justly being judged as unco-operative and unwise by our United States colleagues, and by others on both sides of the boundary. It is difficult at present to dispute this view.

1189.

DF/Vol. 3569

*Le directeur général, la section de l'économie politique
et de la statistique, le ministère des Munitions et des
Approvisionnements, au sous-secrétaire d'État adjoint
aux Affaires extérieures*¹⁷⁸

*Director General, Economics and Statistics Branch,
Department of Munitions and Supply, to Assistant
Under-Secretary of State for External Affairs*¹⁷⁸

SECRET AND CONFIDENTIAL

Ottawa, September 8, 1943

RE: JOINT ECONOMIC COMMITTEES OF CANADA
AND THE UNITED STATES

Thank you for sending me a copy of your memorandum of September 2nd.

I agree entirely with you that the Committees should either disband or be revived with specific new functions relating to the transition and post-war periods.

I am not certain however, that your suggestion does not involve a certain amount of overlapping with the post-war functions of the Economic Advisory Committee. I do not think that in so far as Canada is concerned, a clear line can be drawn between post-war studies on a national basis and post-war studies on an international basis.

Accordingly, I would recommend that there be first a clarification of the respective functions of the Economic Advisory Committee and the Joint Economic Committees as well as a clarification of their relationship.

It might be that, in the light of the overall authority on post-war studies conferred upon the Economic Advisory Committee, a working sub-committee of this Committee might perform the functions which you recommend for the Joint Economic Committees — with a corresponding sub-committee, if it exists or can be created, in the United States.

If you care to do so, I shall be glad to discuss this further with you.

H. C. G[OLDENBERG]

¹⁷⁸ H.L. Keenleyside.

1190.

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Le directeur général, le bureau à Washington, le ministère des Munitions et des Approvisionnements, au directeur général, la section de l'économie politique et de la statistique, le ministère des Munitions et des Approvisionnements

Director General, Washington Office, Department of Munitions and Supply, to Director General, Economics and Statistics Branch, Department of Munitions and Supply

Washington, September 17, 1943

Dear Carl [Goldberg],

In your capacity as Assistant to the Chairman of the Joint War Production Committee, U.S. and Canada, I would like to confirm our long conversation in Ottawa last week on the following subject.

On November 5th, 1941 this Committee was brought into being by an announcement by the President and our Prime Minister, which took the form of a Press Release under that date. This Press Release stated that the resolution of the Joint Economic Committee was being accepted to the effect that a Production Committee should be formed. The Terms of Reference might roughly be divided into two general heads. First, we were asked to undertake the practical day-to-day operation of integrating the productions of the two countries; second, we were asked to work closely with the Joint Economic Committee in carrying out surveys and studies "particularly with regard to the objective of minimizing post-war economic maladjustments."

For nearly two years now, this Production Committee has been very active in carrying out the first of these two directions, but has never been at all active in the second direction.

Some time in 1942, the Joint Economic Committee decided to adjourn *sine die*, and I believe I am right in saying they have only met once since then, so that even if the Production Committee had been anxious to work along the lines of this second direction it had, in substance, no one with whom to work.

We are now very definitely entering into a new phase of the war where production for munitions proper will be slowing down in volume, and there will be appearing in parallel to this production, a new type, semi-civilian if you like, to meet the ever-growing demands for rehabilitation in our allied countries, particularly the re-occupied territories. This new type of production which is on us now, savours so strongly of ordinary commercial export business that we have to get ourselves prepared to handle it intelligently, otherwise our very happy position of complete integration with the United States may be jeopardized by extraneous commercial interests creeping into the picture.

For this reason, I would strongly recommend that the Joint Economic Committee become active again. Incidentally, we are facing in the next few weeks, a reorganization of our executive staff opposite the executive staff of Mr. W. L. Batt, Vice-Chairman of the War Production Board in charge of U.S.-Canadian

operations. Before we go too far in this direction, I would like to have an expression of opinion from Dr. Mackintosh on this suggestion.

I would further recommend that if the Joint Economic Committee becomes active again it might take back into its own fold the Term of Reference on economic studies, all as set out in paragraph 3, of the Press Release above referred to. At this stage, I think it would be a little foreign to the operations of the Production Committee to start out on studies of this kind. The Economic Committee could do it very much better.

I have discussed this whole question informally with Mr. Batt. He has a small staff of economists available on his side for any such studies, and if this work is to be done it should be started almost immediately.

All of the above I have discussed with Mr. Carmichael and he agrees with me that you might, on his behalf, approach Dr. Mackintosh and discuss the contents of this letter with him so that he, in turn, can discuss the matter with Alvin H. Hansen in Washington.

If I might make so bold as to give a suggestion to Messrs. Mackintosh and Hansen, it would be, that one of the first items on their agenda should be the desirability or otherwise of enlarging the Joint Economic Committee to include United Kingdom representation. In the last six months the trend down here has been in this direction. Canada is very active in the Combined Production and Resources Board. Our discussions on materials are all becoming tripartite operations. We are in the process of attempting to form a Combined Export Markets Committee, also on a tripartite basis, and my personal opinion is that no harm could be done, and perhaps considerable good, if economic studies were on the same basis. I realize, however, that this is a matter for the two Chairmen to discuss and hardly a matter for D.M. & S.

When you have seen Dr. Mackintosh and discussed the matter again with Mr. Carmichael, I will be very glad to hear from you.

Yours sincerely,

J. B. CARSWELL

1191.

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*Le président, le comité canadien, Comités économiques conjoints,
au directeur général, la section de l'économie politique
et de la statistique, le ministère des Munitions
et des Approvisionnements*

*Chairman, Canadian Committee, Joint Economic Committees,
to Director General, Economics and Statistics Branch,
Department of Munitions and Supply*

Ottawa, September 28, 1943

Dear Mr. Goldenberg,

I have read your letter of September 22nd and Mr. J. B. Carswell's letter which you attached.

Mr. Carswell is not quite correct in his statement of the relations between the Joint Economic Committees and the Joint War Production Committee. The latter was required to transmit surveys, studies, etc., so that the Joint Economic Committees might be aware of the post-war implications and take them into account. There was no suggestion, however, of collaborating on post-war problems.

I would not expect to be able to achieve any success in converting the Joint Economic Committees into a tripartite body. If the United Kingdom were to agree, it would be only after much delay.

I think that what we are facing is the transfer of many of these questions from an interdepartmental to an intergovernmental level. The proposal to reach intergovernmental arrangements on the programming of exports and the application of priorities and allocations beyond the border was made in the Joint Economic Committees nearly two years ago, but was rejected in favour of the interdepartmental arrangement between M. & S. and W.P.B.¹⁷⁹

The two major problems at the moment would seem to be the programming of exports which can be handled by the Export Markets Committee and equitable sharing of civilian supply on which the authorities in each country can act in collaboration with C.P.R.B.¹⁸⁰ What is immediately necessary here is improved coordination within our own agencies so that a consistent line of policy can be approved.

There may be some later questions as to post-war use of over-expanded industries, but I think neither country has studied its own situation sufficiently to be able to discuss collaboration at this point.

I do not see what the Joint Economic Committees could do other than set out certain general views such as those suggested above.

Yours very truly,

W. A. MACKINTOSH

1192.

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*Mémoire du président, le comité canadien,
Comités économiques conjoints*

*Memorandum by Chairman, Canadian Committee,
Joint Economic Committees*

[Ottawa,] October 8, 1943

MEMORANDUM ON THE JOINT ECONOMIC COMMITTEES
OF CANADA AND THE UNITED STATES

1. Since reading Mr. Keenleyside's memorandum of September 2nd, I have given renewed thought to the future of this body in whose relatively ineffective operation I feel more than a little personal responsibility.

¹⁷⁹ War Production Board.

¹⁸⁰ Combined Production and Resources Board.

2. The Committees were given two fields for study and report: (a) wartime collaboration in the use of the combined resources, and (b) reducing probable post-war dislocations consequent upon wartime changes. I have always had some feeling that the proper interpretation of the instruction did not include post-war planning as such but that it was rather that we should study means of wartime collaboration

- a) so that the most efficient use of resources could be achieved, and
- b) so that post-war dislocations should be minimized.

I have not, however, at any time urged this strongly.

3. The Committees encountered a number of difficulties, quite aside from questions of the membership of the Committees and some divergence of view as to their functions.

(a) There was no disposition on the part of External Affairs or the State Department to use the Committees. In my recollection only a couple of minor matters were referred to the Committees. Virtually everything that was done was initiated by the Committees themselves. In a number of cases, the intervention of the Committees was not welcomed. I do not interpret this as arising from any unfriendly disposition toward the Committees but as evidence of the difficulties which others, as well as the Committees, found in using this instrument.

(b) It proved difficult on both sides to get responsible collaboration with the Departments concerned. On the U. S. side, it was difficult to determine what was the responsible agency and on the Canadian side, the Department of Munitions and Supply had early developed its own relations with Washington and its own Materials Co-ordination Committee. Other agencies also preferred to maintain direct contacts with related agencies in Washington. That there was much to be said for this is indicated by a number of recommendations of the Joint Economic Committees that such direct contacts should be set up.

(c) Experience might well have proved different if Mr. R. A. C. Henry had remained the Canadian Chairman. Relations with the most important Canadian department, that of Munitions and Supply, would then have been much more dependable and the knowledge of the Committees much more up-to-date than proved to be the case under my chairmanship.

(d) Nearly all the broader problems of collaboration, both wartime and post-war, proved to extend beyond Canada-U.S. relationship. Even such problems as were bilateral had to be worked out within much wider relations for the consideration of which the Committees had no mandate. The whole development of the Combined Boards and our attitude toward them demonstrates this.

4. Whatever the appropriateness of the Joint Economic Committees as an instrument in the circumstances in which they were first envisaged, it is my opinion that experience has shown that, in the realities which developed, they were not a practical tool. In so far as they were expected to assist in the working out of the Hyde Park Declaration, that possibility evaporated with the hasty development of the direct contacts under the control of Munitions and Supply.

5. It appears to me that they were based on a false assumption, namely, that the desideratum was a fresh contact between the two governments. On the

contrary, the problem was the rapid multiplication of contacts and the inability of External Affairs and the State Department to exercise an effective co-ordinating influence, at least in the period of most rapid expansion. External policy was being established right and left by a multitude of agencies. The problem never was to establish joint relations but to co-ordinate them. Any hope that the Joint Economic Committees could achieve this co-ordination seems to me completely unreal. The original members were drawn from the Federal Reserve Board and the Bank of Canada, the Treasury and the Department of Finance, the Tariff Commission and the Department of Agriculture, the Office of Production Management and Munitions and Supply. External Affairs and the State Department were represented only by senior officers, who had the right to attend meetings, and by liaison officers. In fact, the representatives of both Departments were in all respects fully active members, but the formal arrangement indicates the original conception. It appears to me quite unreasonable to suppose that Committees of this kind could exercise real co-ordinating influence, or that Departments would have accepted their position.

6. It would have been possible for the committees, given adequate staff, to make a number of studies of a quasi-academic type which probably would have been useful. This would, no doubt, have fitted in quite comfortably with United States practice where different offices and bureaux make public reports and studies recommending or supporting the most divergent policies. I may be wrong, but I have never felt that Canadian officials could participate in this effectively without raising implications of policy which are considered to be the prerogative of Ministers. The North Pacific Project is an experiment of this sort and while I think we were right in undertaking it, its completion will not be without its embarrassments.

7. I have reached the conclusion that the Joint Economic Committees cannot in their present form perform a function sufficiently important to justify their continued existence. It would seem to me, subject to the judgment of others who have more direct experience, that there is a function to be performed by a different kind of body. It appears to me desirable both now and after the war

(a) to maintain and develop many of the direct contacts between Ottawa and Washington agencies which have grown up during the war, *but*

(b) to bring them all, step by step, more fully under the eye of External Affairs (and the State Department), *and*

(c) to institute regular reviews of the whole range of economic relations and problems, both independently in Ottawa and if the U.S. is willing, jointly with Washington.

8. I, therefore, suggest that a new Committee might be established to undertake these functions. It should be headed by a senior officer of External Affairs, fully familiar with all our relations with the United States. It should include representatives of those Departments which have most active contact with Washington: Trade and Commerce, Munitions and Supply, Prices Board, perhaps Agriculture and Finance. Other departmental representatives and one from the Economic Advisory Committee could be brought in for discussion of matters of interest to them. There might need to be additional members from External Affairs and representatives from other joint bodies.

9. Such a body could review fortnightly or monthly the whole range of events in Canadian-U.S. relations, obviate a good many *ad hoc* meetings, give direction to other departments in their consultations with U.S. agencies, look ahead for the problems on the horizon and initiate examination of them in the appropriate departments or by *ad hoc* groups. In doing these things it would co-ordinate all such activities under the direction of External Affairs.

10. In examining problems which have emerged or seem likely to emerge, a Committee such as this would initiate studies of longer and wider range than are possible in the day-to-day work of the Department of External Affairs. Whether such studies were carried out by a secretarial staff drawn from External Affairs, by another Department or by a special interdepartmental committee would be decided according to the particular circumstances of the problem. The Committee could thus serve one of the purposes which it was contemplated that the Joint Economic Committees would serve, which they have not to any important degree served and which in my opinion they could not serve effectively. A concrete example will, I think, make this clear. It was obvious to everyone that arrangements with the United States on civil aviation would be an important and unavoidable problem. Under any broad interpretation of its functions, the Joint Economic Committees should have undertaken a study of it. The decision has been that it should be studied by special bodies and an attempt of the U.S. Committee to take the initiative was promptly checked. This was the right practical decision. The Joint Economic Committees could not have handled the problem successfully, because, first, there is too much emphasis on their joint character and the problem required to be examined nationally first; second, it did not appear to anyone as a problem to be examined under the joint chairmanship of a Federal Reserve Board advisor and a Department of Finance official; and, third, the Joint Economic Committees are too loosely connected with External Affairs. The decision in this case was a clear decision that the Joint Economic Committees were not an instrument which could be used for one of the purposes for which they were created.

11. The same problem could have been handled quite readily by the proposed organization. Preliminary discussion under a chairman familiar with the background would have established the urgency of the problem and suggested the formation of an *ad hoc* committee, the appointment of which in such an important subject should be made by War Committee. The proper decision could have been made without any violation of existing machinery. The point, if any, at which joint examination should be undertaken with the United States would be directly under the control of External Affairs, subject to War Committee's instruction.

12. There will be many economic problems which require more extended examination than is now given to them. The difficulty of making *ad hoc* decisions will demonstrate this and suggest the need for making an extended examination of the facts before the occasion for further decisions arises. In a few cases, joint examination by officials of the two countries can be begun at once, but in most cases independent examination in one, or both, countries prior to any consultation will be desirable. The point at which any study becomes a joint study should always be decided by External Affairs.

13. It would be necessary for External Affairs to provide an adequate secretariat for such a body, though work on some topics should be undertaken in other Departments. The secretariat should have time to make substantial background studies of emerging problems and should obtain the direction of senior officers in the Department or other Departments.

14. The suggested body could operate readily within our system of government because it would be geared to the responsible Department. The present form of the Joint Economic Committees is not seriously ill-adapted to United States practice, but it places Canadian government officials in a thoroughly anomalous position in which the difficulties of maintaining collaborative relations with their own government Departments far exceed those of coming to reasonable agreement with United States officials who have not the same departmental responsibility.

15. Such a Committee would serve a useful purpose even if it had no U.S. counterpart. Its usefulness would be considerably enhanced, however, if there were, say, quarterly meetings with a similarly constituted U.S. Committee and with the two Ministers or their representatives.

16. The negative conclusions of this memorandum are to me very clear. The positive suggestion is less firmly based and there are, doubtless, considerations which I have overlooked. I am, however, convinced that the major problem is not to establish or maintain a link with the United States Government (there is a multitude of such links); it is to co-ordinate existing relations, re-establish the responsibility of External Affairs, and provide the means for looking at our economic relations in a wider framework and with a longer view than the day-to-day conduct of business permits.

17. If any change in the status of the Joint Economic Committees is contemplated, it ought to be initiated quickly and not through the Committees themselves but directly from External Affairs to the State Department.

PARTIE 4/PART 4
TRANSPORTS
TRANSPORTATION
SECTION A

CAMIONNAGE AVEC ACQUITS-À-CAUTION
TRUCKING IN BOND

1193.

DEA/48-FS-40

*Le président, la section canadienne, le Comité conjoint sur
la production de guerre, au ministre des Munitions
et des Approvisionnements*

*Chairman, Canadian Section, Joint War Production Committee,
to Minister of Munitions and Supply*

Ottawa, March 25, 1942

Dear Sir,

RE: JOINT WAR PRODUCTION COMMITTEE OF CANADA AND THE
UNITED STATES AND TRUCKING IN BOND ACROSS ONTARIO

At the last meeting of the above-noted Joint Committee held in Washington, D.C., on Monday, March 16, the United States Section of the Committee sought the concurrence of the Canadian Section in a Resolution dealing with the above subject.

On behalf of the Canadian Section it was pointed out:

(a) that this was a matter which had already been dealt with in Canada on a higher level than this Committee, i.e., by the Privy Council of Canada¹⁸¹ and that, consequently, the Canadian Section had not the authority to deal with it without reference to the said higher body, and

(b) that in the form in which it was submitted the Resolution did not come within the terms of reference of the Committee in that no statement or claim was made to the effect that the granting of the concessions mentioned would in any way accelerate or increase war production and that, therefore, the Canadian Section were not in a position to deal with the said Resolution even to the extent of referring it to higher authority.

On behalf of the United States Section these arguments were accepted and it was agreed that the Resolution would be amended so as to bring it within the purview of the Committee and it would be re-submitted to the Canadian Section for action by them as above noted.

The revised Resolution has now reached me and is attached hereto. It will be noted that it now contains a definite statement to the effect that the granting of this concession "would help to speed war production in the United States". In view of this statement and of the responsibility of this Committee with respect

¹⁸¹ Le 28 mai 1941.

¹⁸¹ On May 28, 1941.

to war production, the Canadian Section feel they must refer this Resolution to the appropriate higher authority, and request a directive as to the reply which should be addressed to the United States Section.

Yours sincerely,

G. K. SHEILS

[PIÈCE JOINTE/ENCLOSURE]

*Résolution de la section américaine, le Comité conjoint
sur la production de guerre*

Resolution by American Section, Joint War Production Committee

[n.d.]

MEETING MARCH 16, 1942, FEDERAL RESERVE
CONFERENCE ROOM, WASHINGTON, D.C.

WHEREAS the President of the United States and the War Cabinet [sic] of Canada have approved a Statement of War Production Policy for Canada and the United States providing for the elimination during the war of international barriers to the movement of goods important in the war effort;

WHEREAS Governmental regulations in Canada hamper the movement of goods by truck across Ontario from Detroit to Buffalo and other points;

WHEREAS the extreme scarcity of rubber and other materials makes it wasteful for goods to be moved in truck by the longer route around Lake Erie; and

WHEREAS use of the shorter truck route across Ontario would help to speed war production in the United States;

THEREFORE, the U.S. Section of the Joint War Production Committee, United States and Canada, recommends that the regulations which prevent the free movement of goods in truck across Ontario from various points in the United States should be suspended for the duration of the war.

1194

DEA/48-FS-40

*Le ministre des Munitions et des Approvisionnements
au secrétaire, le Comité de guerre du Cabinet*

Minister of Munitions and Supply to Secretary, Cabinet War Committee

SECRET

Ottawa, March 30, 1942

Dear Sir,

RE: TRUCKING IN BOND ACROSS ONTARIO

Canada must face the fact that a great deal of pressure will be brought by the United States to obtain trucking-in-bond privileges across Ontario, particularly between Buffalo and Detroit. A pressure group is at work, and, by using the war requirements as a basis for propaganda, can make the situation very uncomfortable for Canada.

The group behind the campaign are Canadians, although they have acquired American associates with considerable influence at Washington. The Canadian group have had a lobby at Washington working up pressure for the past two years.

I enclose copy of a letter dated March 25th from my Deputy Minister, who is also Canadian Chairman of the Joint War Production Committee of Canada and the United States. I understand that the resolution adopted by the United States Section of the Committee was proposed by Mr. Lauchlin Currie on instructions from the White House.

It seems to me most illogical, at a time when manufacture of trucks and truck tires has been suspended in Canada, when we are campaigning for reduction in the use of gasoline and tires, and when Canadian trucking is being controlled and coordinated with these ends in view, that a new Canadian trucking company should be brought into being, particularly in a service that is now being taken care of by five lines of railway. A suggestion has been made that our Board of Transport Commissioners be instructed to study the situation and report to the Government in the matter of convenience and necessity. The subject matter of the resolution is outside the jurisdiction of the Board, but I presume that the Board can make a report under special instructions from the War Committee.

As this is a matter of great interest to the Department of External Affairs, I suggest that a report should be obtained from that Department, and the whole matter placed before the War Committee of the Cabinet.

Yours very truly,

C. D. HOWE

1195.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 1, 1942

TRUCKING IN BOND ACROSS ONTARIO

7. THE SECRETARY read a communication from the Minister of Munitions and Supply, suggesting that the War Committee refer to the Board of Transport Commissioners, for examination and report, the proposal that, for the duration of the war, regulations preventing the free movement of trucks across Ontario, particularly between Buffalo and Detroit, be suspended.

This proposal had been urged by the U.S. Section of the Joint War Production Committee, apparently at the instance of the White House. The Canadian Section had not concurred, and the Minister regarded the proposal as illogical, particularly in view of war conditions in respect of truck construction, rubber and gasoline, and because railway transportation in this area was adequate. A brief note had been circulated.

(Letter, Minister of Munitions and Supply to Secretary and enclosed documents, March 30, 1942; also Secretary's note, March 31, 1942 — C.W. document 131').

8. THE PRIME MINISTER said that this question had been discussed by the full Cabinet. The Minister of National Revenue was examining, with the Law Officers, the question of a reference to the Transport Commissioners, and would present an appropriate submission to Council.

1196.

DEA/48-FS-40

Le ministre des États-Unis au secrétaire d'État aux Affaires extérieures
Minister of United States to Secretary of State for External Affairs

No. 708

Ottawa, June 25, 1942

Sir,

May I refer to a conversation you held with the Secretary of State in Washington on April 17, 1941, during which he discussed the advantages to national defense that would ensue from being able to move goods from Detroit to Buffalo and back via motor truck in bond, as well as to subsequent conversations between Canadian and American officials in Ottawa on this general subject.

Although in your letter of August 26th you indicated the difficulties that made the Canadian Government reluctant at that time to alter its practice, the increasing volume of war supplies being turned out in the United States and the need of moving them swiftly between Detroit and Buffalo during war time has impelled the transportation authorities of my Government to hope that the Canadian Government will re-examine its position in the light of these new developments. I understand that many of the big shippers of war supplies from Detroit have expressed an interest in this accommodation and that Mr. Eastman, the Director of Transportation in the United States, has written Mr. Howe of the importance he attaches to the availability of this additional route for speedy transportation in our joint war efforts.

Accept etc.

PIERREPONT MOFFAT

1197.

DEA/48-FS-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1509

Ottawa, July 14, 1942

Reference trucking in bond through Ontario.

The Board of Transport Commissioners, at the request of the Government, have investigated this matter and have now presented their report. An Order-

in-Council¹⁸² will be passed shortly granting authority, for the duration of the war, for the transportation of war materials in bond from points in the United States to other points therein through Ontario by motor vehicles between designated Canadian points of entry and exit.

The privilege will be granted to United States truckers, both private and common carriers. In the case of the latter they must have authority from the Interstate Commerce Commission to operate over this route. It is intended to manage the scheme in such a way as not to permit the monopolization of the privilege by any one organization.

Yesterday a meeting was held in Ottawa between departmental representatives, the Ontario Department of Highways and W.Y. Blanning, Director of Motor Vehicle Division of the Interstate Commerce Commission, Mr. Walter Petty, Assistant Collector of Customs at Detroit and Mr. B.A. Flynn, Chief of the Division of Entry and Appraisal of the Bureau of Customs in Washington. The meeting discussed the details of the scheme and methods of control with regard to customs, the licencing of operators, immigration and security. Mutually satisfactory arrangements were worked out. In the case of immigration and police questions it was agreed that the methods of control should be determined by the immigration and police authorities of the two countries. This will be done by further communications through the Legation in Washington.

When the Order-in-Council referred to above is passed I shall inform the United States Minister here of the action of the Canadian Government and of our understanding of the methods of operation of the scheme. At that time we shall send you further details. Ends.

1198.

DEA/48-FS-40

*Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires des États-Unis
Secretary of State for External Affairs
to Chargé d'Affaires of United States*

No. 111

Ottawa, July 17, 1943

Sir,

I have the honour to refer to Mr. Moffat's note No. 708 of June 25th concerning the movement of goods from Detroit to Buffalo and back via motor truck in bond through the Province of Ontario and to inform you that the Canadian Government have ordered that, for the duration of the present war, war materials in transit from a point or points in the United States of America to another point or points therein, shall be permitted to be entered for transportation "in bond" through the Province of Ontario by motor vehicles, without payment of

¹⁸² Voir le Décret en Conseil P.C. 6129 du 16 juillet 1942.

¹⁸² See Order in Council P.C. 6129 of July 16, 1942.

duties and taxes, and under such regulations as the Minister of National Revenue may prescribe.

The regulations to be prescribed by the Minister of National Revenue were discussed at a meeting held in Ottawa on July 13th between representatives of Canadian Government Departments, the Department of Highways of the Province of Ontario and, Mr. W.Y. Blanning, Director of Motor Vehicle Division, Interstate Commerce Commission, Mr. Burt A. Flynn, Chief, Division of Entry and Appraisal, Bureau of Customs and Mr. Walter S. Petty, Assistant Collector of Customs, Port of Detroit. The proposed regulations governing the movement of war materials through Ontario were satisfactory to the United States representatives present.

Under the regulations, the privilege of transporting war materials in bond through the Province of Ontario will be available only to persons or firms operating motor vehicles in the transportation of goods, either on their own behalf, on behalf of one or more particular shippers, or on behalf of shippers generally. The motor vehicle operators desiring to become bonded carriers shall make application to the Commissioner of Customs, Department of National Revenue, Ottawa, for the privilege. If the operator proposes to transport war materials on behalf of one or more particular shippers or on behalf of shippers generally, the applicant shall furnish a certificate issued by the Interstate Commerce Commission to the effect that he is authorized to operate as a common carrier in the United States and over the Canadian route referred to in his application. The personnel in charge of the motor vehicles operating through Ontario shall be restricted to citizens of the United States and to citizens or residents of Canada. In the case of United States citizens they shall be in the possession of border-crossing cards, with photograph and description attached thereto, issued by the United States Immigration Service.

Upon approval of the application referred to above, the applicant shall be required to submit to the Department of National Revenue a bond, in approved form, of a Guarantee Company acceptable to the Canadian Government. Operators of motor vehicles authorized as bonded carriers of war materials over the highways of Ontario shall be required to pay a fee or charges to the Government of the Province of Ontario equivalent to the provincial gasoline tax. This provision is similar to that now in effect with respect to United States passenger buses operating into the Province.

The regulations are drawn so as to avoid delay and to facilitate the movement in every way possible consistent with the maintenance of necessary safeguards. The limitation of goods to war materials will be interpreted in a manner which will not impose undue restrictions upon the operation of the scheme.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1199. DEA/48-FS-40

Le ministre des États-Unis au secrétaire d'État aux Affaires extérieures
Minister of United States to Secretary of State for External Affairs

No. 7

Ottawa, August 21, 1943

Sir,

May I refer to Mr. Moffat's note, No. 708 of June 25, 1942, and to your reply, No. 111 of July 17, 1942, concerning the trucking of war materials in bond through Ontario between Michigan and New York points.

Under instructions of my Government, I now have the honor to enclose a copy of a letter addressed to the Secretary of State on August 6, 1943 by the Director of the Office of Defense Transportation proposing a liberalization of the regulations governing this traffic. I have been informed that Mr. Eastman's letter was drafted following meetings under his chairmanship at which the Department of State as well as the War and Navy Departments, the Customs Bureau and the Petroleum Administration for War were represented. It is understood that at the present time approximately twenty-five trucks daily are using the Ontario route but that, if the proposed liberalization of the regulations is effected by the Canadian Government, approximately one hundred trucks daily will use the route. The saving in gasoline, motor equipment, rubber and manpower which would thus be effected is obvious. I have been directed to say that it is recognized in the Department of State that the Canadian Government may well find it impossible to comply with the suggestion made in paragraph 4 of Mr. Eastman's letter. It is hoped, however, that consideration of this suggestion will be without prejudice to the other important points covered in the letter and that some alternative may be possible to provide adequate service facilities on the Canadian route.

With respect to the minor difficulties alluded to in paragraph 5 of Mr. Eastman's letter, I have been directed to say that in the Department of State no objection is perceived to direct consultation between the appropriate officials of the two Governments, and it is understood that such consultations will be initiated.

In bringing Mr. Eastman's letter to the attention of the Canadian Government, I have been directed to endeavour to secure a modification of the present regulations in the sense desired. In doing so, I have been directed to emphasize that this matter has been the subject of careful study by the agencies of the United States Government interested in wartime transportation and that the matter has been considered solely from the point of view of effecting economies in the interest of the war effort.

I should appreciate being informed of the decision of the Canadian Government in the premises.

Accept etc.

LEWIS CLARK
for the Minister

[PIÈCE JOINTE/ENCLOSURE]

*Le directeur, le bureau des transports pour la défense des États-Unis,
au secrétaire d'État des États-Unis*

*Director, Office of Defence Transportation of United States,
to Secretary of State of United States*

Washington, August 6, 1943

My dear Mr. Secretary,

Through the cooperation of the officials of the Canadian Government, regulations governing the use of certain Ontario Highways between Detroit and Port Huron, Michigan, and Buffalo and Niagara Falls, New York, have been issued. These regulations make available to American motor truck operators the use of shorter Canadian routes between these points. My Office has been interested in studying the effect of operations under these regulations, which have been in effect for several months, with particular reference to the conservation of manpower, vital motor transport truck equipment, gasoline, and rubber.

Through members of my District Field Offices and the District Office of the Interstate Commerce Commission, Bureau of Motor Carriers, a study has been made of the operations of some of the trucks now using the highway, and of the volume of traffic which could be moved over this shorter route if the present Canadian regulations were liberalized. As a result of this study, I am convinced that further important conservation could be accomplished if the Canadian officials could be persuaded to amend the present regulations.

At the present time the Canadian regulations permit only full truck-loads of war materials to be transported across the Ontario Highways. If a truck-load consists of war materials and goods less directly associated with the war effort, it is impossible to make use of this shorter route for the transportation of such a mixed load. Our experience indicates that the vast majority of all commodities moving by motor transport today are war materials or commodities otherwise essential in a wartime economy. The Canadian regulations should be amended to permit all types of traffic to move across the shorter route, including mixed loads. The maximum conservation of vital transport equipment can be accomplished only in this way. The situation has become so pressing as to require our consideration of the trucks themselves as "war material."

The American operators have experienced difficulty in the purchase of gasoline and repair parts in Canada. This difficulty results from the inability of carriers to secure, under rationing regulations, the necessary petroleum supplies and spare parts in Canada which are necessary to their continued operation. It is respectfully suggested that the Canadian authorities also be persuaded to permit the operation of an American service station and repair depot mid-way on the Canadian route so that proper services to trucks may be obtained, and so that no delay will be occasioned to operators who have agreed to use the shorter route. In the event that this suggestion does not prove workable, a Canadian service station might be made available to serve exclusively these American trucks and its supplies could then be replenished periodically from American stocks.

There are minor difficulties surrounding the use of leased equipment which could be satisfactorily adjusted by conference with the Canadian Customs officials. The entry requirements and time consumed in clearing the shipments through the customs could also be the subject of discussions between the Canadian and American officials so that the shipments could be speeded up materially.

The negotiations covering the use of the Ontario Highway have been quite lengthy, and both the Canadian and American officials who have participated in them are fully informed of the facts. I am convinced that the regulations should be further liberalized, and I am hopeful that you will be able to persuade the Canadian officials of the desirability of this action.

Very sincerely yours,

J. B. EASTMAN

1200.

DEA/48-FS-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

Ottawa, September 3, 1943

In conversation this morning Mr. Atherton mentioned the note he had given us last week about the trucking in bond situation. His Government are very anxious that the facilities granted last year should be further liberalized so that maximum use can be made of the economies in time, gas and tires offered by the existence of the direct trucking route from western New York to Michigan through southern Ontario. Copies of his note have gone to Customs, Munitions and Supply and Transport, and I sent an additional copy this morning to the Minister of Labour, who had asked if any recent representations had been received on this subject.

Atherton emphasized that his Government was only pressing us on this subject because of the importance it had in the organization of defence industries, but he recognized that it might conceivably have a wider and more lasting importance, for the purely economic advantages of a direct trucking route would, of course, still be valid in peace-time. He hoped, therefore, that we could consider their request both in its immediate terms and as related to the desire of both countries to facilitate simpler and easier border traffic.

1201.

DEA/48-FS-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État par intérim aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Acting Under-Secretary of State for External Affairs*

[Ottawa,] October 5, 1943

1. This morning at the request of Colonel Gibson, Minister of National Revenue, I attended a meeting in his office called at the request of representatives of the members of certain railway unions interested in the question of trucking in bond across Western Ontario. In addition to the representatives of the unions, the following were present:

The Honourable Humphrey Mitchell

The Honourable J.E. Michaud

Mr. David Sim,¹⁸³ and

Mr. P.L. Young.¹⁸⁴

2. The Labour representatives were particularly anxious to receive an assurance that the Government would not fall in with the new requests from the United States for freedom of transit of all goods — not only war goods as in the past — across the Ontario peninsula. They knew of Mr. Joseph Eastman's attitude and the efforts that he has been making to persuade the United States authorities to insist upon this right of transit. They pointed out that there are now only fourteen trucks per day travelling on this route and that the railways can easily handle additional traffic. They believed that if special concessions are made now it will be extremely difficult to withdraw them after the war.

3. The Ministers present pointed out that the Government had not changed its attitude and that before any change is made the railways and the unions will be given an opportunity to be heard. They stressed the fact that not very much information had been received from the railways operating across the affected part of Ontario, and rather more than hinted that representations from the railways, including the United States lines, would be useful in helping them to withstand pressure from the United States.

4. After the union representatives had left I had a further word with the three Ministers. They are opposed to granting any additional concession to the United States, but are afraid that Mr. Eastman will obtain the ear of the President, and that Mr. Roosevelt may commit himself to the argument advanced in the Note from the United States Minister, dated August 21, 1943. They suggested that it might be useful if the Prime Minister would take an early opportunity to have a word with Mr. Roosevelt about this matter in order that the

¹⁸³ Commissaire de l'accise, ministère du Revenu national.

¹⁸⁴ Assistant exécutif général, direction des douanes et accise, ministère du Revenu national.

¹⁸³ Commissioner of Excise, Department of National Revenue.

¹⁸⁴ General Executive Assistant, Customs and Excise Division, Department of National Revenue.

President may be warned against committing himself without having a full knowledge of all the facts. I took it that Colonel Gibson will speak to the Prime Minister along this line but it might be useful if you were to mention it also.

5. On my return to the office I found that our reply to the United States Minister's Note, dated September 20,¹⁸⁵ had not been despatched. I sent copies of our reply by hand to Colonel Gibson, Mr. Michaud and Mr. Mitchell and asked them to let me know whether they approved of the terms in which it was drafted.¹⁸⁵

H. L. K[EEENLEYSIDE]

1202.

DEA/48-FS-40

Le secrétaire d'État aux Affaires extérieures au ministre des États-Unis
Secretary of State for External Affairs to Minister of United States

No. 126

Ottawa, October 16, 1943

Sir,

I have the honour to inform you that the proposals made in your Note of August 21, 1943, No. 7, and in the attached letter from the Director of the Office of Defense Transportation, for a liberalization of the present regulations governing the trucking of war materials in bond through Ontario, have been given careful consideration by the interested agencies of the Canadian Government.

2. With reference to Mr. Eastman's suggestion that the present regulations should be amended to permit all types of traffic, including mixed loads, I have been directed to call your attention to the fact that at the conference of United States and Canadian Government officials which preceded the adoption of these regulations this question was discussed at some length. It was agreed at that time that, although the term "war materials" would be used in the Order in Council authorizing the movement, in the administration of the Order the Canadian Customs Branch would permit the passage of trucks carrying mixed loads, provided that war materials formed 75% of the load. The regulations have been administered in that spirit. In the event, no full load of merchandise of any description has been rejected at the frontier. All loads offering have been allowed to proceed, although it has been necessary in some cases to call to the attention of trucking companies the fact that they were not living up to the spirit and intent of the regulations in that only a very small portion of certain loads represented war materials as contemplated in the regulations. The Canadian Government, therefore, feels that the regulations at present in effect, and as administered, offer full facilities for the transportation of war materials in bond through the Province of Ontario.

¹⁸⁵ La note suivante était écrite sur ce mémorandum:

¹⁸⁵ The following note was written on the memorandum:

I'm not sure we're right in fighting this concession so hard — however. I don't really know enough about what's involved to hold any strong view on the question. N. A. R[OBERTSON]

3. While it has been represented to the United States Government that only twenty-five loads per day are being moved under this arrangement, the Canadian Customs Branch reports that during the months of July and August last (the peak months of the movement) the average number of trips daily at the two ports chiefly used was fourteen at Windsor and twelve at Fort Erie, and this despite the fact that thirteen of the largest trucking companies in the United States now enjoy and operate under this privilege. Even if the regulations were broadened to permit the movement of merchandise of all kinds, it is very doubtful whether the other trucking companies which might take advantage of this privilege and who could use the route would be able to increase the number to one hundred trips per day.

4. With respect to paragraph four of Mr. Eastman's letter, I am advised by the Minister of Munitions and Supply and the Minister of National Revenue that there would be no difficulty in arranging for stocks of parts manufactured in the United States to be stationed at points along the route. The necessary steps will be taken if the Director of the Office of Defense Transportation will advise at what point or points these parts should be made available.

5. Regarding the purchase of gasoline, the Oil Controller states that he has no information, nor have the United States Government inspectors travelling the route made any reports to him, which would indicate that trucks operating under the present regulations have experienced any difficulty through shortages of gasoline. Up to the present it has been the practice for these trucks to carry all the gasoline required for the full trip. The Oil Controller has arranged that, should the trucks become involved in an accident and lose their supplies of gasoline, a sufficient quantity of gasoline can be made available to permit them to proceed to their destination. In such a contingency the truck driver notifies the nearest Provincial Police officer who, in turn, gets in touch with the Oil Controller. If it should be considered advisable to permit United States trucks to purchase gasoline in Ontario, it would be necessary to obtain the concurrence of the Provincial Department of Highways, since under present arrangements between that Department and the Oil Controller gasoline cannot be supplied to any motor vehicle from the United States which does not carry an Ontario license plate. It is felt, however, that experience to date does not demonstrate the need for Canadian sources of gasoline supplies for these trucks.

6. The Canadian Government would have no objection to the initiation of direct consultation between the appropriate officials of the two Governments with respect to the minor difficulties alluded to in paragraph five of Mr. Eastman's letter.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1203.

DEA/48-FS-40

*Procès-verbal d'une réunion entre des représentants
du Canada et des États-Unis*

*Minutes of a Meeting between Representatives
of Canada and the United States*

Ottawa, December 18, 1943

MINUTES OF MEETING TO CONSIDER MATTERS RELATING
TO THE TRANSPORTATION OF MERCHANDISE IN BOND BY
MOTOR TRUCK THROUGH THE PROVINCE OF ONTARIO

Office of the Deputy Minister of National Revenue, December 16th, 10:00
a.m.

Present

UNITED STATES

J.G. Scott, Defence Transport Board
Major J.E. Keller, War Department
Lewis Clark, United States Embassy.

CANADA

D. Sim, Deputy Minister, Department of National Revenue
P.L. Young, Department of National Revenue
G.N. Bunker, Department of National Revenue
J.J. Deutsch, Department of External Affairs.

MR. SCOTT said he had come to Ottawa to discuss with Canadian officials the possibility of liberalizing the existing regulations pertaining to the movement of United States goods by truck through Ontario. He said that Mr. Eastman, Director of ODT, hopes that the Canadian authorities would find it possible to remove certain restrictions which would enable a greater use of this route. The main thought in the mind of the United States Transportation authorities is the conservation of the existing trucks and tires. Trucks are now handling about 18% of the total freight movement in the United States and are therefore an extremely important factor in the transportation situation. Everything possible must be done to conserve the existing supply of trucks and to keep them running. The trucking companies have not been able to obtain new trucks for some time, the existing trucks are becoming old and the first replacements are not likely to be available until late in 1944. Hence the United States authorities regard the saving of truck mileage as very important. An increased use of the Ontario route would result in a significant saving in mileage.

MR. SCOTT said that the United States authorities had no complaint to make with respect to the treatment accorded under the existing regulations. The restrictions of the movement to "war materials" was being liberally interpreted. Nevertheless there is an impediment against any efforts to obtain a greater use of this route owing to the increasing difficulty of distinguishing between "war materials" and non-war materials. At present, 65% of the total freight

movement in the United States is directly related to the war effort and another 30% is indirectly related to war or is essential for the maintenance of the civilian economy. Only about 5% is doubtful. Consequently very nearly the whole of the present freight movement is essential in one way or another. It would be very helpful if the definition which is applied to the Ontario highway route could be broadened to something like "materials necessary for the prosecution of the war or essential for the maintenance of the civilian economy." Furthermore, owing to the great importance of conserving the existing highway transportation facilities, the United States authorities would regard the trucks themselves as "war materials."

MR. SCOTT informed the meeting that Mr. Brown, former head of OPA, who represented certain associations of railway employees had made some objections to Mr. Eastman against the liberalization of the conditions governing the use of the Ontario highway route. Mr. Brown's clients feared that such a move would result in a diversion of freight from the railways. Mr. Eastman assured Mr. Brown that this would not happen. No traffic beyond that already carried by trucks is involved. It is simply a question of changing from the longer to the shorter route for the purpose of saving mileage. There would be no changes in rates and hence no direct incentive for diversion. Any saving in cost would accrue to the truckers who are badly in need of it. It has been suggested that the railways are in a position to handle any freight which needs to be moved across Ontario. It is felt, however, that the railways as a whole are now operating to full capacity. Any additional cars and locomotives which might be used for the Ontario short-cut are badly needed elsewhere, i.e. for the carriage of grain. There is an overall shortage of rolling stock. One of the main considerations in the minds of the railway employees is the possible effect of the truck movement upon the position of the railways with respect to the post-war period. MR. SCOTT said that the United States authorities would be agreeable to any limitations which might be desired with respect to the post-war situation. The United States authorities are considering this arrangement as purely a wartime matter.

MAJOR KELLER added that the War Department also regards the conservation of trucks and tires as an urgent matter and therefore is anxious to support any efforts to obtain a saving of mileage by the fullest possible use of the shorter Ontario route.

MR. YOUNG described the experience with this movement during the past year. It is clear from the instructions to the Canadian customs officers that there was no intention to take a narrow attitude. The reverse is true. Not one United States truck has been refused admission because of the merchandise carried although a considerable amount of miscellaneous freight was included which could not be regarded as "war material." There was one case of a full truckload of magazines and several others where full loads of liquor were carried. Even in these instances the trucks were admitted but certain warnings were given to the companies concerned. In view of this liberal interpretation it is doubtful that any significant increase in traffic would follow from any changes in the existing definition of the merchandise that may be admitted.

MR. SIM said that about 8,000 vehicles had used the Ontario route since its inception. The movement had shown a steady increase and the highest number of vehicles for any month was 957. It is now running at an average of about 30 trucks a day. The information available does not indicate the possibility of a substantial increase. The instructions to the customs officers state that trucks whose loads consist of "war materials" to the extent of 75% of the total may be admitted. If, as Mr. Scott says, 65% of all United States freight is directly essential to the war effort and an additional 30% is indirectly essential, then it would seem that the existing regulation should cause no difficulty.

MR. SCOTT felt that an important psychological factor was involved owing to the fact that it was becoming increasingly difficult to give any precise definition to the term "war materials." Although a large proportion of all freight is of a "war" character an area of uncertainty arises when an attempt is made to define it. The truckers who have posted bonds are reluctant to take any chances and hence do not use the route as fully as they might otherwise do. Furthermore, the Office of Defence Transportation wishes, in the future, to direct truckers to use the Ontario short-cut. If that is done, there is little doubt that the traffic could be increased to an average of something like 100 trucks a day. However, ODT is hesitant to give such directions under the present regulations. If trucks which are directed over the Ontario route are held up at the Canadian border owing to differences of opinion regarding the "war material" content of the loads, a conflict would arise between the governmental authorities of the two countries. It is clearly desirable that this should be avoided.

MR. SIM thought that the psychological factor and the desirability of avoiding conflicting instructions to the truckers are matters of substance to which due regard will be given by the Canadian authorities in their consideration of the United States request. The implications of this movement with respect to the Canadian practice of not permitting truck transportation of bonded goods is one of the important factors affecting this question. Owing to the great importance of the railways in the Canadian economy, the Canadian authorities must also take into account the possible effects upon the railways and railway employees, particularly with reference to the post-war period.

MR. SIM expressed appreciation of the manner in which the United States representatives presented their proposals and said that he would prepare a report of the discussion for his Minister. It is probable that the Minister would wish to have the matter considered by Cabinet. The United States authorities will be informed of the decision in due course through the Department of External Affairs.¹⁸⁶

J. D[EUTSCH]

¹⁸⁶ La note suivante était écrite sur cette copie
du document:

Mr. Deutsch

This is a good clear note — you might send copies to Mr. Sim who could do worse than circulate it to Ministers as the report of the meeting. Ask him to let you know when the question comes up in Cabinet so we can brief the P[rime] M[inister]. I think the U.S. position is eminently reasonable. R[OBERTSON]

P.S. Please send copy to Washington for their information. R[OBERTSON]

¹⁸⁶ The following note was written on this copy
of the document:

1204.

DEA/48-FS-40

*Mémorandum du sous-ministre du Revenu national
(Douanes et Accise) au ministre du Revenu national*
*Memorandum from Deputy Minister of National Revenue
(Customs and Excise) to Minister of National Revenue*

Ottawa, December 30, 1943

Order in Council P.C. 6129 of 16th July, 1942, granted authority for the duration of the present war for the transportation of war materials in bond by motor vehicle through the Province of Ontario under regulations which you have prescribed, as per copy attached (appendix 1)¹.

This operation started at first rather slowly, but gradually picked up until today there are moving through the Province, mainly via the ports of Windsor and Fort Erie, approximately 30 truck-loads per day. I attach a cumulative statement of this traffic (appendix 2)¹.

The Department has co-operated fully in this movement, and although many of the motor vehicles which crossed undoubtedly contained a generous proportion of ordinary merchandise, not usually regarded as "war materials", every vehicle was allowed to proceed, and only in glaring instances of clear violations of the spirit of the regulations have we written to the transportation companies concerned asking for an explanation and for a discontinuance of the carriage of such loads, in order that space might be reserved for *bona fide* war materials, and cautioning the companies that these violations endangered the concession which they enjoyed.

Since August last the Director of the Office of Defense Transportation, Washington, has been concerned over what he has described as a "liberalization" of the regulations governing this traffic, and on the 6th of that month he wrote the Hon. Cordell Hull, as per copy attached. Under date of August 21st, Mr. Lewis Clark, then First Secretary of the United States Legation here, wrote to the Under-Secretary of State for External Affairs, and Dr. Keenleyside referred the correspondence to us on the 28th August last, as per copy attached¹⁸⁷. It will be observed that the main point of this correspondence was the appeal for the general carriage of all classes of merchandise instead of "war materials", which term was claimed to be too restrictive.

It will be observed that Mr. Clark proposed a consultation between appropriate officials of the two Governments. Dr. Keenleyside, in his reply¹⁸⁸ acceded to this proposal, and as a result Mr. J.G. Scott, Counsel of the Defense Transport Board of the Office of Defense Transportation, Major J.E. Keller of the United States War Department, and Mr. Clark visited this Department and interviewed me on Thursday, December 16th.

I attach a copy of the minutes of the meeting prepared by Mr. J.J. Deutsch of the Department of External Affairs, who was present along with Mr. Young, Mr. Bunker and the undersigned.

¹⁸⁷ Document 1199.

¹⁸⁸ Document 1202.

In the discussions at the meeting it was clear that the United States authorities had no complaint to make with respect to facilities afforded by the Department or the manner in which the regulations had been administered. As a matter of fact they were quite ready to congratulate the Department on the co-operation which had been extended. The point which was stressed, however, was their request that the term "war materials" used in the Order in Council be replaced by a phrase such as "materials necessary for the prosecution of the war or the maintenance of essential civilian economy". In a strict interpretation it would indeed be difficult to indicate what goods would be excluded in such a description. The reasons which they gave in support of their representations are set forth in Mr. Deutsch's minutes.

All three visitors were most explicit in their assertions that they are not interested in motor vehicle transportation after the war, but they expressed themselves as concerned only with wartime operations.

At the conclusion of the interview I advised Mr. Clark that the matter would be referred to you and that the Department's decision would in due course be communicated to the Embassy through the usual channels.

In submitting the matter for your consideration I agree with the representations submitted with respect to the continued necessity for conservation of gasoline and tires. I also agree that as production under wartime conditions expands, non-essentials are gradually being eliminated, so that most goods now produced directly or indirectly contribute to the war effort. Further, it must be correct that both in Canada and in the United States our fleets of motor vehicles must be gradually wearing out, and as their age increases we should co-operate in lengthening out their service by every means possible, including the use of shorter routes between any two given points.

The approximate mileage to be saved by the shorter routes is given in the following statement of distances:—

	One Way Mileage Via U.S. Highways	One Way Mileage Via Canadian Highways	One Way Mileage Savings
BETWEEN:			
Buffalo and Detroit	364 miles	267 miles	97 miles
Niagara Falls and Detroit	386 miles	248 miles	138 miles
Buffalo and Port Huron	421 miles	225 miles	196 miles
Niagara Falls and Port Huron	443 miles	200 miles	243 miles

It is readily conceivable why the Office of Defense Transportation should desire to be in the position to order vehicles over these shorter routes as occasion demands, although the argument that motor vehicle transportation companies are reluctant to apply for these bonded privileges and use a route through a foreign country, through fear of forfeiture of their bond or vehicles for some minor infraction of the Canadian laws, loses some of its force in view of the broad interpretation and full co-operation which this Government has extended to this service ever since it was first inaugurated.

The possibility of danger to the revenue with any prospective increase in this business is not supported by the experience gained in the past fifteen months, during which time almost 8,000 vehicles made the through trip. There was only one seizure (for smuggling cigarettes) and there have only been 8 or 10 accidents, only one or two of which necessitated unloading and reloading in another vehicle under Customs supervision.

I feel that it would be most difficult to refuse the present request without displaying apparent disinclination to assist an Ally in plans for the economical wartime transportation of essentials, and I believe that agreement with a broad interpretation of the term "war materials" would not affect the Order in Council, which in its present form cannot be cited as a precedent for post-war transportation of war materials in bond, while our action in this respect would at least enable the Office of Defense Transportation to endeavour to effect the utmost in those gasoline, tire and motor truck economies for which they are striving.

It would not appear that it would do violence to the spirit of the Order in Council if we joined with the United States authorities in regarding the trucks themselves as "war materials".

It is my opinion that it is unnecessary to amend the Order in Council as suggested, but I believe that in view of the pressing nature of the representations, the basis of which is the furtherance of the war effort in which the two countries are allied, that it might be possible to interpret the term "war materials" used in the Order in Council along the lines suggested, broad as the term may be, thereby indicating to the United States Government our continued good faith and our continued co-operation.

I am mindful of your undertaking with certain railway interests that no change in the Order in Council would be made without consulting with them, and possibly you would wish to arrange for a consultation with them before considering further the broader interpretation suggested herein, even though it may not involve a change in the Order in Council.

SECTION B
TRANSPORT AÉRIEN
AIR TRANSPORT

1205.

C.D.H./Vol. 89

*Mémorandum du sous-ministre des Transports au
ministre des Munitions et des Approvisionnements*

*Memorandum from Deputy Minister of Transport to
Minister of Munitions and Supply*

Ottawa, February 27, 1942

AIR TRANSPORT TO ALASKA

Information has reached the Department that Northwest Airlines Inc., are likely to obtain a contract for the operation of an air service through Canada to Fairbanks, Alaska, using the facilities created by this Department during the past few years. No official request for any permit has yet come before the Canadian Government but if there is any truth in the information reaching the Department this is likely to be received at any time.

The Department has facilitated in every possible way the transit of military planes through Canada by this route, and has given full information and all possible assistance to United States forces using the route, which was built at the request of the Joint Defence Board. The introduction of a United States commercial air transport company however, to fly a regular service over the route, is quite another matter, and should receive very careful consideration before any permit is granted.

The ambition of Northwest Airlines, and to a lesser degree, Western Air Express, to be allowed to use this route have been known to the Department for some years, in fact ever since we undertook its development. No encouragement has been given to these two companies or to any other company, except Pan-American, who now operate a service using part of this route between Seattle and Juneau and thence via Whitehorse to Fairbanks, Alaska, by either the United States or the Canadian Governments up till the present. It now appears possible that the military authorities in the United States may wish to make a contract with Northwest Airlines similar to that made with Northeast Airlines for the conveyance of military personnel and supplies to Newfoundland, and our attitude towards such a service requires definition.

The whole development of this route is purely Canadian. The route was discovered, surveyed and developed by Canadian forces with Canadian money at very considerable expense and effort on our part. It seems only right that some of the benefits accruing from this effort and expenditure should come to some Canadian organization rather than that Northwest Airlines should be allowed to reap where they have not sown. In addition, no American airline company is experienced in the conduct of flying operations in the far north to

the same extent as companies such as Trans-Canada Air Lines or Yukon Southern Air Transport Ltd. They have no personnel experienced in such pioneering work where the facilities common to transcontinental service in settled country are not available. The risk attending the conduct of such a service by inexperienced personnel has been clearly shown in the many accidents which have occurred during the past three months on the northwest airway, to military planes, whereas our own civil planes have operated the route for many years with comparative safety and freedom from casualty.

If the United States Government can release the aircraft necessary to operate a daily service to Alaska to Northwest Airlines, it is considered that they should be able to do so to an experienced Canadian firm now operating in these districts and who will, in all probability, provide a much more reliable service and whose personnel have shared in the development of the airway from the outset and understand the operating conditions.

An effort should be made to convince the United States authorities that equity demands that consideration be given to the claims of Canadian airline operators to undertake such a contract rather than hand it over to an American airline company which is only too anxious to extend the scope of its operation to the detriment of the Canadian operator.

It should be clearly understood that the Canadian Government has from the outset been quite prepared to grant reciprocal rights over this airway to an American operating company and has assisted Pan-American Airways in their operation over Canada to Alaska in every possible way for many years, and that our objection is to the interjection of a new competitor which has taken no part in the pioneering work and is not in the same position to give efficient service as our own operators.

J. A. WILSON
for Deputy Minister

1206.

DEA/72-SH-40

*Le ministre des Munitions et des Approvisionnements au
commandant, Ferry Command, United States Army Air Corps*

*Minister of Munitions and Supply to Commander,
Ferry Command, United States Army Air Corps*

Ottawa, March 7, 1942

Dear General Olds,

Regarding our conversation on Monday, March 2nd last, re air and ground transport facilities, across Canada to Alaska, I beg to confirm:

(1) that all existing airway facilities, including landing fields, meteorological service, radio ranges, radio communications ground to air and point to point, etc., together with all the facilities of the Department of Transport and all assistance which this department can give, will continue to be made fully available for use by the United States armed forces.

(2) that similar privileges and service will be accorded to any commercial plane whilst under charter to the United States Government and engaged in the transportation of United States Government personnel and material along the route.

In this reference, it is understood that, while in the early stages these planes may be flown by civilians, the United States will, as soon as possible, either enlist the pilots in the Air Corps or replace them by Air Corps personnel.

It is also understood that, insofar as these particular chartered planes are concerned, they will fly along U.S. airway systems to Great Falls and join the Canadian airway system at Lethbridge, Alberta, thence they will follow the Canadian Airway system via Calgary, Edmonton, Grande Prairie, Ft. St. John, Ft. Nelson, Watson Lake and Whitehorse and that they will conform in all respects with the regulations pertaining to the operation of civil aircraft in Canada. It is understood that the Canadian Customs and Immigration authorities are prepared — if they have not already done so — to set up an organization whereby these planes will be handled in an expeditious manner at this point.

(3) The Department does not, at this moment, favour any proposal for the licensing of a United States commercial carrier to operate commercially on the route other than Pan-American Airways, which now operates from Seattle to Juneau across Canada under a temporary permit.

(4) The question of existing and additional meteorological and radio facilities along the route is now under discussion between the technical officers of the Department of Transport and of the United States.

Generally speaking, the Department is disposed to the opinion that the enhanced Canadian meteorological service now being established in this area will be adequate to look after all the requirements.

On the radio question, we are not yet in a position to express an opinion pending the outcome of the above discussions.

Extension of airports:

(5) The technical officers of the Department will, any time you wish, discuss with your officers the technical aspects of extensions to existing runways or new runways which you may have in mind. It is, however, I think, in the highest degree desirable that the above construction of any such extensions should be undertaken by the Department of Transport rather than by the United States Government. Our contractors are still on the different jobs finishing off the existing work and we think that any additional work would best be handled as an extension of the existing contracts.

Road from head of steel to Alaskan boundary:

(6) Brig.-General C.L. Sturdevant was in Ottawa on February 16th and discussed the matter fully with the department. All information available was given him and our facilities were placed at his disposal. Members of his staff have already been along parts of the route with our Departmental engineers.

Should it be decided to use contractors or other than military personnel on the construction, the United States will give consideration to Canadian contractors and Canadian workmen.

In this reference it is observed that there is a ceiling on wages, etc., in Canada, and that any contracts or work performed by civilians in this country will be subject to the Canadian laws governing the same.

I regret to see the notices which keep appearing in the United States press suggesting that Canada is not cooperating in the fullest extent with the United States, in connection with the Alaska Route and I hope that you, with full knowledge of the facts, will take every opportunity to discredit such reports.

Yours faithfully,

C. D. HOWE

1207.

DEA/72-GH-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

DESPATCH 465

Ottawa, April 18, 1942

Sir,

I have the honour to refer to your teletype WA-386 of March 23rd¹ concerning the extension of the Canadian air service from Whitehorse to Fairbanks. I am in full agreement with your recommendation that the best procedure would be for you to take this matter up through diplomatic channels with the State Department which could then, if necessary, consult the other Departments concerned.

I am enclosing herewith a copy of a memorandum prepared by the Canadian Department of Transport which can serve as a basis for the Aide Mémoire which you will require for presentation to the State Department. The memorandum may require some adaptation in order to be presented in the most persuasive form.

I have etc.

[N. A. ROBERTSON]
for the Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Mémoire du ministère des Transports
Memorandum by Department of Transport

[n.d.]

APPLICATION OF CANADIAN AIR CARRIER FOR LICENSE
TO OPERATE AN INTERNATIONAL SERVICE BETWEEN
WHITEHORSE, Y.T. AND FAIRBANKS, ALASKA.

1. Article III of Executive Agreement Series 159 effective August 18th, 1939, recognizes the principle of reciprocity in regard to international services between United States and Canada. In a subsequent Agreement, known as

Executive Agreement Series 186, signed December 2nd, 1940, effect was given to certain International services under authority of Article III, previously noted; and it was decided, among other things, that "Further decisions with respect to routes and services to Alaska to be reserved for future considerations."

2. It is considered in the public interest, that additional air transportation facilities should now be provided to serve the constantly increasing traffic between Alaska, the Yukon Territory and points on the airway system of North America, connecting the principal centers of Government, commerce and industry in Canada and the United States.

3. The necessity for establishing such a service appears from the following facts:

(i) Pan American Airways is now operating a daily service from Seattle to Fairbanks via Prince George and Central B.C. to Juneau, Alaska and thence via Whitehorse, Y.T. to Fairbanks, Alaska. That portion of the route lying over British Columbia is operated under temporary permit from the Department of Transport. The international section between Whitehorse, Y.T. and Fairbanks, is operated under a regular Canadian license. Because of congestion on its services, Pan American Airways is unable adequately to serve traffic over Canadian airlines at Whitehorse bound to and from Alaska.

(ii) The Canadian Government has gone to great expense to establish airports, radio ranges and meteorological stations between Edmonton and Whitehorse. Plans have been made for the further development of existing facilities and the addition of further facilities on this route. Construction work and the further development of the airway is being proceeded with as fast as physical and climatic conditions permit.

(iii) The Wartime Development of the Northwest is making necessary a reliable means of communication by air between Whitehorse and Fairbanks and the nearest points where supplies and services are readily available, viz.: Edmonton and Winnipeg. The development of the Alaska Highway will centre on Fairbanks, Whitehorse and Edmonton, and it is particularly desirable that rapid communication be maintained between the latter Canadian points and Alaska.

(iv) As further evidence of the necessity for additional air services over this route it should be noted that the United States War Department, with the consent of Canada, has engaged the services of certain United States Commercial Airlines to operate on their behalf to assist in handling the large volume of military traffic.

4. It is accordingly represented that the existing traffic situation between Whitehorse and Fairbanks is such as to warrant the licensing of a second commercial service between these points; and, having regard to the fact that the existing license is held by a United States carrier, it is submitted that a license for a second service should be granted to a Canadian carrier approved by the respective administrations.

1208.

DEA/72-GH-40

*Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures**Minister in United States to Secretary of State for External Affairs*

TELETYPE WA-1072

Washington, May 22, 1942

SECRET. With reference to our despatch No. 1074 of May 5th^t, forwarding copies of an aide mémoire^t given to the State Department requesting agreement in the establishment of a Canadian civil air service between Whitehorse and Fairbanks, we have good reason to believe that the United States authorities will not concur in this request. The main reason for their objection is likely to arise from the taking over by the United States army of the civil aviation services in the United States and the consequent sharp reduction in civil air transport. This development was not anticipated when our request was made. It might help in securing later favourable consideration if we were to withdraw the request because of this change in conditions rather than await the expected refusal of the United States Government.

2. We understand that the United States Army in Alaska is now being served by a daily contract service operated by Northwest Airlines and also by a United Airlines contract service, operating at present perhaps twice a week but likely to be increased in frequency. They intend to look after all their own needs in this way and not rely on commercial services. They therefore have no interest in the establishment of a Canadian service to Fairbanks. The operation of the two contract services seems to weaken the case for establishing a new commercial service, unless the congestion at Whitehorse is still continuing as described in the letter from the Deputy Minister of Transport of April 27th^t. Is this the case, or has the situation been relieved by the transfer of all United States military traffic to the contract services?

3. We assume that the Canadian service, if approved, would require additional equipment. If this is not the case, it might be worth while for us so to inform the State Department. While this would be unlikely to make any difference in their attitude, it would forestall any accusation that Canada was seeking additional civil aircraft for commercial services when the United States was reducing by half the aircraft so employed. Ends.

1209.

DEA/72-GH-40

*Le sous-ministre des Transports au sous-secrétaire d'État
aux Affaires extérieures**Deputy Minister of Transport to Under-Secretary of State
for External Affairs*

Ottawa, May 28, 1942

Dear Mr. Robertson,

Thank you for your forwarding minute of May 23rd^t, enclosing copy of teletype message No. 1072, of May 22nd, from the Canadian Minister to the

United States, relative to the request that a Canadian air carrier should be granted a permit to operate between Whitehorse, Y.T., and Fairbanks, Alaska.

The attitude of the United States authorities reflected in this message is greatly regretted. In our opinion it is based on a complete misconception of the situation. Reference is made to the sharp reduction in civil air transport in the United States. While this is admitted, it does not appear to have any bearing on this particular service, as the latest time-table received from Pan American Airways System, Alaska Division, shows that United States civil air transport on this particular route has materially increased. Pan American Airways who, before the war ran three times a week between these points, now operate a daily service and are adding on June 1st an extra service three times a week.

The need for co-ordination of civil air transport services in the United States arose from the many competing services which exist in that country. For instance, they operate four transcontinental lines, and numerous companies compete in business between the main centres of population and industry. In Canada, this feature is entirely absent. There are no competing lines anywhere in Canada today, and the transcontinental service is wholly owned and controlled by the Canadian Government.

The operation by Northwest Airlines and United Air Lines under the United States Army Air Corps to serve military needs does not appear to lessen the pressure on the civil air services operating in that area. As an instance, priorities over Trans-Canada Air Lines were requested from Washington yesterday for passage of 16 United States Army Officers, including one lady, from Vancouver to Edmonton. These services have been welcomed by the Canadian authorities who have given every assistance in their operation, but the greatly increased construction activity in that area appears to this Department to fully justify the additional service into Fairbanks now requested.

The statement that the United States authorities have no interest in the establishment of a Canadian service to Fairbanks is quite apparent from their general attitude towards air operations in this district. In the last few days, without any reference to the Canadian Government, Western Air Express extended their present licensed operation between Great Falls, Montana, and Lethbridge, Alta., and are now operating into Edmonton, without permission, in breach of the Air Transport Agreement between the two countries. This operation parallels the present Canadian route operated by Trans-Canada Air Lines between Lethbridge and Edmonton, on which there are two round trips a day and on which there is ample space available to take care of additional traffic. This extension by Western Air Express is clearly a redundant service using United States aircraft which could be used to better advantage elsewhere, as Trans-Canada Air Lines offers excellent facilities for travel between Lethbridge and Edmonton.

In addition, it has been brought to our attention that the Civil Roads Administration are endeavouring to organize a civil air transport service for their operations between Edmonton and Fairbanks. We have therefore a situation in which, on a route developed and paid for by the Canadian authorities, there are four major operations by United States air carriers, two of which are military, and a fifth is in process of organization. Canada and Canadian air carriers who

have established these routes and made possible their efficient operation have been completely ignored.

To summarize the situation, this whole area was until recently one of the most inaccessible parts of North America, and it is only because of the introduction of air services that the great activity in the area is now possible. There is no alternative means of transportation. Pan American are now operating between the Pacific Coast and Alaska and are increasing their service. A principle of reciprocity has been established between the two countries and additional transportation is urgently required. The United States have increased their air activities, military and civil, very greatly and the legitimate desire of Canadian interests to participate in such activities should be recognized. While the Pan American service gives ready access to Alaska from the Pacific Coast, there is no direct through route from points east of the Rocky Mountains, which the proposed Canadian service would supply.

Yours faithfully,

C. P. EDWARDS

1210.

DEA/72-GH-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1199

Washington, June 4, 1942

IMMEDIATE. Following from Wrong, Begins: Our WA-1072 of May 22nd, concerning projected air service between Whitehorse and Fairbanks.

I have discussed this matter today with the Honourable C.D. Howe who wishes you to know that he favours the immediate withdrawal of our application. In this connection he is endeavouring while here to secure delivery of six new transport planes urgently required by Trans-Canada Air Lines and it might make the position in this respect slightly easier if we withdrew our application, which in any case will not be granted. I told Mr. Howe that we would have to consult you before approaching State Department. Ends.

1211.

DEA/72-GH-40

*Le sous-ministre des Transports au sous-secrétaire d'État
aux Affaires extérieures*

*Deputy Minister of Transport to Under-Secretary of State
for External Affairs*

Ottawa, June 9, 1942

Dear Sir,

Thank you for your forwarding minute of June 4th, enclosing copy of cypher teletype No. WA-1199, of the same date, from the Canadian Minister in Washington.

In the meantime, my Minister has returned from Washington where after discussing the matter in detail with the Canadian and United States authorities he reached the decision that, in the circumstances, it would be better not to press our negotiations leading up to a formal application for a license to operate an air service between Whitehorse and Fairbanks.

I am accordingly directed to request that the United States authorities be informed that we do not propose to proceed further with these negotiations at the present time.

I do not think the correspondence with the United States to date constitutes a formal application, but if you think it might be so construed then you may deem it desirable to formally withdraw the same.

Yours very truly,

C. P. EDWARDS

1212.

DEA/72-GH-40

*Aide-mémoire de la légation aux États-Unis
au département d'Etat des États-Unis*

*Aide-Mémoire from Legation in United States
to Department of State of United States*

Washington, June 15, 1942.

Reference is made to the Canadian Legation's Aide-Mémoire of May 5, 1942¹ dealing with the extension of airline services between Whitehorse, Yukon Territory and Fairbanks, Alaska. At that time it was proposed that a Canadian airline should be authorized to operate between these points.

Developments have since taken place which have caused the Canadian Government to reconsider the question. In the light of this reconsideration it has been decided not to proceed with the proposed airline extension at the present time and accordingly the Legation's Aide-Mémoire of May 5th requires no further action for the time being.

1213.

DEA/72-M-38

Le secrétaire d'Etat aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

DESPATCH 850

Ottawa, July 16, 1942

SECRET

Sir,

I have the honour to refer to your note No. 379 of December 2, 1940¹⁸⁹, to the Secretary of State of the United States concerning an agreement reached by the

¹⁸⁹ Voir Canada: *Recueil des traités*, 1940, No. 13. ¹⁸⁹ See Canada, *Treaty Series*, 1940, No. 13.

aeronautical authorities of Canada and the United States. The third recommendation made by the aeronautical authorities is to the effect that at least six months prior to December 31, 1942, a further conference should be called for the purpose of considering a revision or modification of the recommendations.

As the war situation has made it almost impossible to call such a conference I should appreciate it if you would discuss with the appropriate United States authorities the question of keeping the arrangements effected by the exchange of notes of November 29th and December 2nd in force from year to year until the end of the war unless some special situation arises in which one of the parties considers it desirable to re-open the whole question. This prolongation of the agreement might conveniently be affected by an exchange of notes containing a proviso that a further conference may be called on six months' notice by either party.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1214.

DEA/72-M-38

Le secrétaire d'État des États-Unis au ministre aux États-Unis
Secretary of State of United States to Minister in United States

Washington, September 22, 1942

Sir,

The Department refers to an informal communication of July 21, 1942 from Mr. R.M. Macdonnell of your Legation's staff to the Chief of the Division of International Communications of this Department, concerning the conditions under which the agreement on the allocation of air transport routes to United States and Canadian air carriers for operations between the United States and Canada, as entered into by an exchange of notes dated November 29 and December 2, 1940, may be kept in force.

It is the view of this Government that this agreement should remain in force until the end of the war, with the understanding that should some special situation arise in the meantime as the result of which either Government might wish to reopen the matter, the question of a review would be left for the determination by the two Governments.

You will observe that the above suggestion proposes keeping the arrangement in force for the duration of the war without the necessity of an extension from year to year as apparently contemplated in Mr. Macdonnell's communication. It is also felt by this Government that a provision for the calling of a conference on six months' notice is unnecessary and that it would suffice merely to have an understanding to the effect that the matter of any review of the existing arrangement during the period of the war would be determined by both Governments at the time the question arose.

I shall appreciate it if you will inform me whether the proposal of this Government as above set forth is acceptable to your Government.

Accept etc.

SUMNER WELLES
for the Secretary of State

1215.

DEA/72-M-38

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-2504

Ottawa, October 13, 1942

Your message WA-2681 of September 23^t and your despatch 2370 of the same date^t concerning the extension of the agreement between Canada and the United States on the allocation of air transport routes to United States and Canadian air carriers.

Please discuss with the State Department desirability of our having a formal exchange of notes in which the Canadian note would read as follows:

"I have the honour to refer to the agreement between the Governments of Canada and the United States on the allocation of air transport routes to United States and Canadian air carriers for operations between the United States and Canada, as entered into by an exchange of notes dated November 29 and December 2, 1940. This agreement became effective on December 3, 1940, and remains in effect until December 31, 1942. It provides that, at least six months prior to December 31, 1942, a conference of representatives of the competent aeronautical authorities of the two Governments shall be called for the purpose of considering any revision or modification of the allocation of routes and any new problems pertaining to air transport services which may have arisen in the interim.

2. The Canadian Government proposes that, in view of the special circumstances which exist at the present time, the conference of aeronautical authorities provided for in the 1940 agreement be postponed indefinitely, and that the agreement be maintained in force for the duration of the present war, provided that either Government may terminate it earlier on six months' notice in writing to the other Government.

3. If these proposals are acceptable to the Government of the United States, this note and your reply thereto accepting the proposals will be regarded as placing on record the understanding of our two Governments concerning the matter."

The formula given in the second paragraph of our draft note seems to me to be more precise and more satisfactory generally than the formula suggested by the State Department. Ends.

NON - PROCÉDANT /

1216.

DEA/72-RH-40

Le ministre des États-Unis au secrétaire d'État aux Affaires extérieures
Minister of United States to Secretary of State for External Affairs

No. 811

Ottawa, December 28, 1942

CONFIDENTIAL

Sir,

Under instructions of my Government, I have the honor to bring the following to your attention:

In accordance with the terms of a confidential contract between the United States Navy Department and Pan American Airways, Incorporated, all of the aircraft of the company now operated between Seattle and Alaska, including those being operated as commercial aircraft under certificates of convenience and necessity issued by the United States Civil Aeronautics Board, are owned by the Navy Department and are under its direct control. Under this contract both the military aircraft and the so-called commercial aircraft being operated by Pan American Airways Incorporated in the area mentioned are now being operated primarily to meet military air transport requirements, although of course urgent civilian requirements are also met to the extent possible.

Under certificates of convenience and necessity issued by the Civil Aeronautics Board, Pan American Airways Incorporated is now required to operate the so-called commercial aircraft between Seattle and Whitehorse via Juneau and from Whitehorse to Fairbanks and thence to various points in Alaska. Because of the unfavourable weather conditions at Juneau, the Navy Department has now requested the Civil Aeronautics Board to permit Pan American Airways Incorporated to operate the so-called commercial aircraft in the same manner as the military aircraft are being operated, that is, directly between Seattle and Whitehorse without stopping at Juneau, and in addition to conduct a shuttle service between Whitehorse and Juneau in order to afford to Juneau through air transportation via Whitehorse to other points in Alaska and to the United States.

The Navy Department has urged that this procedure should result in substantially increased service between Alaska and the United States which military necessity now requires.

I have been directed, therefore, to bring the foregoing to the attention of the appropriate Canadian authorities with a view to obtaining their concurrence in the proposed new procedure which would result in the establishment of a shuttle service between Juneau and Whitehorse and in by-passing Juneau on the flights of the so-called commercial aircraft of Pan American Airways Incorporated between Seattle and Whitehorse.

I should appreciate, therefore, being informed whether the Canadian authorities have any objections to the procedure outlined.

Accept etc.

PIERREPONT MOFFAT

1217.

DEA/72-M-38

*Le secrétaire d'État des États-Unis au ministre aux États-Unis**Secretary of State of United States to Minister in United States*

Washington, December 31, 1942

The Secretary of State presents his compliments to the Honourable the Minister of Canada and refers to negotiations between the Governments of the United States and Canada for the purpose of agreeing upon a formula for continuing in effect the arrangement between the two Governments, entered into by an exchange of notes dated November 29, 1940 and December 2, 1940¹⁹⁰, for the purpose of giving effect to Article III of the Air Transport Arrangement between the two Governments concluded on August 18, 1939.¹⁹¹

As stated in the Department's note of September 22, 1942, it is the view of this Government that the agreement should remain in force until the end of the war, provided that if either Government should desire a reconsideration of the matter prior to that time such reconsideration will be undertaken by the two Governments. It is suggested that it might be agreed that after the end of the war the 1940 arrangement could be reviewed by the two Governments.

With reference to the proposal submitted informally by Mr. R.M. Macdonnell of the Canadian Legation on October 14, 1942¹⁹², this Government feels that it would not be fair to the air transport operating companies to place them in a position of conducting services under an agreement which could be terminated within the short period of six months. Since there seems to be little likelihood of additional transport aircraft becoming available to the commercial companies for the inauguration of additional services before the end of the war, it would seem unlikely that any differences of views would arise which could not readily be adjusted by discussions between the two Governments.

There is attached a suggested form of a note which the Department might send to the Canadian Legation if the Canadian Government is now willing to concur in this Government's point of view, it being understood that on receipt of the proposed note, the Canadian Government would reply in similar terms in order that the note of this Government together with the Canadian reply might constitute the understanding of the two Governments.

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note du secrétaire d'État des États-Unis
au ministre aux États-Unis*

*Draft Note from Secretary of State of United States
to Minister in United States*

Sir,

I have the honor to refer to negotiations which have recently taken place between the Government of the United States of America and the Government

¹⁹⁰ Voir Canada, *Recueil des traités*, 1940, No 13.

¹⁹¹ Voir Canada, *Recueil des traités*, 1939, No 10.

¹⁹² Voir le document 1215.

¹⁹⁰ See Canada, *Treaty Series*, 1940, No. 13.

¹⁹¹ See Canada, *Treaty Series*, 1939, No. 10.

¹⁹² See Document 1215.

of Canada for the conclusion of a reciprocal undertaking continuing in force the arrangement between the two Governments, entered into by an exchange of notes dated November 29, 1940 and December 2, 1940, for the purpose of giving effect to Article III of the Air Transport Arrangement between the two Governments concluded on August 18, 1939.

It is my understanding that it has been agreed in the course of the recent negotiations, now terminated, that the understanding referred to in the preceding paragraph shall be as follows:

Having in mind the fact that because of the war situation it was impracticable for the aeronautical authorities of the United States and Canada to hold a meeting six months prior to December 31, 1942 as contemplated by the arrangement between the two Governments entered into by an exchange of notes dated November 29, 1940 and December 2, 1940, for the purpose of drawing up new recommendations relating to the allocation of air transport routes to United States and Canadian air carriers for operations between the United States and Canada, it is now agreed that the 1940 arrangement as herein referred to shall continue in force until the end of the war; provided, however, that if either Government should desire a reconsideration of this decision prior to that time such reconsideration will be undertaken by the two Governments.

It is also agreed that after the termination of the war a conference between representatives of the two Governments will be held for the purpose of reviewing the situation as it may then exist with respect to the application of the terms of the arrangement covered by the exchange of notes dated November 29, 1940 and December 2, 1940.

I shall be glad to have you inform me whether it is the understanding of your Government that the terms of the undertaking agreed to in the recent negotiations, now terminated, are as above set forth. If so, it is suggested that the undertaking become effective on date. If your Government concurs in this suggestion the Government of the United States will regard the undertaking as becoming effective on that date.

Accept etc.

1218.

DEA/72-M-38

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-236

Ottawa, January 15, 1943

Reference your WA-128 of January 9th, Air Transport Agreement.

Please inform the State Department that we have given careful consideration to the views set forth in their note of December 31, 1942, enclosing the text of a proposed note to be addressed by the Secretary of State of the United States to the Canadian Minister in Washington with the view to continuing in force the arrangement between the United States and Canada concluded by an exchange of notes signed November 29 and December 2, 1940 giving effect to Article III

of the Air Transport Arrangement between the United States and Canada signed August 18, 1939.

According to Article X of the Air Transport Arrangement of 1939, it is now terminable on six months' notice given by either Government to the other Government. The Arrangement of November-December, 1940 supplements the Air Transport Arrangement of 1939. It would therefore appear to be reasonable that the supplementary arrangement should be terminable on the same notice as the main arrangement. Consequently we are of the opinion that the proviso at the end of the third paragraph of the draft note from the State Department should read somewhat as follows:

"provided that either Government may terminate it earlier on six months' notice in writing to the other Government."

You may tell the State Department informally that we would have no objection to accepting the informal suggestion of Mr. Latchford of the Division of International Communications, that a clause be added to the effect that notice of termination could be given only for important reasons and would be preceded by six weeks' discussion between the Governments. Ends.

1219.

DEA/72-M-38

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-398

Washington, January 27, 1943

My WA-357 of January 25th¹, Air Transport Agreement. State Department today gave us informally a proposed revision of the proposed note to be addressed by the Secretary of State to the Canadian Minister. The proposed revision is identical with the proposed note which the State Department sent us on December 31st and which you have, down to the phrase "It is now agreed that the 1940 arrangement" in the middle of page 2. Following is the text of the proposed revision commencing with this phrase, Begins:

It is now agreed that, subject to the provisions of the succeeding paragraph, the 1940 arrangement as herein referred to shall be considered to have remained in force from December 31st, 1942, and shall continue in force until the end of the war. It is also agreed that after the termination of the war a conference between representatives of the two Governments will be held for the purpose of reviewing the situation as it may then exist with respect to the application of the terms of the arrangement covered by the exchange of notes dated November 29th, 1940, and December 2nd, 1940.

Notwithstanding the foregoing provisions, it is agreed that the present undertaking may be terminated before the end of the war on six months' notice given in writing by either Government to the other Government for important reasons of public policy when the conditions thereof or the actual practice thereunder is no longer regarded by the Government of the country giving such notice as being in its interests. Such notice of termination shall be given by

either Government to the other only after consultation between the two Governments for a period of at least sixty days.

I shall be glad to have you inform me whether it is the understanding of your Government that the terms of the undertaking agreed to in the recent negotiations, now terminated, are as above set forth. If so, it is suggested that the undertaking become effective on this date. If your Government concurs in this suggestion the Government of the United States will regard the undertaking as becoming effective on this date. End of proposed revision.

It seems to me that this proposed revision is a satisfactory compromise.

The State Department now suggests that, if the proposed revision is satisfactory to you, there is no need to have any further interim correspondence between the State Department and the Legation. If the proposed revision is satisfactory, the formal notes can be prepared and signed. The two notes of course will bear the same date.¹⁹³

1220.

W.L.M.K./Vol. 235

*Mémorandum du secrétaire, le Comité de guerre du Cabinet,
au Comité de guerre du Cabinet*

*Memorandum from Secretary, Cabinet War Committee,
to Cabinet War Committee*

SECRET

Ottawa, February 16, 1943

RE: U.S. MILITARY AIR TRANSPORT OVER CANADA

The Interdepartmental Committee on International Civil Aviation reports as follows:

"Normal commercial air services between Canada and the United States are governed by an exchange of notes of 1940 which it is proposed to renew for the duration of the war. In addition to these services a number of United States military transport services are operating into and across Canada. Some of these are operated by Military aircraft, others by commercial airlines under charter to the United States Armed Services.

There is no overall agreement covering these military services and some confusion has resulted. Permission has been granted for the operation of some but not for all those which are now operating. The channel by which permission has been given has varied.

It would appear that United States military aircraft are operating transport services on at least nine routes across Canada and that formal permission was not granted in six of these cases. Likewise six commercial airlines are operating special military transport services into Canada on behalf of the United States Armed Services but have not obtained permission from Canada in every case, and in some cases where permission has been obtained the routes have been varied and expanded without permission.

¹⁹³ L'échange de notes a eu lieu le 4 mars. Voir Canada, *Recueil des traités*, 1943, N° 4.

¹⁹³ The notes were exchanged on March 4. See Canada, *Treaty Series*, 1943, No. 4.

Moreover, in the discussions of the Permanent Joint Board on Defence the assurance was given that the military services operated by United States commercial lines would be taken over by the United States government and completely militarized as soon as possible. This understanding was set forth in a letter of March 7th, 1942 from the Honourable C.D. Howe to Brigadier-General R.E. Olds of the United States War Department. This militarization has in no instance taken place and some of the airlines serving the United States Armed Forces in Canada are fostering the impression that their present war work will become a basis for post-war operations.

RECOMMENDATION

In order to avoid any misunderstanding regarding United States rights in this connection, and to clarify the existing situation, it is recommended that Canada propose to the United States an overall agreement, which could be made public, regarding the operation over Canadian and United States territory of air services by or on behalf of the Armed Forces of both countries along the following lines:

Aircraft of the Armed Services of either country may during the present war fly to, over, and away from Canadian territory and United States territory including Alaska, and may use all airway facilities which are available including those operated in Newfoundland by Canada or the United States, subject to the concurrence of the Newfoundland government.

For a period of six months, aircraft operated on behalf of the United States Army and Navy by commercial air lines may fly to, over and away from Canadian territory along the routes which they are now flying (as specified in an annex to the agreement) and may use all airway facilities subject to the following conditions:

- (a) That the traffic on the aircraft be limited to United States Government personnel and material;
- (b) That no commercial passengers or cargo be transported in the aircraft;
- (c) That the aircraft conform in all respects with the regulations pertaining to the operation of civil aircraft in Canada;
- (d) That the functions performed by the aircraft be taken over as soon as possible, and in any event not later than six months from the date of this Note, by aircraft of the United States Armed Forces, these aircraft to be operated and maintained by air and ground personnel of the United States Armed Forces.

The agreement will be for the duration and may be terminated before the end of the war by either government on six months' notice. It will have the effect of compelling militarization of the commercial lines it covers, within six months."

A. D. P. HEENEY

1221.

W.L.M.K./Vol. 235

*Mémorandum du secrétaire, le Comité de guerre du Cabinet,
au Comité de guerre du Cabinet*

*Memorandum from Secretary, Cabinet War Committee,
to Cabinet War Committee*

SECRET

Ottawa, February 16, 1943

RE: PAN AMERICAN AIRWAYS — APPLICATION
TO OPERATE TO WHITEHORSE

The Interdepartmental Committee on International Civil Aviation reports as follows:

“Pan American Airways has, for some time, operated a service from Seattle to Fairbanks, Alaska by way of Juneau and Whitehorse in the Yukon. The service from Seattle to Juneau passed over international waters and therefore did not require Canadian permission. The service from Juneau to Whitehorse and to Fairbanks was carried out under formal permission given by the Department of Transport.

In 1940, Pan American Airways requested permission to establish an emergency overland route from Seattle to Juneau, crossing British Columbia via Prince George without stopping. In view of the fact that this was a temporary request and involved merely an alteration of what had previously been a coastal route, this permission was granted but expired on May 31st, 1942. Thus, at the present time, Pan American Airways has no right to fly over Canadian territory from Seattle to Juneau, but has permission to operate from Juneau to Whitehorse and Fairbanks.

The United States has now requested, on behalf of Pan American Airways, permission to operate a “so-called commercial service”, directly from Seattle to Whitehorse without going to Juneau. A shuttle service would be operated from Whitehorse to Juneau. The request points out that the aircraft would be owned by the U.S. Navy and under its direct control and primarily concerned with meeting military requirements, although urgent civilian requirements would also be met if possible. Since, however, it is still to include some commercial services, it would be in direct competition with the service to Whitehorse now operated by Canadian Pacific Air Lines.

It is recommended that if an overall agreement regarding U.S. military air transport over Canada is concluded, it should apply to this proposed service by Pan American Airways. In the meantime, however, it is recommended that temporary permission be granted to Pan American Airways to operate the service requested for a period of six months, on the understanding that it be limited entirely to military service and that no commercial traffic be carried.”

A. D. P. HEENEY

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, February 18, 1943

...

U.S. MILITARY AIR TRANSPORT OVER CANADA

20. THE SECRETARY submitted a report and recommendation from the Interdepartmental Committee on International Civil Aviation.

U.S. military air transport over Canada was being carried out in part by U.S. military aircraft and in part by U.S. commercial air lines under charter. It appeared that permission had not been granted to cover the operation of these services in every case and that some overall agreement was required. Moreover, undertakings given by U.S. officials that U.S. commercial air lines performing military transport duties in Canada would be militarized had not been carried out.

It was recommended, therefore, that informal proposals be made to the United States for the conclusion of an overall agreement to cover operation over Canadian and U.S. territory of air services by or on behalf of the armed forces of both countries. It would be proposed that military aircraft be given rights to fly over both countries and use available airway facilities. Commercial aircraft operated on behalf of the U.S. services would be given permission to fly over Canadian territory and use Canadian facilities for six months, on condition that no commercial traffic would be carried, and that, within six months, these services would be taken over and operated by the U.S. Services.

An explanatory document had been circulated.

(Secretary's note, Feb. 16, 1943 — C.W.C. document 413).

21. THE MINISTER OF MUNITIONS AND SUPPLY felt that it was very important for Canada to clarify its relations with the United States in this matter. Almost a year ago assurances had been received from the U.S. War Department that the American commercial services in question would be militarized but this had not been done.

22. THE MINISTER OF NATIONAL DEFENCE FOR AIR agreed that it was highly desirable that an approach to the United States should be made along the lines suggested.

The whole problem of civil aviation should receive the serious consideration of the government at an early date, and a statement on government policy should be prepared to cover both the domestic and international situation.

23. THE WAR COMMITTEE, after discussion approved, in principle, the recommendation of the Interdepartmental Committee as a basis for an informal approach to the U.S. government.

PAN-AMERICAN AIRWAYS — PROPOSED SERVICE TO WHITEHORSE

24. THE SECRETARY submitted a second report from the Interdepartmental Committee on International Civil Aviation dealing with an application from

Pan-American Airways to operate directly from Seattle, Wash., to Whitehorse, Y.T.

Pan-American Airways, at present, had permission from the Canadian government to operate from Juneau, Alaska, to Whitehorse, in the Yukon, and on to Fairbanks, Alaska. It had also received temporary permission to operate from Seattle to Juneau over British Columbia, but this permission had expired. The new application would provide a direct Pan-American service from Seattle to Whitehorse in Canada, without stopping at Juneau. While the service was to be operated on behalf of the U.S. Navy, the application covered commercial services as well.

It was recommended by the Committee that Pan-American Airways be given permission to operate to Whitehorse from Seattle for six months, on the understanding that no commercial traffic would be carried, and that, if an overall agreement were concluded with the United States regarding military transport (as recommended in the Committee's earlier report), Pan-American Airways would be brought within its general application.

An explanatory document had been circulated.

(Secretary's note, Feb. 16, 1943 — C.W.C. document 414).

25. THE WAR COMMITTEE, after discussion, approved the Interdepartmental Committee's recommendation.

1223.

DEA/72-RH-40

*Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires des États-Unis*

*Secretary of State for External Affairs
to Chargé d'Affaires of United States*

No. 26

Ottawa, March 5, 1943

CONFIDENTIAL

Sir,

I have the honour to refer to Mr. Moffat's note of December 28, 1942, No. 811, in which permission was requested for the operation of "so-called commercial aircraft" by Pan American Airways Incorporated, directly from Seattle to Whitehorse without an intervening stop at Juneau. Agreement was also requested to the proposed establishment of a shuttle service between Whitehorse and Juneau. It was pointed out in the note under reference that all of the aircraft operated by this Company between Seattle and Alaska, "including those being operated as commercial aircraft", are owned by the United States Navy and are under its direct control, and are operated primarily to meet military air transport requirements, although urgent civilian requirements are also met to the extent possible.

2. Previous to September, 1940, the Pan American Airways service between Seattle and Juneau always followed a coastal route. No permission from the

Canadian Government was therefore required. In September, 1940, Pan American Airways requested the Department of Transport for permission to establish "an emergency overland route to Alaska" over Canada from Seattle to Juneau via Prince George and Dease Lake. In view of the temporary nature of the permission requested, and in view of the fact that the request was merely that planes normally operating on a coastal route should be permitted to deviate from that route when weather conditions rendered it unsafe, the Department of Transport gave Pan American Airways permission to fly non-stop (except for emergency landings or refuelling) between Juneau and Seattle via Prince George and Dease lake when the coastal weather conditions were unsafe. Permission was granted for a period of six months from December 1, 1940, subject to cancellation by the Department of Transport at any time on sixty days' notice. Subsequently, the permission was extended on the original conditions but the last extension expired on May 31, 1942. Thus, at the present time, Pan American Airways Incorporated is not actually authorized to fly over Canada or Canadian territorial waters en route from Seattle to Juneau.

3. Pan American Airways Incorporated has, however, been granted a license by the Department of Transport of Canada to operate a commercial service between Juneau, Whitehorse and Fairbanks, and the terms of this license permit Pan American Airways to operate a shuttle service between Whitehorse and Juneau.

4. I assume, in view of the facts set forth above, that the request contained in Mr. Moffat's note is that Pan American Airways Incorporated be granted permission by the Canadian Government to fly into, through and away from Canada en route from Seattle to Whitehorse.

5. The Canadian Government will shortly be proposing to the United States Government the conclusion of an overall agreement concerning the operation over the territory of Canada and of the United States of air services by or on behalf of the Armed Forces of Canada and of the United States. The Canadian Government is of the opinion that the permission to Pan American Airways which it is prepared to grant should be subject to the conditions of the proposed overall agreement. To cover the period until the overall agreement is concluded, the Canadian Government is glad to grant permission for a period of six months from the date of this note, subject to the provisions of the succeeding paragraph, for the operation by the United States Navy either directly or through Pan American Airways Incorporated of an air transport service between Seattle and Whitehorse on the understanding that neither the Navy nor Pan American Airways carry passengers, goods or mail for hire or reward.

6. In accordance with the provisions of the preceding paragraph all rights acquired by the United States Government or Pan American Airways Incorporated under this note shall terminate for all purposes on the date of the coming into force of the overall agreement mentioned in the preceding paragraph.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1224.

DEA/72-FX-40

*Le secrétaire, la section canadienne, CPCAD,
au secrétaire, la section américaine, CPCAD*

Secretary, Canadian Section, PJBD, to Secretary, American Section, PJBD

Ottawa, March 5, 1943

Dear Mr. Hickerson,

You will recall that at the last meeting of the Defence Board we found that we held differing views in regard to the alleged obligation of the United States authorities to militarize the Northwest Airlines service through Northwestern Canada to Alaska. It was my opinion that such an obligation existed, whereas you believed, and in this were supported by certain of the Canadian members of the Board, that no obligation of this sort had ever been undertaken.

Since returning to Ottawa I have been checking the file with regard to the Northwest service and, although I find that the obligation was not spelled out in the Defence Board Journal, it is very clearly stated in other documents relating to the inauguration of this service.

You will perhaps recall that the agreement by which the Northwest Airlines were permitted to fly across Northwestern Canada to Alaska was reached in a discussion between the Hon. C.D. Howe and General Olds. This discussion took place in Washington on March 2, 1942, and the terms of the agreement reached were set forth in a confirmatory letter from Mr. Howe to General Olds dated March 7, 1942. In that letter Mr. Howe wrote, in part:

"In this reference it is understood that, while in the early stages these planes may be flown by civilians, the United States will as soon as possible either enlist the pilots in the Air Corps or replace them by Air Corps personnel."

On March 12, 1942, a meeting was convened in the office of the Director of Air Services, Ottawa, for the purpose of discussing Northwest Airway facilities. Among the participants in this discussion were the Director of Air Services, two representatives of the Royal Canadian Air Force, the United States Air Attaché to Canada, two United States Army Air Corps officers, the Controller of Civil Aviation, and a representative of Northwest Airlines. From the minutes of this meeting I quote the following excerpt:

"The route would ultimately be operated strictly as a military venture but in the initial stages the transportation would be handled by Northwest Airlines under a contract with the United States Government. The aircraft would be owned by the Government and would consist in the initial stages of D.C. 3's and later D.C. 4's and Constellations. As soon as possible all pilots operating the aircraft would also be militarized."

A further meeting was held in Ottawa on June 25, 1942, for the purpose of continuing the discussion of airway facilities along the route from Edmonton to Alaska. Among those in attendance at this meeting were the Assistant United States Military Attaché in Ottawa, eight officers of the United States Army Air Forces and the appropriate Canadian personnel. The following is a quotation from the minutes of this meeting:

“Colonel Flynn (United States Army Air Forces) stated that the United States Army Air Corps Ferry Command is now handling all the activities of the A.A.C. and is responsible for communications and services. He explained that all United States air equipment operating in the Northwest is the property of the Army and personnel will all become Army personnel.”

In conversations with the interested officials of the Department of National Defence for Air and the Department of Transport, I find that there is unanimous agreement that there has been complete understanding on both sides from the beginning that Northwest Airlines would be militarized as soon as possible. Militarization, as used in this context and as clearly demonstrated from the quotations given above, means the placing of the operating personnel in military uniform. It also involves the removal of civilian insignia and the substitution of military insignia on the planes and on offices or other buildings.

As I said in Montreal, I have no desire to make a formal issue of this matter but it does seem to me that the time has now come when steps should be taken to carry out those terms of the agreement which have not already been effected.

Yours sincerely,

[H. L. KEENLEYSIDE]

1225.

DEA/72-FX-40

*Le secrétaire, la section canadienne, CPCAD,
au secrétaire, la section américaine, CPCAD*

Secretary, Canadian Section, PJBD, to Secretary, American Section, PJBD

Ottawa, March 10, 1943

Dear Mr. Hickerson,

You may remember that when we were talking in Montreal about the Northwest Airlines, I mentioned that we had been supplied with documentary evidence which seemed to indicate that, in one instance at least, Northwest had violated its undertaking in the carriage of civilian traffic. I said then that I would forward photostatic copies of this evidence.

I now enclose one photostat copy of each of the following documents:

1. United States Federal Works Agency Warrant No. WAPR 31, V89, issued to Yukon Southern for transportation of D. Oakes from Edmonton to Fort St. John and return.
2. Letter of February 2, 1943 from Northwest Airlines to Yukon Southern enclosing the warrant and requesting Yukon Southern to sign a waiver form.
3. Waiver, dated February 3, 1943.

From these documents it would appear that:

1. Mr. Day Oakes submitted a United States travel warrant to Northwest Airlines, on November 10, 1942, in St. Paul, Minneapolis, requesting transportation from Edmonton, Alberta to Fort St. John, B.C. and return, but that the warrant was made out in the name of Yukon Southern.

2. Northwest Airlines gave Mr. Day Oakes ticket No. 407288, in exchange for this warrant on form No. 0-32.

3. Northwest Airlines forwarded the warrant to Yukon Southern in Edmonton, under form letter dated February 2, 1943, requesting Yukon Southern to sign a waiver form under the same date, in order that the Northwest Airlines might in turn obtain payment for the sum of \$65.00 in Canadian funds.

4. The waiver form states that "a ticket providing for transportation called for on this order, was furnished by Northwest Airlines to Mr. Day Oakes, from Edmonton, Alberta to Fort St. John, B.C. on November 10th, 1942".

I have also sent copies of these documents to Lewis Clark and suggested that they might be brought to the attention of the State Department. If Northwest Airlines is actually carrying on as these documents would seem to indicate, they are doing so to the disadvantage of your Government as well as of ours.

Mr. Clark may have reported to you that a Member of the House of Commons, on Monday of this week, asked questions of the Ministry which indicated quite clearly that he had been informed by someone who seemed to be in touch with the situation that Northwest Airlines had carried civilian passengers for profit.

Yours sincerely,

H. L. KEENLEYSIDE

1226.

DEA/72-HA-1-40

*Mémorandum du ministère des Affaires extérieures
à la légation des États-Unis*

*Memorandum from Department of External Affairs
to Legation of United States*

CONFIDENTIAL

Ottawa, March 16, 1943

MEMORANDUM FROM THE DEPARTMENT OF EXTERNAL AFFAIRS TO
THE UNITED STATES LEGATION IN OTTAWA PROPOSING AN
OVERALL AGREEMENT CONCERNING THE OPERATION OVER THE
TERRITORY OF CANADA AND OF THE UNITED STATES OF AIR
SERVICES BY OR ON BEHALF OF THE ARMED FORCES OF THE
UNITED STATES OR THE ROYAL CANADIAN AIR FORCE

1. United States aircraft operating in Canada, apart from licensed commercial carriers, fall into three categories: (i) service craft, including transport planes owned and operated by the United States Army, Navy and Coast Guard; (ii) planes operated by commercial airlines under contract to, and in the service of, the United States Army and Navy; (iii) planes operated by a contracting firm which needs to use its own aircraft to transport personnel and supplies in order to complete a construction contract with the War or Navy Departments of the United States.

AIRCRAFT OF A UNITED STATES CONTRACTOR

2. At the present time only one aircraft comes within the third category, the aeroplane of the Morrison Knudson Company, Incorporated, which has, under an exchange of letters[†] of January 28, February 1, and February 12, 1943, between the Department of External Affairs and the United States Legation, been permitted by the Canadian Government to fly between Prince George (B.C.) and Anchorage (Alaska). Any further requests of this character can be dealt with through diplomatic channels.

SERVICE AIRCRAFT

3. Two general agreements have been made between Canada and the United States covering the flight of United States service aircraft over Canada:

(a) The confidential exchange of notes of December 16, 1940, providing for a simplified procedure for the travel of public vessels and service aircraft between Canada and the United States when engaged on matters in connection with joint defence, and

(b) The confidential twenty-second recommendation of the Permanent Joint Board on Defence, passed on December 20, 1941 and approved by the President of the United States on December 24, 1941 and by the War Committee of the Canadian Cabinet on January 14, 1942.

4. The exchange of notes of December 16, 1940 provides for the following:

"(1) Passage, upon local notification, of United States vessels through Canadian waters and United States service aircraft over Canadian territory while en route between United States ports and Alaska or United States bases in Newfoundland.

(2) Visits of public vessels and service aircraft of either of the two countries to ports of the other country, upon local notification, when engaged on matters connected with the joint defence of Canada and the United States.

(3) Upon local notification, flights of Canadian service aircraft over that part of the State of Maine which lies along the route between Quebec and the Maritime Provinces when such flights are on matters pertaining to the joint defence of Canada and the United States.

(4) Upon local notification, flights of United States service aircraft between points in the United States over the Ontario peninsula, including the prohibited area."

In subsequent notes of March 27, 1941 and April 18, 1941, the two Governments set forth what they meant by 'local notification'.

5. The paragraph on the twenty-second recommendation in the Journal of the Permanent Joint Board on Defence reads as follows:

"The Board considered the possibility that in the prosecution of the war, situations can arise suddenly requiring immediately the further integration for joint defence of the military forces of the United States and Canada, advance preparation therefor, or the movement of military forces or equipment of one country into or through the territory of the other. The Board, therefore, approved the following as its TWENTY-SECOND RECOMMENDATION:

That the United States and Canadian Governments now authorize the Commanders named in paragraph 12 of ABC-22, or their duly authorised representatives, to effect by mutual agreement any arrangements they deem necessary for the perfection of preparation for the common defence, including, but not limited to, the installations of accessory equipment in the territory of either, the transit of armed forces, equipment or defence materials into or through the territory of either, and the utilization by either nation of the base and military facilities of the other."

6. These two agreements clearly cover occasional or emergency flights of United States Service aircraft over Canada. It is questionable, however, whether they could reasonably be interpreted to cover continuous or permanent arrangements for the operation of the kind of air services which United States service aircraft, including transport planes, are now flying in Canada. It is understood that the routes which these aircraft are now flying in Canada are:

(1) Fairbanks to Juneau, Alaska (Permission granted by Canada under an exchange of notes of July 12 and 13, 1940);

(2) Selfridge Field (Mount Clemens, Michigan) to Cleveland, Buffalo and Toledo (Permission granted by Canada under an exchange of notes of July 12 and 13, 1940);

(3) United States to Alaska from Great Falls via Edmonton, Whitehorse and Fairbanks (Permission granted by Canada in a letter of March 7, 1942, from the Hon. C. D. Howe to Brigadier-General Robert R. Olds);

(4) United States to Alaska via British Columbia and the Yukon (Permission granted by Canada under an exchange of notes, September 18 and 19, 1940, and June 18 and June 30, 1941, but the agreement embodied in these notes lapsed on June 30, 1942 and was not renewed);

(5) United States to Alaska via the Northwest Staging Route and originating in the United States at points other than Great Falls, Montana;

(6) Fargo-Regina-The Pas-Churchill;

(7) Detroit or other United States points to Montreal (United States Army Air Services Ferry Command ferrying planes to the Royal Air Force);

(8) Presqu'île, Maine-Newfoundland-Labrador-Greenland-Baffinland-Southampton Island- Churchill-The Pas (These points are not covered by a single service);

(9) Edmonton-Norman Wells (serving the Canol Development). No record has been found of specific permission having been requested by the United States Government for the establishment of routes 6-9 inclusive.

MILITARY CONTRACT AIR TRANSPORT SERVICES

7. No general agreement has been made between Canada and the United States setting forth the conditions under which United States commercial airline companies might engage in transport service in Canada on behalf of the United States armed forces.

Northeast Airlines

8. The first request from the United States Government for permission from Canada to establish a military contract air transport service over Canada was

made on January 20, 1942, at a meeting of the Permanent Joint Board on Defence. The relevant paragraphs of the Board's journal read as follows:

"The Board was informed of the proposal of the United States War Department to negotiate with Northeast Airlines for a temporary military contract air transport service between the United States and its bases in Newfoundland, for the movement of military personnel, or civilian personnel directly concerned with the construction or operation of United States bases; for the movement of military mail, express and freight, and to facilitate the operation of the United States Army [Air] Corps Ferry Command.

It was reported that the United States War Department had requested Canadian approval for extending the contract service described beyond Stephenville and Argentia to serve its forces at Newfoundland Airport, to provide communications to its base command at St. John's, and to Goose Inlet Field whenever required for military purposes. It was contemplated that Canadian personnel of the categories above indicated, would be carried if desired, to the extent that space was available on the basis of a mutually agreeable financial arrangement. The Canadian members of the Board approved the use by the proposed contract service of the airports at Gander Lake, Tor Bay and Goose Inlet for the purposes described."

9. Approval by the Canadian members of the Board did not, of course, constitute approval by the Canadian Government. On January 31, 1942, however, the Secretary of the Canadian section of the Board sent a message to the Secretary of the United States section, reading as follows:

"Reference paragraph 2 of the Board Journal for January 20th, Canadian Government has approved United States War Department contract with Northeast Airlines for temporary military contract air transport service to Gander Lake, Tor Bay and Goose Inlet for the purposes described in the Journal. Newfoundland is being informed today of this action. Word is being sent direct by our Air Force to General Olds."

Northwest Airlines

10. The second request from the United States Government was made on February 25-26, 1942, at a meeting of the Permanent Joint Board on Defence. The relevant paragraph of the Board's Journal reads as follows:

"The Board was informed that the United States War Department wishes to have the necessary arrangements made for a military air transport service over the inland route to Alaska from both Great Falls, Montana, and Fargo, North Dakota, to Edmonton, Alberta, thence through Whitehorse to Fairbanks. The War Department proposes that this military air transport service be conducted either by military transport type aircraft operated and maintained by military air and ground personnel or by a contract to be signed by the War Department with qualified selected air line operators whose traffic would be limited strictly to United States Government personnel directly connected with the prosecution of the war and such military mail, express and freight as may require air transportation between the United States and Alaska and vice versa. The permission desired from the Canadian government is for the duration of the war only and is not to include the transportation for hire of commercial passengers or cargo.

The Canadian members of the Board agreed to take up this matter at once with the appropriate authorities of the Canadian Government with a view to its being approved by them."

11. Following this approach to the Canadian Government through the Board, a conversation took place on March 2, 1942 between the Honourable C. D. Howe and Brigadier-General Robert E. Olds of the United States War Department. Mr. Howe on March 7 wrote to Brigadier-General Olds confirming this conversation and giving permission on behalf of the Canadian Government for the establishment of part of the service desired by the United States. Mr. Howe's letter reads in part as follows:

"Regarding our conversation on Monday, March 2nd last, re air and ground transport facilities, across Canada to Alaska, I beg to confirm

(1) that all existing airway facilities, including landing fields, meteorological service, radio ranges, radio communications ground to air and point to point, etc., together with all the facilities of the Department of Transport and all assistance which this department can give, will continue to be made fully available for use by the United States armed forces.

(2) that similar privileges and service will be accorded to any commercial plane whilst under charter to the United States Government and engaged in the transportation of United States Government personnel and material along the route.

In this reference, it is understood that, while in the early stages these planes may be flown by civilians, the United States will, as soon as possible, either enlist the pilots in the Air Corps or replace them by Air Corps personnel.

It is also understood that, insofar as these particular chartered planes are concerned, they will fly along U.S. airway systems to Great Falls and join the Canadian airway system at Lethbridge, Alberta, thence they will follow the Canadian airway system via Calgary, Edmonton, Grande Prairie, Ft. St. John, Ft. Nelson, Watson Lake and Whitehorse and that they will conform in all respects with the regulations pertaining to the operation of civil aircraft in Canada. It is understood that the Canadian Customs and Immigration authorities are prepared — if they have not already done so — to set up an organization whereby these planes will be handled in an expeditious manner at this point.

(3) The Department does not, at this moment, favour any proposal for the licensing of a United States commercial carrier to operate commercially on the route other than Pan American Airways, which now operate from Seattle to Juneau across Canada under a temporary permit.

(4) The question of existing and additional meteorological and radio facilities along the route is now under discussion between the technical officers of the Department of Transport and of the United States.

Generally speaking, the Department is disposed to the opinion that the enhanced Canadian meteorological service now being established in this area will be adequate to look after all the requirements.

On the radio question, we are not yet in a position to express an opinion pending the outcome of the above discussions.

Extension of airports:

(5) The technical officers of the Department will, any time you wish, discuss with your officers the technical aspects of extensions to existing runways or new runways which you may have in mind. It is, however, I think, in the highest degree desirable that the above construction of any such extensions should be undertaken by the Department of Transport rather than by the United States Government. Our contractors are still on the different jobs finishing off the existing work and we think that any additional work would best be handled as an extension of the existing contracts."

United Airlines

12. The Journal of the Permanent Joint Board on Defence for the meeting of April 7-8, 1942, reads in part as follows:

"The Board was informed that as the service to Alaska which could be furnished by Northwestern [*sic*] Airlines (under the contract referred to in paragraph 6 of the Journal covering the 26th meeting of the Board held in New York on February 25, 1942) was not adequate to meet the needs of the United States Army, a supplementary contract for additional service of the same character was being made by the United States Army Air Corps with United Airlines. It was agreed that both contracts stood in the same position."

Northwest Airlines and United Airlines

13. The permission granted by Mr. Howe in his letter of March 7, 1942, covers a service by United Airlines as well as by Northwest from Great Falls to Fairbanks via Edmonton and Whitehorse. It did not, however, cover a service from Fargo to Fairbanks though this service is mentioned in the note of April 13, 1942, No. 648, from the United States Minister. This note refers to the request made by the United States at the meeting of the Permanent Joint Board on Defence on February 25 and 26, 1942, for permission to establish a military air transport service over the inland route to Alaska from Great Falls and Fargo to Fairbanks. It omits reference to the fact that the permission granted by the Canadian Government covered only a service from Great Falls and goes on to say:

"Under these arrangements the War Department was to conduct this transport service either by military transport type aircraft operated and maintained by the United States military air and ground personnel or by a contract to be signed by the War Department with qualified airline operators whose traffic would be limited strictly to United States Government personnel directly connected with the prosecution of the war and such military mail, express and freight as might require air transportation between the United States and Alaska and vice versa. It was further stipulated that the permission desired from the Canadian Government was for the duration of the war only and was not to include the transportation for hire of commercial passengers or cargo.

The United States War Department now proposes to sign a contract with United Airlines to carry out a portion of the above-mentioned service. The contract with the United Airlines would, in effect, provide for the leasing of some of their equipment to the Army Air Force and thereafter for the operation of such equipment with personnel of the United Airlines in the transportation

of United States Government personnel directly connected with the prosecution of the war and such military mail, express and freight as may require air transportation. The United Airlines equipment used in this service will carry the insignia of the United States Air Force and United States Air Force registry numbers."

14. The conditions under which Northwest Airlines and United Airlines were given permission to fly over Canada are mentioned in minutes of meetings held in Ottawa between officers of the United States and Canada. On March 12, 1942, a meeting was convened in the office of the Director of Air Services, Ottawa, for the purpose of discussing northwest airway facilities. Among the participants in this discussion were the Director of Air Services, two representatives of the Royal Canadian Air Force, the United States Air Attachés to Canada, two United States Army Air Corps officers, the Controller of Civil Aviation, and a representative of Northwest Airlines. The minutes of the meeting read in part as follows:

"The route would ultimately be operated strictly as a military venture but in the initial stages the transportation would be handled by Northwest Airlines under a contract with the United States Government. The aircraft would be owned by the Government and would consist in the initial stages of D.C. 3's and later D.C. 4's and Constellations. As soon as possible all pilots operating the aircraft would also be militarized." A further meeting was held in Ottawa on June 25, 1942, for the purpose of continuing the discussion of airway facilities along the route from Edmonton to Alaska. Among those in attendance at this meeting were the Assistant United States Military Attaché in Ottawa, eight officers of the United States Army Air Forces and the appropriate Canadian personnel. The following is a quotation from the minutes of this meeting:

"Colonel Flynn (United States Army Air Forces) stated that the United States Army Air Corps Ferry Command is now handling all the activities of the A.A.C. and is responsible for communications and services. He explained that all United States air equipment operating in the Northwest is the property of the Army and personnel will all become Army personnel."

American Airlines

15. The third request from the United States was put forward in a note from the United States Minister in Ottawa of April 16, 1942, No. 653. The United States Minister wrote as follows:

"The United States Army Air Corps acting through the Air Service Command is proposing to enter into a contract with the American Airlines for the leasing of equipment to the Army Air Force and for the operation of such equipment with American Airlines personnel from Presqu'île or Bangor, Maine, to Iceland and return via the Newfoundland Airport, Northwest River and Greenland.

The equipment to be used will carry the Air Force's insignia, an Air Force registry number and in effect will belong to the Army Air Force for the duration of the contract. Only technical supplies and personnel of the Army Air Force will be carried.

In bringing this to your attention my Government expresses the hope that the Canadian Government will give its consent for this contract military service to operate over Canadian territory and to land at the Newfoundland Airport and at Northwest River, Labrador, which although in Newfoundland territory are now operated by the Canadian military forces as Canadian military airports. It would be further appreciated if the Canadian authorities were to accord permission for the contacting of weather and range stations along the route on Army frequencies."

16. The Canadian Government replied as follows in a note of April 23, 1942, No. 58:

"As this contract is similar to those approved in the case of the operation of Northeast Airlines to the R.C.A.F. stations in Newfoundland and Labrador, and the Northwest Airlines and United Airlines into Alaska, the Canadian Government is prepared to cooperate and to assist by the provision of landing facilities at Newfoundland Airport and Goose Inlet and by making available the services of weather and range stations along the route."

Pan American Airways

17. The fourth request from the United States was put forward in a note of December 28, 1942, No. 811, from the United States Minister and replied to in a note of March 5, 1943, No. 26. This latter note reads in part as follows:

"The Canadian Government is glad to grant permission for a period of six months from the date of this note, subject to the provisions of the succeeding paragraph, for the operation by the United States Navy either directly or through Pan American Airways Incorporated of an air transport service between Seattle and Whitehorse on the understanding that neither the Navy nor Pan American Airways carry passengers, goods or mail for hire or reward.

In accordance with the provisions of the preceding paragraph all rights acquired by the United States Government or Pan American Airways Incorporated under this note shall terminate for all purposes on the date of the coming into force of the overall agreement mentioned in the preceding paragraph."

18. Thus permission has been granted, under varying conditions, by the Canadian Government for the operation of the following military contract air transport services:

(1) Northeast Airlines from the United States to United States bases in Newfoundland using the airports at Gander, Torbay and Goose.

(2) Northwest Airlines and United Airlines from Great Falls to Alaska via Lethbridge, Calgary, Edmonton, Grande Prairie, Fort St. John, Fort Nelson, Watson Lake and Whitehorse.

(3) American Airlines from Presqu'île or Bangor, Maine, to Iceland and return via the Newfoundland Airport, Northwest River and Greenland.

No record has been found of permission having been granted by the Canadian Government for the operation of any United States military contract air transport services other than the four listed above.

19. In the light of the facts set forth above it would appear desirable that an overall agreement be concluded between Canada and the United States to replace the various confidential agreements and understandings which have been

mentioned in this memorandum. Such an overall agreement, which would be made public, would regularize the operation of United States service aircraft over Canadian routes and would clarify the status in Canada of the commercial airline companies which are operating military air transport services over Canada under contract to the United States Armed Forces. The publication of the overall agreement would tend to disabuse the minds of the public of misconceptions and misunderstandings which may now exist concerning the conditions under which these services are permitted to operate.

20. As a basis of discussion it is suggested that the overall agreement be embodied in an exchange of notes containing clauses along the lines of the following:

I

Subject to such conditions as may from time to time be agreed upon between the Armed Forces of Canada and the Armed Forces of the United States and subject to the provisions of clauses III and VII of this Agreement, aircraft of the United States Armed Forces may, during the present war, fly into, through and away from Canada and may use all airway facilities including landing fields, meteorological services, radio ranges and radio communications which are available to the Royal Canadian Air Force in Canada and, subject to the concurrence of the Government of Newfoundland, all similar airway facilities operated by Canada in Newfoundland territory. No passengers, goods or mail shall be carried for reward or hire on the aircraft. The traffic on the aircraft shall be limited to:

- (1) Goods owned by the Government of a United Nation;
- (2) Diplomatic mail of the Government of a United Nation; other mail not destined to a point within Canada; and
- (3) Passengers coming within one of the following categories:
 - a) personnel of military, naval or air forces of the United Nations;
 - b) government officials of the United Nations;
 - c) civilians, being nationals of the United Nations, engaged in and travelling in connection with occupations vital to the war effort.

II

Subject to such conditions as may from time to time be agreed upon between the Armed Forces of Canada and the Armed Forces of the United States, and subject to the provisions of clauses III and VII of this Agreement, aircraft of the Royal Canadian Air Force may, during the present war, fly into, through and away from the United States, including Alaska, and may use all airway facilities including landing fields, meteorological services, radio ranges and radio communications which are available to aircraft of the United States Armed Forces in the United States, including Alaska, and, subject to the concurrence of the Government of Newfoundland, all similar airway facilities operated by the United States in Newfoundland territory. No passengers, goods or mail shall be carried for reward or hire on the aircraft. The traffic on the aircraft shall be limited to:

- (1) Goods owned by the Government of a United Nation;
- (2) Diplomatic mail of the Government of a United Nation; other mail not destined to a point within the United States including Alaska; and
- (3) Passengers coming within one of the following categories:
 - a) personnel of military, naval or air forces of the United Nations;
 - b) government officials of the United Nations;
 - c) civilians, being nationals of the United Nations, engaged in and travelling in connection with occupations vital to the war effort.

III

Should the Armed Forces of the United States desire to establish over Canadian territory regular flying routes additional to those which the aircraft of the United States Armed Forces are now flying, the competent United States authorities shall first inform the Department of Transport of Canada and the Department of National Defence for Air. Similarly should the Royal Canadian Air Force desire to establish over the territory of the United States, including Alaska, regular flying routes additional to those which the aircraft of the Royal Canadian Air Force are now flying, the competent Canadian authorities shall first inform the Civil Aeronautics Board and the War or Navy Departments of the United States.

IV

For a period of six months from the date of the coming into force of this Agreement, aircraft operated on behalf of the United States Armed Forces by a commercial airline company may fly into, through and away from Canada along the routes which they are now flying and which are set forth in the attached confidential memorandum and may use all the airway facilities mentioned in clause I of this Agreement subject to the following conditions:

- (1) That no passengers, goods or mail are carried for reward or hire on the aircraft;
- (2) That the traffic on the aircraft is limited to:
 - (a) Goods owned by the Government of a United Nation;
 - (b) Diplomatic mail of the Government of a United Nation; other mail not destined to a point within Canada; and
 - (c) Passengers coming within one of the following categories:
 - i) personnel of military, naval or air forces of the United Nations;
 - ii) government officials of the United Nations;
 - iii) civilians, being nationals of the United Nations, engaged in and travelling in connection with occupations vital to the war effort;
- (3) That the aircraft conform in all respects with such regulations governing traffic control, routing and recognition as may be applicable to Royal Canadian Air Force transport aircraft in Canada;
- (4) That the functions performed by the aircraft are taken over as soon as possible, and, in any event not later than six months from the date of the coming into force of this Agreement, by aircraft of the United States Armed Forces operated and maintained by air and ground personnel of the United States Armed Forces;

(5) That aircraft operated on behalf of the United States Armed Forces by a commercial airline company shall not fly any route other than those set forth in the attached memorandum without permission being obtained in advance from Canada through diplomatic channels.

V

For a period of six months from the date of the coming into force of this Agreement, aircraft operated on behalf of the Royal Canadian Air Force by a commercial airline company may fly into, through and away from the United States including Alaska along routes authorized by the United States Government and may use all the airway facilities mentioned in clause II of this Agreement subject to the following conditions:

- (1) That no passengers, goods or mail are carried for reward or hire on the aircraft;
- (2) That the traffic on the aircraft is limited to:
 - (a) Goods owned by the Government of a United Nation;
 - (b) Diplomatic mail of the Government of a United Nation; other mail not destined to a point within the United States including Alaska; and
 - (c) Passengers coming within one of the following categories:
 - i) personnel of military, naval or air forces of the United Nations;
 - ii) government officials of the United Nations;
 - iii) civilians, being nationals of the United Nations, engaged in and travelling in connection with occupations vital to the war effort;
- (3) That the aircraft conform in all respects with such regulations governing traffic control, routing and recognition as may be applicable to transport aircraft of the United States Armed Forces in the United States, including Alaska.

VI

The provisions contained in the documents listed below shall be replaced by the provisions of this Agreement and shall not be deemed to be revived on termination of this Agreement:

- (a) The exchange of notes of July 12, 1940 and July 13, 1940 giving blanket permission for military aircraft of the United States to make flights over specified portions of Canadian territory;
- (b) The exchanges of notes of December 16, 1940, March 27, 1941, and April 18, 1941, respecting local notification so far as these notes relate to aircraft;
- (c) The communication of January 31, 1942 from the Canadian Secretary of the Permanent Joint Board on Defence to the United States Secretary of the Board concerning Northeast Airlines;
- (d) The letter of March 7, 1942 from the Honourable C. D. Howe to Brigadier-General Robert E. Olds;
- (e) The exchange of notes of April 16, and April 23, 1942, concerning American Airlines;
- (f) The exchange of notes of December 28, 1942 and March 5, 1943, concerning Pan American Airways, Incorporated.

The provisions of this Agreement are supplementary to, and do not replace any arrangements which may have been made or which may be made consequent upon the adoption by both Governments of the 22nd Recommendation of the Permanent Joint Board on Defence.

VII

Notwithstanding the provisions of clauses I and II of this Agreement, this Agreement may be terminated at any time on six months' notice given in writing by either Government to the other Government.

VIII

All rights acquired by either Government under this Agreement shall terminate for all purposes at the end of the present war.

IX

This Agreement comes into force on the day of, 1943.

CONFIDENTIAL MEMORANDUM TO ACCOMPANY THE
AGREEMENT BUT NOT TO BE PUBLISHED.

Northeast Airlines from the United States to United States bases in Newfoundland, using the airports at Gander, Torbay and Goose.

Northwest Airlines and United Airlines from Great Falls to Alaska via Lethbridge, Calgary, Edmonton, Grande Prairie, Fort St. John, Fort Nelson, Watson Lake and Whitehorse.

American Airlines from Presqu'île or Bangor, Maine, to Iceland and return via the Newfoundland Airport, Northwest River and Greenland.

Pan American Airways from Seattle to Whitehorse.

1227.

DEA/72-HA-1-40

*Mémorandum du deuxième secrétaire*¹⁹⁴

*Memorandum by Second Secretary*¹⁹⁴

CONFIDENTIAL

Ottawa, March 16, 1943

STATEMENT MADE BY MR. ROBERTSON IN HANDING TO MR.
LEWIS CLARK, UNITED STATES CHARGÉ D'AFFAIRES, ON
MARCH 16, THE MEMORANDUM OF MARCH 16 PROPOSING
THE OVERALL AGREEMENT ON FLIGHTS OF MILITARY
AND SEMI-MILITARY AIRCRAFT

1. "The purpose of the proposed agreement is to clarify and consolidate arrangements which have previously been made between Canada and the United States concerning the operation of military and semi-military aircraft. To some extent what we are proposing is that the conditions under which Northwest Airlines were given permission to operate in Canada and which were set forth in Mr. Howe's letter of March 7, 1942, should be generalized, made more specific and enforced. The chief condition laid down a year ago for

¹⁹⁴E. Reid.

the operation of Northwest Airlines in Canada was that its service would be militarized as soon as possible. The purpose of militarization from our point of view is to ensure that there is no possibility of a company which is operating aircraft in Canada on behalf of the United States Armed Forces acquiring any presumptive right to operate a normal commercial service in Canada after the war. From our point of view serious practical and political difficulties result from the operation in Canada during the war of air services by United States commercial airline companies on behalf of the United States Armed Forces when these companies are operating over routes which are likely to be commercial routes after the war.

2. We realize that there may be practical difficulties in the way of militarization and we are therefore willing to discuss on its merits any alternative proposal which the United States may care to put forward which would achieve the objectives which we have in mind. The important thing from our point of view is to ensure that neither the airline companies nor the public in either Canada or the United States is under any misapprehension about the present position.

3. We consider this clarification of the status of the military and semi-military lines to be an essential prerequisite to any discussions which we might have with the United States Government on the general question of post-war international air transport.

1228.

DEA/72-SH-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-915

Ottawa, March 16, 1943

CONFIDENTIAL. Following for Pearson from Robertson, Begins: Reference my despatch No. 262 of March 16th concerning the proposed overall agreement with the United States on the subject of the operation over the territory of Canada and of the United States of air services by or on behalf of the Armed Forces of the United States or the Royal Canadian Air Force.

1. Under cover of my despatch under reference I sent you four copies of a memorandum which I gave this afternoon to the United States Chargé d'Affaires and suggested that you keep one for your files and give the other three to the State Department. Mr. Hickerson has had some discussion with Mr. Lewis Clark about the proposed overall agreement and he would probably be the best person to leave the three copies of the memorandum with.

2. When you are leaving the memorandum with him you might make some of the points which I made to Mr. Lewis Clark this afternoon. I said that the purpose of the proposed agreement was to consolidate, clarify and codify arrangements which had previously been made between Canada and the United States concerning the operation of these military and semi-military aircraft. To some extent what we were proposing was that the conditions under which

Northwest Airlines had been permitted to operate in Canada and which were set forth in Mr. Howe's letter of March 7, 1942, should be generalized, made more specific and enforced. The chief condition laid down a year ago for the operation of Northwest Airlines in Canada was that its service would be militarized as soon as possible. The purpose of militarization from our point of view is to ensure that there is no possibility of a company which is operating aircraft in Canada on behalf of the United States Armed Forces acquiring any presumptive right to operate a normal commercial service in Canada after the war. From our point of view serious practical and political difficulties result from the operation in Canada during the war of air services by United States commercial airline companies on behalf of the United States Armed Forces when these companies are operating over routes which are likely to be commercial routes after the war.

3. We realize that there may be practical difficulties in the way of militarization and we are therefore willing to discuss on its merits any alternative proposal which the United States may care to put forward which would achieve the objectives which we have in mind. The important thing from our point of view is to ensure that neither the airline companies nor the public in either Canada or the United States is under any misapprehension about the present position.

4. In conclusion I emphasized that we considered this clarification of the status of these military and semi-military lines to be an essential prerequisite to any discussions which we might have with the United States Government on the general question of post-war international air transport. We must first remove the present ambiguities before we went [*sic*] on to discuss future plans.

1229.

DEA/72-NB-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

DESPATCH 286

Ottawa, March 18, 1943

Sir,

You will recall that the United States Committee of the Joint Economic Committees (Canada-United States) at their meeting of February 10, 1943, discussed the desirability of their undertaking a study of "United States-Canadian airway cooperation".

2. This question was brought to the attention of the Interdepartmental Committee on International Civil Aviation at its meeting of March 11. The outline of the United States study¹ was presented to the Committee along with requests for certain information which had been received from the United States Committee through you. (Your messages WA-891 of February 25¹ and WA-974 of March 2¹).

3. I would summarize our present position as follows:

a. A United States Government agency which wishes to make a study of a Canadian problem or a problem in Canadian-United States relations does not, of course, need the consent of the Canadian Government. In view of the general

nature of the relations between the two governments, the Canadian Government is always willing to give to United States Government agencies such factual information about Canada and Canadian problems as is appropriate in the circumstances. Special considerations, however, arise when it is proposed that a study of some aspect of Canadian-United States relations be undertaken by the United States Section of a Joint Canadian-United States committee since there is always the possibility that such a study, even though it is a purely national study, may by the very nature of its sponsorship be misconstrued as an international study with the result that the Canadian Section of the Committee may be held responsible by public opinion for a study in which it has not participated. Therefore, as a general rule national studies of a problem in Canadian-United States relations should be carried on by national bodies not connected with a joint Canadian-United States body and joint studies should be carried on under the auspices of joint organizations.

b. There has been in existence in Ottawa for the past nine months an Interdepartmental Committee set up by the War Committee of the Cabinet to advise it on questions of post-war international air transport. So far as Canada is concerned, studies in the field of international air transport should ordinarily, therefore, be carried out under the supervision of this Interdepartmental Committee. The Interdepartmental Committee keeps other interested agencies of the Canadian Government informed of the progress of the studies which it is making.

c. The most convenient method of communication between Canadian Government agencies and United States Government agencies is through the appropriate Legation. A teletype service is in existence between the Canadian Legation and the Department of External Affairs and this service can be used for the transmission of secret communications between the Governments of Canada and of the United States. Moreover, the use of this channel means that the Legation in Washington is kept fully in touch with developments.

d. The outline of studies submitted to [sic] the United States Committee is clearly not intended to be a final outline. The subheadings, for example, under the heading "Wartime Difficulties" in section III are in places obscure in meaning and a number of other examples of wartime difficulties could be added. Moreover, a number of additional post-war alternatives could be listed under section IV(D). It is assumed that the study is to cover the Canada-Alaska border as well as the border between Canada and the United States proper.

e. The Interdepartmental Committee on International Civil Aviation would like to learn more about the relationship between the study which it is proposed should be undertaken by the United States Committee of the Joint Economic Committees and the work of the Interdepartmental Committee in Washington which is dealing with post-war civil aviation policy. While we know that Mr. Berle is Chairman of the latter committee and is also connected with the Joint Economic Committees, we would like to know whether there is any other direct relationship between the studies being done by the two committees.

4. The question of Canadian cooperation in the proposed United States study will be discussed at the meeting of the Joint Economic Committees this weekend in Montreal and I shall write you again after this meeting.

5. There is only one other point which needs to be made at the moment and that is that, since the arrangements between Canada and the United States on post-war air transport will depend in large measure on the nature of the general arrangements made between the United Nations on international air transport, it would be clearly undesirable to agree in advance that any joint study of the special problems of air transport across the Canada-United States border would necessarily result in identical recommendations being presented to the Governments of Canada and the United States.

6. I am sending you under separate cover the following documents[†] for transmission to the United States Committee:

- (1) Act to incorporate Trans-Canada Airlines.
- (2) A map of the Northern Hemisphere issued by the Department of Mines and Resources.
- (3) Memoranda of June 11, 1942, and January 11, 1943, of the Department of National Revenue listing the customs airports in Canada.
- (4) Annual Report of Trans-Canada Airlines for the years 1939, 1940 and 1941.

7. Mr. Altschul¹⁹⁵ requested a list of military airports in Canada. We are transmitting this request to the competent authorities of the Canadian Government. He also asked for a report on meteorological conditions along the principal air routes in Canada. The United States meteorological authorities have complete information on this subject which is furnished them by us. The Department of Transport will, however, supply a further synopsis if it is necessary. He asked whether Canadian carriers have applications pending for permission to fly in the United States; the present situation between Canada and the United States concerning commercial air services is frozen for the duration of the war under the recent renewal of the 1940 agreement. We are not yet in a position to give him any information about the extent of aircraft production facilities in Canada which may be available after the war for commercial purposes but this request for information is being transmitted to the competent authorities.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

¹⁹⁵ De la direction de la recherche et de l'analyse, Civil Aeronautics Board des États-Unis.

¹⁹⁵ Of the Research and Analysis Division, Civil Aeronautics Board of United States.

NON - CIRCULATING /

1230.

DEA/72-FX-40

*Le secrétaire, la section canadienne, CPCAD,
au secrétaire, la section américaine, CPCAD*

Secretary, Canadian Section, PJBD, to Secretary, American Section, PJBD

Ottawa, March 20, 1943

Dear Mr. Hickerson,

With reference to my letter of March 5, 1943, on the subject of the militarization of the United States airlines operating under Military and Naval contracts in Canada, I have now found an additional note in our files which I think might usefully be added to the record.

When the Honourable Mr. Howe visited General Olds early in March 1942, he was accompanied by the Assistant Air Attaché at the Legation in Washington. In reporting on the conversation that took place, Wing Commander Bryans included the following paragraph (written within twenty-four hours of the meeting):

"Northwest have been asked to train personnel for two Air Corps Transport Groups (three or four squadrons each). Just as soon as possible these personnel will be taken into the Army and will be the only personnel operating along the airline. There will also be no civil passengers or goods carried by these Groups. Northwest Airways will therefore have nothing whatever to do with the airline after they have looked it over thoroughly to study requirements, and then trained the necessary personnel which are being supplied to them to form the Transport Groups."

Yours sincerely,

HUGH L. KEENLEYSIDE

1231.

DEA/72-FX-40

Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

Ottawa, March 23, 1943

UNITED STATES AIRLINES

(MILITARY SERVICE AIRLINES IN CANADA)

In the course of a conversation with the United States Chargé d'Affaires this afternoon, Mr. Clark informed me that pursuant upon [sic] the receipt of two letters which I had written personally to Mr. Hickerson regarding the failure of the United States authorities to carry out the militarization of Northwest Airlines and the failure of the Northwest Airlines themselves to remove their insignia from their planes and offices, the State Department had taken this matter up with the United States Army Air Forces, and the latter have now sent an officer

to Edmonton and Whitehorse with instructions to see that all private insignia are removed from aircraft and official premises on the Northwest air route.

H. L. K[EENLEYSIDE]

1232.

DEA/72-NB-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1021

Ottawa, March 23, 1943

Mr. Escott Reid attended the meeting of the Joint Economic Committees at Montreal on Saturday, March 20 for the purpose of taking part in any discussion of the proposed survey of United States-Canadian airways cooperation. Mr. Berle asked Mr. Reid to discuss the matter with him before the Saturday sessions of the Joint Economic Committees and as a result of their discussions Mr. Berle told the United States Secretary of the Committee that it would not be necessary to have the question discussed at the meetings of the Committee.

2. Mr. Reid in his discussions with Mr. Berle made orally the points set forth in our despatch of March 18, No. 286, to you and then, since Mr. Berle seemed to agree with the points, he let Mr. Berle read the despatch. When Mr. Berle gets back to Washington he will after considering the matter further get in touch with you. What Mr. Berle may suggest is a joint study on post-war airway cooperation between the United States and Canada which would be sponsored by the two interdepartmental committees in Washington and in Ottawa. Mr. Reid gave it as his personal opinion to Mr. Berle that if that suggestion were made by the United States he thought that the Canadian interdepartmental Committee would be more likely to agree if the proposed study were purely factual and did not lead up to a discussion of alternative policies or recommendations to the two Governments. He also said that it would, of course, be necessary to distinguish clearly between two separate sets of problems, the problem of flights between Canada and the United States and the problem of transit rights over Canada. Not even the most enthusiastic internationalist would want to have the services between Canada and the United States run by a world organization. The second problem, however, could not be discussed except as part of the larger issue of post-war international air transport and therefore could not be settled as a result of bilateral discussions between Canada and the United States. Mr. Berle agreed.

3. I think it would be useful if you were to discuss with Mr. Berle all the comments contained in paragraphs 3 and 5 of our despatch No. 286. It might be as well, however, to assume that the United States Section of the Joint Economic Committees from the beginning contemplated a joint study and not a purely national study.

4. We shall send you later the answer to question 8 contained in your message WA-974 of March 2¹. The answer to this question was omitted by mistake.

1233.

DEA/72-FX-40

*Mémorandum du représentant principal de l'armée américaine,
CPCAD, au secrétaire, la section canadienne, CPCAD*
*Memorandum from Senior United States Army Member, PJBD,
to Secretary, Canadian Section, PJBD*

Washington, March 30, 1943

SUBJECT: OPERATIONS OF THE NORTHWEST
AIRLINES IN CANADA

1. Attached herewith is a report covering the operations of the Northwest Airlines in Canada. This report, I believe, presents a true picture of conditions as they are at the date of the report, not as they may have been several months ago.

2. In addition to this report, I am assured by the Air Transport Command that all planes flown in Canada by commercial companies are painted as are United States Army planes; carry similar markings, and in most cases also belong to the United States Government; — that all personnel connected with the operation of these planes, whether in the U.S. Army Air Forces or civilians, wear a uniform, and that these uniforms cannot be told apart except by a very careful inspection; — that the civilians who wear this uniform carry no markings whatsoever which would indicate that they are employees of a commercial company. Where more than one commercial company operates out of any particular Canadian field, the only distinguishing feature for the operating personnel of their particular line is a number on the back of the working uniform; each company is assigned its own number, this in order that their own personnel can be distinguished.

3. The United States Army Transport Command also assures me that, to the best of their knowledge, none of these companies are in any way transporting either personnel or cargo for hire and that they are strictly complying with both the letter and the intent of the Canadian agreements under which they have been allowed to operate in Canada. Further, that the United States Army Transport Command is most anxious to see that these companies do, in every way, live up to those conditions.

GUY V. HENRY
Major-General

[PIÈCE JOINTE/ENCLOSURE]

*Commandant adjoint, Air Transport Command, United States
Army Air Forces, au représentant principal de
l'armée américaine, CPCAD*

*Deputy Commander, Air Transport Command, United States
Army Air Forces, to Senior United States Army Member, PJBD*

Washington, March 29, 1943

SUBJECT: REPORT ON INVESTIGATION OF COMPLAINTS
OF CANADIANS WITH RESPECT TO OPERATIONS
OF NORTHWEST AIRLINES IN CANADA

1. Pursuant to the recommendation contained in communication dated March 17, 1943¹, to Major Samuel E. Gates, The Air Transport Command, that an investigation be made with respect to the complaints of the Canadians against Northwest Airlines, Captain K.F. Montgomery and Captain Thomas Harris made such an investigation during the period from March 19 to March 28. The investigation consisted in conferences with officials of Northwest Airlines in Minneapolis, Minnesota, and in Edmonton, Alberta; conferences with officials of the Canadian Government in Edmonton; and a physical inspection of properties in Edmonton, Fort Nelson, [Fort] St. John, Watson Lake and Whitehorse.

2. The complaints of the Canadian Government fall into three categories:

- a. That Northwest Airlines is violating Canadian labor laws;
- b. That the company by its general attitude and by placing of signs over its offices, motor equipment, etc., is indicating that it is a distinct entity from The Air Transport Command and is, in fact, an American commercial air transport company operating in Canada;
- c. That it is transporting commercial passengers for hire in violation of the agreements pursuant to which Northwest was authorized to operate in Canada.

3. As to asserted violations of labor laws, a conference was had with Mr. A.O. MacLachlan, Assistant Manager, Unemployment Insurance Commission. Mr. MacLachlan was interrogated specifically as to whether there was a single instance of non-compliance by Northwest Airlines with the rules and regulations of the Canadian National Selective Service. Mr. MacLachlan said there was not a single instance of non-compliance. His supporting letter¹ to that effect is attached as Tab A. There is also attached as Tab B communications¹ from the National Selective Service to Northwest Airlines on this same subject. In accordance with the law, Northwest Airlines presently hires all of its Canadian employees through the Selective Service Office. It has done so since the establishment of the Selective Service Office. Attached is supporting indorsement of Colonel T.L. Mosely¹, marked Tab C.

a. In determining the rates of wages being paid Canadian employees under the Canadian laws, it was necessary for the contractor whose rates were not fixed in November of 1941 to apply to the War Labor Board to have his rates of

pay established. Northwest Airlines applied to the Regional War Labor Board in Alberta to have its rates of pay established. The Regional War Labor Board referred the application to Ottawa. Mr. Clayton Adams, Chairman of the Regional War Labor Board, stated that it has not been determined whether the Regional Board or the National Board has jurisdiction over Northwest Airlines. Mr. Adams stated that this point of jurisdiction should be determined within the next few weeks. Mr. Adams pointed out that the rates of pay to date had been established for only two American contractors operating in Canada.

b. Although it has not been possible to obtain official approval of rates of pay for Canadian employees of Northwest Airlines, the rates of pay presently effective have not been objected to by the Selective Service system. In fact, it appears that present wage rates have the informal approval of the Selective Service.

c. With respect to future employment of Canadians, the Director of the Selective Service system recently made a ruling that Canadians are not to be supplied to American firms except in case of emergency, for limited periods, and at Canadian wage rates. A committee has been established to determine when an emergency exists. The foregoing ruling is not retroactive and, consequently, does not affect Canadians presently employed by American contractors in Canada. Again the matter of wages to be paid must be fixed by the Canadian War Labor Board.

4. As to the complaint of transportation for hire, the investigators were unable to discover a single case of transportation for hire. This matter was thoroughly discussed with many officials of Northwest Airlines, including its President, all of whom emphatically denied that there had been any transportation for hire. Attached hereto is a letter marked Tab D, from Mr. D.J. King¹, the Manager in Ottawa, stating that there has not been any transportation for hire by Northwest Airlines over this route.

a. Attached to your communication of March 17 to Major Gates was a letter to Mr. Hickerson dated March 12, 1943, from the Chargé d'Affaires, Ottawa, enclosing a letter dated March 9, 1943, from the Department of External Affairs, Canada, with respect to an asserted case of transportation for hire. The case cited was checked both with the traveler (Mr. Day Oakes) and with Northwest Airlines. The facts indicate that N.W. did not transport Mr. Oakes for hire between any points in Canada except en route from Minneapolis to Winnipeg. Mr. Day Oakes presented a United States Travel Warrant to Northwest Airlines on November 10, 1942, in St. Paul, and was issued a ticket which entitled him to travel from Minneapolis to Fort St. John. This is normal procedure. It does not imply that the traveler is to be transported on Northwest Airlines' planes beyond Winnipeg. As a matter of fact, Mr. Oakes traveled from Minneapolis to Winnipeg on Northwest's commercial service, from Winnipeg to Edmonton by train, and from Edmonton to Fort St. John on the Yukon Southern. His return trip from Fort St. John to Edmonton was on an Air Transport Command cargo ship, for which no fare was collected. Canadian Pacific Airlines, on December 15, 1942, billed Northwest Airlines (invoice No. 11182) for this transportation. This bill has been audited and is in line for early payment as a matter of course. On February 2nd, 1943, Northwest Airlines wrote Yukon Southern, requesting

it to waive its claims on the travel warrant so that Northwest Airlines could obtain reimbursement from the United States Government. As Canadian Pacific Airlines had already billed for the transportation, this letter simply was a part of a routine procedure to secure payment for Northwest Airlines. Attached at Tab E is a letter obtained from Mr. Oakes¹ explaining his part in the transaction.

5. With respect to the complaint that Northwest Airlines is indicating by its attitude, signs and otherwise, that it is conducting a commercial transport company in Canada distinct from the Air Transport Command, the investigation revealed that there is no sign on the offices occupied by Northwest Airlines indicating its name, and that there is no sign on any automotive equipment or on the coveralls of the workmen indicating that they are employed by Northwest Airlines. In the telephone book, under the heading, "U.S. Army Contractors", appear the names of six or seven United States Contractors. Among these names appears the name, "Northwest Airlines". At the suggestion of Colonel Thomas L. Mosely, Commanding Officer, Alaskan Wing, this name is to be removed from the telephone book and in its place is to be inserted, "Contract Cargo Carrier". In the hangar located at the Airport, on four doors, there appears the following:

Northern Division
N. W. A.

This was put there at the suggestion of Colonel Mosley for the purposes of identification. In these various offices Northwest personnel are located. While letterheads formerly used contained the name, "Northwest Airlines," the new letterheads have completely eliminated any reference to that name. Attached for your information, as Tab F, is a copy of the new letterhead. All inter-office memoranda will contain no reference to the name "Northwest Airlines." The Northwest officials expressed themselves as completely willing to take every reasonable step to eliminate possible inference that the company is conducting a commercial operation in Canada. In order properly to conduct their military operations it was suggested that it would be necessary to leave the company name on

- a. Purchase Orders (since credit is extended to Northwest Airlines)
 - b. Checks (since this is a matter of identity with respect to the bank account).
- These two suggestions appear entirely reasonable and should be unobjectionable to the Canadian Government.

6. Quoted in your communication of March 17, 1943, were excerpts from minutes of Joint Board meetings and a letter from Mr. Howe with reference to militarizing this operation.

- a. As indicated in the minutes of the Permanent Joint Board, February 25 and 26, 1942, "The War Department proposes that this military transport service be conducted either by military transport type aircraft operated and

maintained by military air and ground personnel or by a contract to be signed by the War Department with qualified selected air line operators whose traffic would be limited strictly to United States Government personnel directly connected with the prosecution of the War and such military mail, express and freight as may require air transportation between the United States and Alaska." Such is still the intent and practice of this Command. All aircraft operated in Canadian territory by the United States, other than those operated on licensed commercial routes, are owned by the United States Army or Navy, and bear military insignia, and all personnel and cargo transported thereon are directly connected with the prosecution of the war and are carried without charge. At the present time the War Department has contracts with all of the civil air carriers, six of which operate into or through Canada, and three of which conduct operations on the Northwest route. In addition, the Navy has a contract with Pan American Airways for service through Northwest Canada. These services are conducted under the direction of the Air Transport Command, which prescribes both schedules and cargo to be carried. The employees of all the carriers under contract to the War Department wear identical prescribed uniforms, and all of the carriers have been required to remove all markings and insignia identifying them as commercial operators from buildings, equipment and facilities, etc. on the cargo routes, and to replace them with the official insignia of the Air Transport Command. Northwest Airlines, in our opinion, has complied with every directive and suggestion given by this Command to eliminate any conclusion that it is not performing a military service in Canada.

7. From the standpoint of policy this Command has been directed by the President to make full utilization of the experience, personnel and facilities of the civil air carriers in the prosecution of the war. In carrying out the directive, the War Department, on behalf of this Command has entered into contracts with the airlines to render certain contract cargo services utilizing Government-owned transport type aircraft. In addition, the services of the carriers have been employed in training military flight and ground personnel in the operation of cargo type aircraft. It is not presently planned that any additional aircraft will be assigned to the civil air carriers, but to require militarization of these services would prejudice the successful operation of military transport services, and disrupt the commercial services of these carriers within the United States. Perhaps more important, it would fail to achieve a complete utilization of the services and experience of trained operating and maintenance personnel on some of our most critical routes.

8. It is recommended, therefore, that every effort be made to retain the permission heretofore granted by the Canadians to conduct these contract services, and that any action with respect to militarization be deferred indefinitely.

C. R. SMITH
Brigadier-General

1234.

DEA/72-FX-40

*Le secrétaire, le Comité interministériel sur la politique
du transport aérien, au deuxième secrétaire¹⁹⁶*

*Secretary, Interdepartmental Committee on Air
Transport Policy, to Second Secretary¹⁹⁶*

Ottawa, April 7, 1943

The answer re Northwest Airlines meets a number of the specific Canadian complaints. It would probably be impossible, however, to get a satisfactory answer on what is apparently the most serious problem, namely, the general spirit and attitude of N.W.A. They may comply with the letter of the law while still fostering the impression, particularly in the U.S., that they are in the North-west Canadian area permanently. The U.S. reply, incidentally, does not comment upon N.W.A.'s publicity policy in the U.S.

I notice that the communication sent by Mr. Hunter (President of N.W.A.) is dated March 26th in the dossier. The *Vancouver Province* on March 27th carried a story that Mr. Hunter had announced that initial steps had been taken to establish an all-American commercial air route from Seattle to Alaska and thence to the Orient. This is the very type of thing that the Canadians have found troublesome.

I am inclined to think that the matter should be explored further before dropping it. I don't know that the explanations regarding harmonious relations with our Selective Service office in Edmonton are entirely adequate. As you know, these regional offices have not done a particularly good job and, while the Americans may put the blame for wage difficulties on failure of the Department of Labour to give a decision, nevertheless that does not solve the difficulty.

Would it be a good idea to send or show copies of the U.S. reply to Transport, Labour, T.C.A. and possibly Canadian Pacific Airlines, and obtain their specific comments?

J. R. BALDWIN

1235.

DEA/72-FX-40

*Mémoire du deuxième secrétaire au sous-secrétaire d'État
aux Affaires extérieures*

*Memorandum from Second Secretary to Under-Secretary of State
for External Affairs*

Ottawa, May 11, 1943

OPERATIONS OF NORTHWEST AIRLINES IN CANADA

On April 23rd we sent to the Departments of Transport, [National Defence for] Air and Labour and to C.P.A. and T.C.A. and the Legation in Washington

¹⁹⁶ E. Reid.

the memorandum of March 30, 1943, to Mr. Keenleyside from the Senior United States Army Member of the P.J.B.D., on the subject of the operations of Northwest Airlines in Canada. Replies have now been received from Air (letter of April 30th)[†], from Transport (letter of May 7)[†], and from Canadian Pacific Airlines (letter of May 8)[†].

There was a letter from Labour[†] which seems to be omitted from the file, but in any event it does not add much to our knowledge of the question.

I hope you will be able to find time to read the letters from Air, Transport and C.P.A., since the information given in them bears on the whole problem of demilitarization [*sic*] of United States lines in Canada, which we asked for in our memorandum to the United States Legation of March 16th proposing a reciprocal agreement with the United States on military and semi-military aircraft.

Air repeats the arguments which they put forward in their letter of March 4th[†] that militarization would not be in the interests of the general war effort. Transport states that while there has been little trouble with any United States operations except Northwest Airlines and that while the attitude of this company has in the past given Transport a good deal of concern, the Department has had no cause of complaint during the last few months. However, the harm done by the overbearing attitude in the early period of the operations remains and however well they may behave in the future it will be difficult to dispel the original impression. C.P.A. agrees that Northwest Airlines has changed its tactics since the early days of their flight into Canada. They add, however, that they would have yet to change their advertising practice in Edmonton; that on April 28th, C.P.A. made a check of their telephone answering service and found that it is still answered "Northwest Airlines"; moreover, all purchases are still made under the name of Northwest Airlines. C.P.A. also states that it is a fact that when Government House at Edmonton was leased, all the newspaper announcements were to the effect that Northwest Airlines were establishing themselves in Edmonton. C.P.A. draws our attention to the fact that while Northwest Airlines may not have been carrying passengers for hire, they believe that they carried a considerable number of Canadians southbound at a time when Canadian carriers had available space.

It seems to me that on this last point C.P.A. has a case. The military contract services are supposed to supplement the already existing civilian service and if the civilian service has space available it should be used for civilians; otherwise what would happen is that C.P.A. would carry passengers north since the freight traffic is heaviest going north and would have to come back from the north with empty or partly empty craft.

E. R[EID]

1236.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, July 15, 1943

AIR TRANSPORT CONTROL IN THE NORTHWEST

1. THE SECRETARY submitted a report of the Interdepartmental Committee on Air Transport, copies of which had been circulated.

The report contained the following recommendations regarding control of air transport in Northwestern Canada for the period of hostilities:

1. That, in order that military control may be exercised over air transport in the whole area, the Yukon Territory and those portions of Alberta and the Northwest Territories through which the Northwest Staging Route passes, be declared a prohibited area under The Defence Air Regulations, 1942.

2. That, in the area served by the Northwest Staging Route, including Vancouver — Fort St. John, responsibility for the control of Canadian air transport be delegated to the Royal Canadian Air Force.

3. That the R.C.A.F. give consideration to the extension of their air transport operations in Northwest Canada and to Alaska.

4. That allocation of traffic, assignment of priorities, and integration of services as between R.C.A.F. air transport and Canadian civil operators should be accomplished through the medium of an R.C.A.F. air transport control unit, which would maintain liaison with the Department of Transport and the Post Office Department on all matters affecting civil air operation.

5. That air transportation to meet the essential needs of the local inhabitants be maintained.

6. That priority be given at all times to the regular conveying of His Majesty's mails.

(Interdepartmental Committee's report, July 8, 1943 — C.W.C. document 560)[†].

2. THE MINISTER OF NATIONAL DEFENCE FOR AIR stated that the implementing of the recommendations of the Interdepartmental Committee had been examined in detail by the Air Staff. The R.C.A.F. were prepared to undertake the additional responsibilities involved.

(Memorandum C.A.S. to the Minister, July 15, 1943)[†].

3. MR. HEENEY drew attention to the reference in the Interdepartmental Committee's report to the possibility of arranging with Trans-Canada Air Lines to undertake any air transport work between Canada and Alaskan territory which the Air Force did not undertake themselves.

4. THE WAR COMMITTEE, after discussion approved the recommendations of the Interdepartmental Committee's report.

1237.

DEA/72-SH-40

*Mémorandum de l'ambassade des États-Unis
au ministère des Affaires extérieures*

*Memorandum from Embassy of United States
to Department of External Affairs*

Ottawa, November 24, 1943

Receipt is acknowledged of the memorandum, dated March 16, 1943 from the Department of External Affairs to the United States Legation at Ottawa, proposing an overall agreement concerning the operation over the territory of Canada and of the United States of air services by or on behalf of the Armed Forces of the United States or the Royal Canadian Air Force. The Canadian draft of the proposed overall agreement contained in the aforementioned memorandum has been considered by the War and Navy Departments of the United States. The suggestions of these Departments have been incorporated in a revised draft of this overall agreement, which is submitted herewith for your consideration. Some of the suggested changes contained in the revised draft are discussed briefly in the following paragraphs.

Paragraphs I and II of the revised draft are a consolidation respectively of Paragraphs I and IV and II and V of the Canadian draft. It is believed this suggested consolidation of the separate provisions in the Canadian draft dealing with the air services operated respectively by military and civilian personnel will not only result in reducing the length of the agreement but also is more consistent with the established policy of the War and Navy Departments to treat these air services as together constituting the integrated and unified air transport and ferry services of the United States Armed Forces and to recognize, insofar as possible, no distinction between the air services operated by civilian and military personnel.

Paragraphs I and II, as well as Paragraph VIII, of the revised draft contain language limiting the application of the proposed overall agreement to aircraft operated in air transport and ferry services. This limitation appears to be in accord with the intent of the Canadian draft, the title of which speaks of "air services" operated by or on behalf of the Armed Forces of the United States and Canada. Moreover, in the opinion of the War and Navy Departments of the United States, it would be impractical because of the unique problems involved in the tactical movement of combat aircraft to attempt to include provisions relating to these tactical movements within the scope of an agreement primarily concerned with air transport and ferry services. The tactical movements of combat aircraft are considered adequately provided for in existing arrangements arrived at in the Permanent Joint Board on Defence Canada-United States.

Paragraphs III and IV of the revised draft contain the substance of Paragraph III of the Canadian draft, and also of sub-paragraph 5 of Paragraph IV thereof, except that before establishing routes additional to those listed in the appended Confidential Memorandum or causing any contract operator to fly over routes

other than the routes which they are authorized to fly and which are listed in said Confidential Memorandum, advance approval of the Government of Canada or the United States, as the case may be, must be obtained. In addition, Paragraphs III and IV of the revised draft provide a similar procedure for obtaining approval of the respective governments in the event it should become necessary to cause any new contract operator not now listed in the Confidential Memorandum to operate air services either over the territory of Canada or the United States.

Paragraphs V and VI of the revised draft contain the substance of sub-paragraphs 3 of Paragraphs IV and V of the Canadian draft. In addition, it is provided in Paragraph V and VI of the revised draft that the aircraft and civilian personnel engaged in the operation and maintenance of these aircraft shall not bear or display any identifying markings or insignia advertising or publicizing the name of any commercial airline company. This provision is included in the revised draft as a suggested substitute for sub-paragraph 4 of Paragraph IV of the Canadian draft, which requires the Army and Navy of the United States to discontinue all military air transport and ferry services operated on their behalf by contract operators over Canadian territory within six months of the effective date of the overall agreement. The Army and the Navy consider that it is neither possible nor in the interest of the successful prosecution of the war to agree at this time to the discontinuance during the war of the air services operated by the contract operators over Canadian territory. The operation of these air services by the contract operators has enabled the Armed Forces of the United States to release many combat pilots for combat duty in war areas; and moreover, these contract operators have been required to assume important responsibilities which it would be impractical and undesirable for the Armed Forces to take over at this time. However, it is believed that the ultimate purpose of the Canadian Government underlying sub-paragraph 4 of Paragraph IV of the Canadian draft will be achieved by rendering it impossible for the contract operators to publicize their identity, and by forcing upon them the complete anonymity that goes with being an integral part of the Armed Forces of the United States.

Paragraph VII of the revised draft contains the same prohibition against the carrying of passengers, goods or mail for reward or hire that appears in Paragraphs I, II, IV and V of the Canadian draft. In addition, Paragraph VII of the revised draft provides that the traffic on these aircraft shall be limited to traffic, the transportation of which is important in furtherance of the prosecution of the war. This provision is included as a suggested substitute for the language in the Canadian draft, to wit, in Paragraphs I, II, IV and V thereof, where the specific classes of passengers, cargo and mail that may be carried are specifically defined. The military air services operated by or on behalf of the Armed Forces of the United States and Canada are operated for no purpose other than to contribute directly to the winning of the war. It would, therefore, be inconsistent with the purposes of these services to carry traffic which does not require transportation in the interests of the war. However, rather than define in the overall agreement in specific terms the traffic that may be carried, it is considered preferable to define the traffic in general terms, charging the military activities

responsible for loading the aircraft with the strict duty to adhere in their loading of the aircraft to the fundamental purpose of the services. The use of general language in this instance it is believed will eliminate the possibility of controversy involving the interpretation of the specific definitions and will also provide needed flexibility.

Paragraph VIII of the revised draft expressly provides that the overall agreement is not applicable to commercial air services conducted by a commercial airline company over a route for which it holds a certificate, license or permit issued by competent Aeronautical authorities of the respective governments.

It is believed this language is in accord with the intention of the Canadian draft and is included merely to eliminate possible future doubt. In this connection, it is desired to point out that Pan American Airways has a license or permit from the Canadian Government to operate certain commercial air services over the territory of Canada, and at the same time is operating aircraft for the Armed Forces of the United States along the same route. It is assumed that those ground personnel, and only the ground personnel, of Pan American Airways who are engaged in performing services in connection with both the commercial and military aircraft are exempted under Paragraph VIII from the provision in Paragraph V which prohibits personnel to display any identifying markings advertising the name of any commercial airline company.

Paragraph IX of the revised draft is similar to Paragraph VI of the Canadian draft, except that the enumeration of the precise documents, or parts thereof, which are superseded by the overall agreement has been eliminated, and in lieu thereof, it is provided generally that the overall agreement supersedes all previous documents which are inconsistent with the overall agreement. It is believed that general language in this instance is preferable to the specific enumeration because of the possibility of omitting from the enumeration some of the documents, or parts thereof, which relate to air transport and ferry services.

Paragraph X of the revised draft is a consolidation of Paragraphs VII, VIII, and IX of the Canadian draft.

The confidential memorandum appended to the revised draft is divided into two parts, to wit, a statement of the existing routes referred to in Paragraphs I, II, III and IV of the revised draft, and also a statement of the existing contract operators together with the routes they are authorized to operate, also referred to in Paragraphs III and IV of the revised draft.

PROPOSED AGREEMENT UNITED STATES-CANADA

I

Subject to such conditions as may from time to time be agreed upon between the Armed Forces of Canada and the Armed Forces of the United States, aircraft of the United States Armed Forces engaged in air transport or ferry services (including aircraft being delivered to third countries) whether operated and maintained directly by military personnel or by American civilian personnel under contract to the United States Armed Forces, may, during the present war, fly into, through and away from Canada and may use all airway facilities including landing fields, meteorological services, radio ranges and radio com-

munications which are available to aircraft of the Royal Canadian Air Force in Canada, and, subject to the concurrence of the Government of Newfoundland, all similar airway facilities operated by Canada in Newfoundland territory, along the routes which they are now flying and which are set forth in the attached confidential memorandum.

II

Subject to such conditions as may from time to time be agreed upon between the Armed Forces of Canada and the Armed Forces of the United States, aircraft of the Royal Canadian Air Force, engaged in air transport or ferry services (including aircraft being delivered to third countries) whether operated and maintained directly by military personnel or by Canadian civilian personnel under contract to the Royal Canadian Air Force, may, during the present war, fly into, through and away from the United States, including Alaska, and may use all airway facilities including landing fields, meteorological services, radio ranges and radio communications, which are available to aircraft of the United States Armed Forces in the United States, including Alaska, and subject to the concurrence of the Government of Newfoundland, all similar airway facilities operated by the United States in Newfoundland territory, along the routes which they are now flying and which are set forth in the attached confidential memorandum.

III

The Armed Forces of the United States will not establish over Canadian territory regular flying routes for air transport or ferry services additional to those which are now being used for such purposes by aircraft of the United States Armed Forces and which are set forth in the attached confidential memorandum without first having sought and obtained the approval of the Government of Canada.

Except in an emergency not extending for a period longer than 60 days, the Armed Forces of the United States will not cause any civilian contractors additional to the contractors listed in the attached memorandum to operate air transport services over Canadian territory nor will it cause the contractors listed in said memorandum to operate services over routes other than as indicated therein, without first having sought and obtained the approval of the Government of Canada.

IV

The Royal Canadian Air Force will not establish over the territory of the United States, including Alaska, regular flying routes for air transport or ferry services additional to those which are now being used for such purposes by aircraft of the Royal Canadian Air Force, and which are set forth in the attached confidential memorandum, without first having sought and obtained the approval of the Government of the United States.

Except in an emergency not extending for a period longer than 60 days, the Armed Forces of Canada will not cause any civilian contractors additional to the contractors listed in the attached memorandum to operate air transport services over United States territory including Alaska nor will it cause the

contractors listed in said memorandum to operate services over routes other than as indicated therein, without first having sought and obtained the approval of the Government of the United States.

V

Aircraft operated on behalf of the United States Armed Forces by American civilian personnel under contract with the United States Armed Forces over routes in Canada shall conform in all respects with such regulations governing traffic control, routing and recognition as may be applicable to aircraft operated in air transport or ferry services by military personnel of the United States Armed Forces and the Royal Canadian Air Force in Canada. Neither the aircraft nor the civilian personnel engaged in the operation or maintenance thereof shall bear or display any identifying markings or insignia advertising or publicizing the name of any commercial airline company.

VI

Aircraft operated on behalf of the Royal Canadian Air Force by Canadian civilian personnel under contract with the Royal Canadian Air Force over routes in the United States, including Alaska, shall conform in all respects with such regulations governing traffic control, routing and recognition as may be applicable to aircraft operated in air transport or ferry services by military personnel of the Royal Canadian Air Force and the United States Armed Forces in the United States, including Alaska. Neither the aircraft nor the civilian personnel engaged in the operation or maintenance thereof shall bear or display any identifying markings or insignia advertising or publicizing the name of any commercial airline company.

VII

No passengers, goods or mail shall be carried for reward or hire on any aircraft of the Armed Forces of the United States operated into, through or away from Canada pursuant to the provisions of Articles I and III of this agreement, or on any aircraft of the Armed Forces of Canada operated into, through or away from the United States, including Alaska, pursuant to the provisions of Articles II and IV of this agreement. The traffic of the aircraft referred to in this paragraph which may be carried shall be limited to passengers, goods or mail, the transportation of which is important in furtherance of the prosecution of the war.

VIII

The provisions of this agreement shall not be applicable to the tactical movement of combat type aircraft belonging to the Armed Forces of either Government, nor to any service conducted by a commercial airline company over a route for which it holds a certificate, license or permit issued by the competent aeronautical authorities of the respective Governments.

IX

Upon entry into force of this agreement, the provisions hereof shall supersede any undertakings between the Government of Canada and the Government of the United States inconsistent therewith and pertaining to this subject.

X

Notwithstanding the provisions of Articles I and II of this agreement, this agreement may be terminated at any time on six months' notice given in writing by either government to the other government. All rights acquired by either government under this agreement shall terminate for all purposes at the end of the present war. This agreement shall come into force on the day of 1943.

1238.

DEA/72-RH-40

*Mémoire du premier secrétaire au sous-secrétaire d'État
aux Affaires extérieures*

*Memorandum from First Secretary to Under-Secretary of State
for External Affairs*

[Ottawa,] December 24, 1943

PERMISSION FOR PAN AMERICAN TO FLY FROM
SEATTLE TO ALASKA OVER BRITISH COLUMBIA

On June 12, 1943, the United States Embassy requested permission for Pan American to operate over Canadian territory between Seattle and Juneau for the duration of hostilities.

2. From September 1940 to May 1942 Pan American had permission to operate on this route in emergencies when their normal coastal route was unsafe, but in actual fact they have been using the overland route for the majority of their scheduled flights. They have finally admitted this in a letter to the State Department¹, repeated to us by the United States Embassy. Since May 1942 Pan American has been gaily flying over British Columbia without any vestige of permission from the Canadian authorities.

3. The attached draft note to the United States Embassy, prepared by Mr. Reid, takes the line that the time has come to settle the vexed question of getting a Canadian airline into Alaska and that we will grant Pan American's request only if the United States authorities will allow Trans-Canada Air Lines to fly from Whitehorse to Fairbanks.

4. I am in favour of being reasonably tough at this stage if we are clear that:

(1) We have the equipment or we can get it. To ask for a route which we are unable to fly could prove embarrassing.

(2) We can put forward an application to TCA without getting into difficulties. If they are prepared to fly the route themselves well and good, but if they were intending to turn their rights over to Canadian Pacific Airlines, the Civil Aeronautics Board in Washington might refuse to play on grounds of subterfuge. I should like the views of Transport and T.C.A. who have had experience in pushing an application through the Civil Aeronautics Board.

(3) We are ready to conduct a vigorous public controversy in the event that our request is refused and we terminate Pan American's present unauthorized flights. There will be an inspired howl in the United States about our putting an

end to a service vital to the defence of the United States and Canada and we must be prepared to argue that the proposed Canadian service to Alaska is just as vital to continental defence as the Pan American service. Reliance on arguments about commercial reciprocity will not get us far.

5. If you agree, the attached draft could be circulated to members of the Air Transport Committee before the next meeting on December 29 and the points listed above can be raised orally at the meeting. Unfortunately Mr. Symington is unable to be present and we should submit the draft note to him for his comments.¹⁹⁷

R. M[ACDONNELL]

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note du secrétaire d'État aux Affaires extérieures
à l'ambassadeur des États-Unis*¹⁹⁸

*Draft Note from Secretary of State for External Affairs
to Ambassador of United States*¹⁹⁸

Sir,

I have the honour to refer to your note No. 909 of June 12[†] requesting the Canadian government to authorize Pan-American Airways System on its service between Seattle (Washington) and Juneau (Alaska) to operate over British Columbia for the duration of the present hostilities. You add that such authorization would in no way commit the Canadian government with respect to post-war commercial aviation policy. In the letter of May 28, 1943[†], which you enclosed from Pan-American Airways to the Department of Transport of Canada, Pan-American Airways stated that they requested permission on the same terms and conditions on which the temporary permission was first granted by Canada in a letter of September 18, 1940 from the Department of Transport to Pan-American Airways. This letter gave the permission for the use of "an emergency overland route to Alaska" via Prince George and Dease Lake. The permission, which was renewed on October 17, 1941, was of a "temporary nature" being limited to a period of six months; it was subject to cancellation any time on sixty days' notice and allowed "planes normally operating on a coastal route to deviate from that route when weather conditions render it unsafe". Aircraft using the emergency route over British Columbia were to fly via Prince George and Dease Lake and were not to land en route except in case of emergency or for refuelling.

¹⁹⁷ Les notes suivantes étaient écrites sur ce memorandum:

I agree on the understanding that paragraph 5 is carried out before anything else is done — and the policy decided in the light of results there. H. L. K[EENLEYSIDE]

Agreed. N. A. R[OBERTSON]

Copy of my memo and E. R[eid]'s draft given to Mr. Baldwin for circulation to Committee. R. M[ACDONNELL]

¹⁹⁸ Dans le projet de note envoyé à J.R. Baldwin le 28 décembre, le paragraphe 3 fut éliminé et les modifications signalées dans les deux notes suivantes furent apportées.

¹⁹⁷ The following notes were written on the memorandum:

¹⁹⁸ In the draft note sent to J.R. Baldwin on December 28, paragraph 3 was removed and the modifications indicated in the following two footnotes were made.

2. The permission now requested by Pan-American Airways differs in two important respects from the permission requested in 1940 and 1941. Pan-American no longer operates "normally" on the coastal route but operates more frequently on the inland route through British Columbia than on the coastal route. Permission is desired not for a period of six months but for the duration of the present hostilities.

3. The United States Government has requested the Canadian Government to grant the application of Pan American Airways. In transmitting the request of your Government you have added that the granting of this application would in no way commit the Canadian Government with respect to post-war commercial aviation policy.

4. This would appear to be a convenient occasion on which to review some of the past discussions between our two governments on the subject of air services over Canada to Alaska and between Canada and Alaska.

5. Under the arrangement of August 18, 1939, relating to air transport services, Canada and the United States agreed to grant to air carrier enterprises of the other state permits for non-stop services through the air space over its territory between two points within the territory of the other state, "provided however that inland non-stop services between the United States and Alaska shall be the subject of a separate understanding". That separate understanding has never been concluded.

6. The air transport arrangement of 1939 contained an acceptance by both governments of the principle of reciprocity in the granting of rights to operate international services between Canada and the United States, including Alaska. It went on to provide that "the details of the application of the principle of reciprocity contained herein shall be the subject of amicable adjustment between the competent aeronautical authorities" of Canada and the United States. The adjustment, however, which was embodied in the supplementary air transport arrangement of 1940, which was renewed on March 4, 1943, did not cover the allocation of air transport routes and services to Alaska. These were "reserved for future consideration".

7. For the past nine years, Pan-American Airways has been operating a scheduled air transport service between Juneau, Whitehorse and Fairbanks. For the past three years, Pan-American Airways has been flying over British Columbia en route from Seattle to Juneau and has been stopping at Prince George for refuelling. No Canadian air carrier has up to the present time operated a regular air transport service to Alaska. Thus the principle of reciprocity set forth in the 1939 agreement has not been made operative so far as Canada-Alaska services are concerned.

8. In the opinion of the Canadian government the time has now come when the principle should become operative. The Canadian government therefore requests permission for Trans-Canada Airlines to establish a regular air transport service between Whitehorse and Fairbanks for the period¹⁹⁹ of the present hostilities.

¹⁹⁹ Le mot "period" fut remplacé par "duration".

¹⁹⁹ The word "period" was replaced by "duration".

9. In return for this permission, the Canadian government will be glad to undertake (a) to continue in effect for the duration of the present hostilities²⁰⁰ the annual permit which Pan-American now holds to operate between Fairbanks, Whitehorse and Juneau and (b) to permit Pan-American Airways to operate over British Columbia and to stop at Prince George for refueling while on route between Seattle and Juneau.

PARTIE 5/PART 5
LA FRONTIÈRE, LA SOUVERAINETÉ
ET LES VOIES NAVIGABLES
THE BOUNDARY, SOVEREIGNTY
AND WATERWAYS

SECTION A
EAUX CÔTIÈRES
COASTAL WATERS

1239.

DEA/10471-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa], January 14, 1942

BOUNDARY QUESTIONS AFFECTING CANADIAN WATERS
IN THE WEST AND NORTH-WEST

1. More than a year ago the United States Minister made an informal approach to the Department submitting proposals for the settlement of long-standing questions relating to the delimitation of water boundaries in the Arctic and Pacific.
2. The first question concerns the extension of the Yukon-Alaskan boundary from the low water mark to the high seas. The attached plan, Appendix B²⁰¹, clearly indicates the United States proposal, and the Canadian counter-proposal is indicated by red pencil.
3. The second question concerns the extension of the international boundary line in Juan de Fuca Strait from Turning Point 12 (midway between Tatoosh Island Lighthouse and Bonilla Point) and the high seas. This proposal, which is acceptable to all of the Canadian Government Departments concerned, is indicated on the attached map, Appendix C.²⁰¹
4. The third question concerns the Line A B and Dixon Entrance. It is illustrated by the attached map, Appendix D.²⁰¹ The United States proposal is to

²⁰⁰ Les mots "for the duration of the present hostilities" furent placés après "undertake".

²⁰⁰ The words "for the duration of the present hostilities" were placed after "undertake".

²⁰¹ Voir garde de queue.

²⁰¹ See back end-paper.

continue the international boundary line from the end of the Portland Canal as indicated on the map B D F. The rest of Dixon Entrance would be subjected to condominium.

A suggested proposal [. . .] is indicated by the line marked with blue pencil extending F X Y Z.²⁰² This would treat Dixon Entrance as territorial dividing it between the two countries by this line. Each country would have complete rights over the whole of the area thus delimited, subject, however, to the recognition of exclusive territorial rights within a three-mile limit. The three-mile limit is indicated on the chart.

There has been a controversy between Canada and the United States for thirty-eight years as to the effect of the Alaskan boundary award in this area. The Interdepartmental Committee, which has been studying this problem with a view to presentation of the facts to the interested Ministers, has, for the first time, reached a possible solution [. . .] which would almost certainly be acceptable to the United States Government.

5. This is a very long and complicated problem, and it was thought that there was no likelihood of the Cabinet, generally, being able to devote the time to its solution which would be justified by its importance.

6. The Minister who is primarily interested is Mr. Crerar, but Mr. Macdonald also has a very important interest by reason of the effect of the solution of this problem upon naval defence. Further, Mr. Mackenzie, by reason of his knowledge of the situation in British Columbia, is deeply concerned with a large part of this problem.

7. It was thought that this Committee, which includes representatives from Fisheries, Mines and Resources (Hydrographic Service, Boundary Commission and Administration of the Northwest Territories), Justice, Naval Services, and External Affairs, might be authorized to carry on the negotiations with Mr. Moffat (and other representatives who would be sent up from Washington). This Committee, through its Chairman, would need to be in consultation with the Ministers from time to time.

It was thought that possibly the Committee might be authorized to go ahead consulting Mr. Crerar, Mr. Macdonald and Mr. Mackenzie from time to time.

8. Upon the settlement of an accepted draft in the course of negotiation, the matter would then, of course, be submitted to Council for approval.

N. A. R[OBERTSON]

²⁰² Voir garde de queue, Appendice D.

²⁰² See back end-paper, Appendix D.

1240.

DEA/10471-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa], January 20, 1942

The United States Minister asked me again yesterday when we were likely to be able to comment on their proposals for settling the outstanding questions relating to the [de]limitation of water boundaries in the Arctic and Pacific. The one urgent question is the demarcation of the boundary waters of Dixon Entrance, the passage between the Queen Charlotte Islands and Prince of Wales Island. It appears that the Americans are anxious for a definitive agreement so that they can proceed with the preparation of their naval charts of these waters. The issues involved are intricate and not desperately important. I gather our technical people and the Americans' advisers are very close to agreement. What is needed now is your approval of our Interdepartmental Committee on the question [of] proceeding with discussions with the United States Minister under the direction of Messrs. Crerar, Macdonald and Mackenzie, the Ministers most interested in the question.²⁰³

N. A. R[OBERTSON]

1241.

DEA/10471-40

*Le ministre des Pensions et de la Santé nationale
au conseiller juridique*

Minister of Pensions and National Health to Legal Adviser

CONFIDENTIAL

Ottawa, January 28, 1942

Dear Mr. Read,

Further to my letter of December 18th¹, I discussed the matter of the British Columbia-Alaska Boundary confidentially with Mr. Hart²⁰⁴ and Mr. Maitland when they were here, and I enclose a copy of Mr. Maitland's submission which, of course, has been given no publicity.

²⁰³ La note suivante était écrite sur ce mémorandum:

²⁰³ The following note was written on the memorandum:

I approve. W. L. M[ACKENZIE] K[ING].

²⁰⁴ Premier ministre de Colombie Britannique.

²⁰⁴ Premier of British Columbia.

I do strongly urge that the viewpoint of British Columbia should be carefully considered before any settlement is arrived at.

Yours very truly,

IAN MACKENZIE

[PIÈCE JOINTE/ENCLOSURE]

*Le procureur général de la Colombie britannique au ministre
des Pensions et de la Santé nationale*

*Attorney General of British Columbia to Minister
of Pensions and National Health*

Victoria, January 20, 1942

Dear Mr. Mackenzie,

RE: BRITISH COLUMBIA-ALASKA BOUNDARY

This is a matter of grave importance to the province of British Columbia, and one which cannot be settled without full representation being made so that there can be no question about the public in British Columbia and in Canada being aware of the negotiations.

The proposal is one of great seriousness to this province, because it is detrimental to our present fishing rights, it changes the boundary line already settled between the two countries, and it also proposes to change the boundary of the Pacific Ocean, which I think is an international question and could not be settled without consulting the British Parliament at least.

I will deal with the articles mentioned in the memorandum[†] forwarded to us by you, and the proposed settlements.

ARTICLE 4

The present Boundary is clearly and definitely settled by the Treaty between Great Britain and Russia (1825)²⁰⁵ fixing the boundary line between their Dominions along the 141st meridian to the frozen ocean. If it is desirable to extend the boundary into territorial waters, the prolongation along the meridian would appear to be the equitable method. The new proposal, however, causes this line to veer to the east with an initial bearing of 24 degrees to the east from the northern terminus of 141st meridian boundary on the coast at low tide to the high seas. This new line gives added territorial waters to the United States, and it is hard to see what reason there is for such a concession.

ARTICLE 2,

Article two of the proposal of the United States raises a very important and difficult question. The Treaty of 1825 laid down a boundary beginning at the southernmost point of Prince of Wales Island (now settled as being Cape Muzon), thence northerly to Portland Channel, and up that Channel to 56

²⁰⁵ Voir *British and Foreign State Papers, 1824-1825*. London: James Ridgway and Sons, 1846, pp. 38-43.

²⁰⁵ See *British and Foreign State Papers, 1824-1825*. London: James Ridgway and Sons, 1846, pp. 38-43.

degrees north latitude, and thence by a vague line not more than 10 marine leagues from the coast to 141st meridian.

After many years of fruitless discussion the boundary was settled in 1903 by the Award of the Alaskan Boundary Tribunal.²⁰⁶ The maps accompanying that decision show the line as beginning at Cape Muzon (Point A) and thence running due east, to the entrance of Portland Channel (Point B). (See Appendix "D"). It is clear that this boundary has already been definitely settled. The United States seeks by its proposal to widen that three-mile strip to the middle of Dixon Entrance all the way from North (Langara) Island to Rover Point, whence it would be deflected north-easterly and later south-easterly to the Point D, and thence to Point B at the entrance of Portland Channel. This proposition seems to boil down to the making of a new boundary line and certainly gives the rights to fish to the United States at our expense. At present the situation is that the nationals of each country have (*inter alia*) the exclusive rights of fishing within their strips of territorial water and the right of frequenting, in common, the intervening stretch of Dixon Entrance to fish therein. The American proposal would shut our fishermen out from the portion of Dixon Entrance lying between the medial line and the three-mile strip along the Alaskan Coast — a piece of water they have now in common with American fishermen the right to fish.

It is a very serious proposition from the standpoint of British Columbia. The waters of Dixon Entrance are at present territorial waters of Canada under the Award of the Alaskan Boundary Tribunal, which set the southern boundary of the Alaskan waters as hereinbefore mentioned. It would shut off considerable area which is now Canadian, and in which the Canadian citizens have the exclusive right to fish. This is important from the standpoint of British Columbia fishermen in that it is fished for salmon by Canadian trawlers and gill-net fishermen. The area in Dixon Entrance which it is proposed should become American waters is fished very extensively and is one of the most prolific areas for the Canadian whaling fleet. A change in the boundary as suggested in the American note would certainly deprive Canadian fishermen of a considerable area of water which they are now privileged to utilize in their calling.

ARTICLE 3

Article three seems to be an attempt to divide between Canada and the United States a part of the Pacific Ocean lying beyond the territorial waters of either. The line from Tatoosh Island to Bonilla Point marks the end of the Straits of Juan de Fuca and the waters to the west thereof are a part of the Pacific Ocean — in other words, a part of the highways of the world. Such an extension of boundary, or to put it the other way, reduction of the Pacific Ocean, would seem to be beyond the jurisdiction of either party inasmuch as it is an international highway.

²⁰⁶ Voir Canada, *Treaties and Agreements Affecting Canada in Force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925*. Ottawa: Imprimeur du Roi, 1927, pp. 153-4.

²⁰⁶ See Canada, *Treaties and Agreements Affecting Canada in Force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925*. Ottawa: King's Printer, 1927, pp. 153-4.

It is obvious, of course, that the British authorities should be consulted in any such proposal.

Assuming that the proposed area is chopping off the Pacific Ocean or a line was drawn which would include a great deal more of what is now the Pacific Ocean and is free as a world highway, what would the result be if a Canadian fished in what the United States claimed as their part of the Ocean under this agreement, or if an American fished in what we claim to be our part of the Pacific Ocean under the agreement? The defence would undoubtedly be that the party was fishing on the high seas. I point this out as one of the complications that would follow.

Something has been said about Hecate Strait and our claim that it is part of the territorial waters of Canada. It differs from the Dixon Entrance in that Canada owns the land on both sides, but the United States disputes the position that Hecate Strait is territorial water of Canada. It is, of course, possible that the American request for a new boundary line along the middle of Dixon Entrance might be used as bargaining agency to obtain recognition of the territorial nature of Hecate Strait. No such suggestion is made in the American proposal.

It is hard to understand why a new boundary line should be thought of. Each country has its clear rights as the matter now stands, and a new boundary, instead of clarifying what is now clear, might raise new and troublesome issues.

As far as British Columbia is concerned, any attempt to make an agreement along the lines proposed in these documents, other than by a tribunal set up to hear the matter, would lead to a very serious situation as far as this Pacific Ocean Province is concerned. Considering the proposal advanced by the United States, and looking at the maps involved in these proposals, not one of them gives any advantage to Canada, but they do give great advantage to the United States.

If the matter is pursued any further, then it is submitted that British Columbia be represented, and that full representation must be made to a tribunal appointed and sitting for this purpose.

It is not possible that such a momentous decision can be arrived at between the governments of Canada and the United States without the procedure I have just mentioned being followed.

I might add that this is not a matter which should be brought up at all when the fullest harmony and support must exist between both countries if we are going to obtain the utmost war effort.

Yours very truly,

R. L. MAITLAND

1242.

DEA/10471-40

*Mémoire du conseiller juridique au sous-secrétaire d'État
aux Affaires extérieures*

*Memorandum from Legal Adviser to Under-Secretary of State
for External Affairs*

[Ottawa], January 30, 1942

INTERNATIONAL WATERS IN THE PACIFIC AND ARCTIC

1. The Minister of Pensions and National Health, Mr. Mackenzie, gave a copy of the memorandum which had been prepared by the Interdepartmental Committee¹, to Mr. Hart, who brought it to the attention of Mr. Maitland, Attorney General for British Columbia.

2. I am enclosing a copy of a letter from Mr. Maitland, dated January 20, 1942, which Mr. Mackenzie has brought to my attention.

3. This raises a new aspect to the question. On the other hand, it seems to me that it emphasizes the point that our Committee, which was a Committee of civil servants, should be authorized to consult the primarily responsible Ministers, unless, of course, Council is prepared to give consideration to the whole problem.

4. On the merits of this aspect of the question, I must admit that I am very much puzzled. If the situation had existed in the East, we would not have consulted the Nova Scotian, Prince Edward Island or Quebec Governments. If they had intervened, I think that the Government would have pointed out to Mr. MacMillan, Mr. Campbell, Mr. McNair or Mr. Godbout²⁰⁷ that this was a Dominion matter with no provincial aspects to the problem. The question would be considered by Messrs. Ilsley, Ralston, Michaud and Power as the Ministers directly concerned with the four provinces in question as well as by the two Ministers who have a substantial interest.

5. There is another aspect of the question, namely, that I feel certain that the Eastern attorneys general would have refrained from intervention.

6. As a matter of fact, we have, during the last five years, dealt with much more important problems touching on four of the provinces on the Eastern coast. We have settled all the problems relating to the St. Lawrence estuary, all the questions relating to the Bay of Fundy, Nova Scotian coast, Northumberland Strait and the Gulf of St. Lawrence. The settlements have been given a very wide publicity and no question has been raised.

7. It seems to me that the most practical course would be to invite Mr. Maitland, who is a very reasonable man, to discuss this matter. It would not be worth his while for him to make a trip for this purpose. It would not be worth-while for him to have a discussion with any of the Ministers unless they understood the

²⁰⁷ Les premiers ministres de Nouvelle Écosse, de l'Île du Prince Édouard, du Nouveau-Brunswick et du Québec.

²⁰⁷ Prime Ministers of Nova Scotia, Prince Edward Island, New Brunswick and Quebec.

questions involved. I should like to know whether you think that I should write him a letter (he is a very old friend of mine) suggesting that he come in and discuss this problem on the next occasion when he is in Ottawa. I think he will almost certainly be East for the winter meeting of the Canadian Bar Association next month.

8. Mr. Maitland's letter is a very intelligent criticism of the entire proposal made by the Interdepartmental Committee. There is no point in it, however, which cannot fully be explained, and I do not believe that there is any point that Mr. Maitland would be inclined to maintain if he knew all the facts.

1243.

DEA/10471-40

Le conseiller juridique au ministre des Mines et des Ressources
Legal Adviser to Minister of Mines and Resources

Ottawa, June 30, 1942

Dear Mr. Crerar,

May I refer to my letter of February 9, 1942^t, with regard to the report^t of an Interdepartmental Committee which had been studying certain questions affecting the boundary between Canada and the United States in the Western Arctic and on the Pacific.

In the meantime, with your concurrence and with that of the other interested Ministers, I had a discussion with Mr. Maitland, the Attorney General of British Columbia. I explained all of the points to which he took exception and he intimated that he would discuss them with Mr. Hart. I had thought that I might receive more definite word from Mr. Maitland, but it looks as if his interest in the matter has subsided.

Even after a discussion of the matter, Mr. Maitland was not favourably inclined to the proposed disposition of the Dixon Entrance and Fuca Strait questions. On the other hand, I think that it would be fair to say that his active opposition had abated. Further, I think that I succeeded in convincing him that it was a matter in which the province had no concern, and he was impressed with the fact that we had disposed of much more important questions affecting Quebec, Nova Scotia, New Brunswick, and Prince Edward Island without consulting any of the Eastern Provinces.

The question as to whether we should now go ahead with negotiations with the United States is a matter that needs to be determined by the Ministers of Mines and Resources, Pensions and National Health, and Naval Services. The United States Government is pressing this Department very hard indeed. On the other hand, the discussions with Mr. Maitland indicated a possibility, or even a probability, that the people in British Columbia would treat this matter as a subject for newspaper controversy and possibly even for political debate.

In any event, before proceeding with negotiations, I think that it would be desirable that we should have a chance to discuss and explain the memorandum with you and your colleagues. It would not be practicable to deal with these

NON CIRCULATING /

matters in negotiations unless we had some indication to the effect that they met with your approval.

I should be grateful, therefore, if you would let me have your instructions with regard to these matters. I am sending a copy of this letter to the Minister of Pensions and National Health and the Minister of National Defence for Naval Services for their information.

Yours sincerely,

J. E. READ

1244.

DEA/10471-40

*Le ministre des Pensions et de la Santé nationale
au conseiller juridique*

Minister of Pensions and National Health to Legal Adviser

Ottawa, July 13, 1942

Dear Doctor Read,

Herewith copy of a letter received from the Honourable Mr. Maitland with reference to boundary adjustments between Canada and the United States.

Yours sincerely,

IAN MACKENZIE

[PIÈCE JOINTE/ENCLOSURE]

*Le procureur général de la Colombie britannique au ministre
des Pensions et de la Santé nationale*

*Attorney General of British Columbia to Minister
of Pensions and National Health*

Victoria, July 8, 1942

Dear Mr. Mackenzie,

RE: B.C.-ALASKA BOUNDARIES

I beg to acknowledge receipt of your telegram of July 1st, as follows:

"After your discussion with John Read reference boundary adjustments does Provincial Government still object to continuance negotiations?"

and confirm my reply as follows:

"Re boundaries Government of British Columbia strongly objects to continuance of negotiations during war period."

In view of the objections made by our Government I presume that negotiations will not be continued.

Yours very truly,

R. L. MAITLAND

1245.

DEA/10471-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] July 14, 1942

INTERNATIONAL WATERS IN THE PACIFIC AND ARCTIC

1. It will be remembered that the United States Government had been pressing us for a long time (nearly two years indeed) to enter into negotiations to settle outstanding water boundary questions in the north-west Pacific, at Dixon Entrance and at Juan de Fuca.

2. The Dixon Entrance question has been outstanding between the two countries for nearly forty years; the other two questions are of minor importance.

3. A statement of principles¹, as a guide for negotiation, was prepared by an interdepartmental committee[. . .]. The question was submitted to Mr. Crerar, Mr. Mackenzie and Mr. Macdonald, as being the Ministers primarily interested in the questions.

4. The Attorney General of British Columbia has raised strong objections to any settlement of the question, either at Dixon Entrance or at Juan de Fuca. There is no provincial interest involved, and much more important questions were settled in the east, without consulting the governments of the three Maritime Provinces or of Quebec. The questions in the east involve the St. Lawrence Estuary, the position of the Gulf, Northumberland Strait, and the Bay of Fundy.

5. It seems to be likely that, if the Government authorizes the departments to go ahead with the negotiations with Washington, Mr. Maitland may stir up trouble in British Columbia. It also seems probable that the people in British Columbia may not take kindly to any settlement of these questions.²⁰⁸

6. The question that has to be decided is whether, in view of the position taken by the Attorney General for British Columbia, we may go ahead with this matter. The United States Government has been urging it, very strongly indeed, and regards the settlement of this question as being important from their point of view. On the other hand, it is not easy to see why the United States should be excited about the question, now that they are in the war. It is not certain that they would continue to urge immediate disposition of the question, if we let them know that very strong provincial opposition had arisen.²⁰⁹

²⁰⁸ Note marginale:

²⁰⁸ Marginal note:

Better avoid if possible.

²⁰⁹ La note suivante était écrite sur ce mémorandum:

²⁰⁹ The following note was written on the memorandum:

See if it cannot be postponed until after the war. K[ING]

1246.

DEA/10471-40

*Le secrétaire d'État aux Affaires extérieures au ministre des États-Unis**Secretary of State for External Affairs to Minister of United States*

No. 129

Ottawa, August 28, 1942

Sir,

I have the honor to refer to the correspondence and conversations concerning the remaining unsettled boundary questions between the United States and Canadian Governments. You will remember that you brought this matter to the attention of this Department in October of 1940, and that the tentative views of your Government were set forth in a draft note¹ which was left for consideration. The questions dealt with were limited to the water boundaries in the western Arctic and in the Pacific.

2. These questions have been carefully examined by all of the departments of the Canadian Government which are interested. I had hoped that it would be possible to go ahead some months ago with negotiations along lines which were likely to be acceptable to both Governments. The intervention of the war in the Pacific, however, has raised certain difficulties which were not before us at the time when we first gave consideration to these questions.

3. It is thought that it would be desirable to postpone the disposition of these questions until after the end of the present war. Any effort to settle them now would give rise to a great deal of difficulty in the western part of Canada and might make it very difficult to bring about a satisfactory settlement now, which could be more easily achieved after the conclusion of hostilities.

4. I hope, therefore, that your Government, after considering these points, will agree with the conclusion which we have reached here, that it would be desirable to defer the negotiations for the time being. I hope that you will realize that, in suggesting a delay, the Canadian Government does not want your Government to think that there is any reluctance to bring about a fair and reasonable disposition of these questions.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1247.

DEA/10471-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre**Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] October 2, 1942

UNSETTLED BOUNDARY QUESTIONS IN THE
PACIFIC AND WESTERN ARCTIC WATERS

1. It will be remembered that the United States Legation was informed that, owing to war conditions, it would be necessary to postpone the discussion of the

delimitation of boundary lines in the Western Arctic, Dixon Entrance and Fuca Strait, until after the war.

2. Mr. Moffat has received instructions from his Government to say that the United States Government has noted, with great regret, the Canadian suggestion for postponement. He was instructed to call the attention of the Canadian Government to the following two points:

(1) Further delay in this matter automatically holds up the completion of the Report of the Boundary Commissioners and related maps, certain of which the United States Navy and Coast Guard Patrol authorities (and presumably also the Royal Canadian Navy) are anxious to obtain as soon as possible. In this connection the file shows that Dr. Skleton on September 6, 1940, stressed the importance of having the Customs maps on the Pacific Coast, then being prepared by the Canadian Surveyor General, conform with the views of both countries.

(2) The terms of Articles I and II of the American proposal left with Dr. Skleton on October 25, 1940,¹ were drafted with the intention, not only of settling the long-standing problem of the Line AB, but also of giving the Governments of the United States and Canada a legal basis for restricting, if and when necessary, the use, in so far as third parties are concerned, of certain waters contiguous to the coast of Alaska and British Columbia. It seems obvious to the American Government that the best possible time to reach agreement on this subject and to make public announcement of such agreement is when no interested third parties are involved as is the case at present.

3. Mr. Moffat has been instructed to express the hope of the United States Government that a full consideration of these two points will leave [lead?] the Canadian Government to reconsider its suggestion for a long-term postponement and to agree that the best interests of both countries lie in reaching a mutually satisfactory settlement as soon as possible.

4. The action in deferring the negotiations was based entirely on the fact that objections had been taken by the Attorney General of British Columbia and by the B.C. press. It is possible that the Government may wish to resume negotiations, in view of the two points raised by Mr. Moffat.²¹⁰

5. Copies of this note are being sent to Mr. Crerar, Mr. Mackenzie and Mr. Macdonald.²¹¹

²¹⁰ Note marginale:

²¹⁰ Marginal note:

Yes, by all means. K[ING];

²¹¹ La note suivante était écrite sur ce mémorandum:

²¹¹ The following note was written on the memorandum:

go ahead with. W. L. M[ACKENZIE] K[ING]

1248.

DEA/10471-40

*Projet de note du secrétaire d'État aux Affaires extérieures
au ministre des États-Unis*

*Draft Note from Secretary of State for External Affairs
to Minister of United States*

April 22, 1943

I have the honour to refer to correspondence and conversations between the officers of your Government and of the Canadian Government, concerning the remaining unsettled boundary questions on the Pacific coast, and to propose that an understanding should be reached in the following Articles:

I

Having in mind the measures being taken jointly and severally by the two Governments for the defence of the northern half of the Western Hemisphere, the Government of the United States of America and the Government of Canada agree that, should either Government hereafter declare that the doctrine of historic waters is to be applied to any part of the waters contiguous to the coasts of Alaska or British Columbia, within the various bays, straits, sounds, entrances, and inlets, such waters will continue to be open to the vessels, aircraft, nationals of the two countries; provided, however, that this arrangement shall neither impair nor augment in any way the rights which the nationals of each country now enjoy in the waters of the other country including the right to engage in the fisheries thereof.

II

It is agreed and declared that the line which is referred to as "the line marked AB"²¹² in the decision of the Alaskan Boundary Tribunal dated October 20, 1903, being a line in Dixon Entrance from Cape Muzon to the entrance to the Portland Channel, allocated all land to the north thereof to the United States of America, and all land to the south thereof to Canada.

It is further agreed to extend the boundary between Canada and the United States of America, hereinafter in this Article referred to as the boundary, as follows:

From the entrance to the Portland Channel at the Point B in latitude 54 42' 27".933 North and longitude 130 36' 50".047 West of Greenwich, by a line 4550 metres in length with an initial bearing of South 30 36' 00" West to Turning Point 1 in latitude 54 40' 21".261 and longitude 130 38' 59".287;

thence by a line 32082.45 metres in length with an initial bearing of North 83 00' 00" West to Turning Point 2 in latitude 54 42' 24".082 and longitude 131 08' 37".639;

thence by a line 63376.86 metres in length with an initial bearing of South 63 44' 55".593 West to Turning Point 3 in latitude 54 27' 06".062 and longitude 132 01' 12".289;

²¹² Voir garde de queue, appendice D.

²¹² See back end-paper, Appendix D.

thence by a line 55,324.77 metres in length with an initial bearing of North 88 41' 04".577 West to Turning Point 4 in latitude 54 27' 36".303 and longitude 132 52' 22".648;

thence by a line to the high seas at right angles to the line joining Langara Point lighthouse with Reference Monument No. 1 on Cape Muzon, with an initial bearing of North 62 14' 26".043 West.

It is further agreed that the waters of Dixon Entrance include the waters south of the line AB and north of a line drawn between the Canadian Geodetic stations Tow Hill on Graham Island and Stephens on Stephens Island; and that, for the purpose of this Agreement, the adjacent waters include the waters of Revillagigedo Channel South of the lighthouse on Mary Island; and of Clarence Strait south of Wedge Island; and of Cordova Bay south of Kaigani Point; and of Hecate Strait south of a line drawn between Tow Hill and Stephens; and the waters between a straight line from Cape Muzon and Langara Point and the high seas.

It is further agreed that the two countries may jointly, and that each of them may severally invoke the doctrine of historic waters as applicable to the waters of Dixon Entrance; and that the part of the waters of Dixon Entrance which is north of the boundary, and which is more than one marine league distant from the coast of the United States of America, will be open to the vessels, aircraft and nationals of Canada who may use and enjoy such waters upon a basis of equality with the vessels, aircraft and nationals of the United States of America; and that the part of the waters of Dixon Entrance which is south of the boundary and which is more than one marine league distant from the coast of Canada will be open to the vessels, aircraft and nationals of the United States of America, who may use and enjoy such waters upon a basis of equality with the vessels, aircraft and nationals of Canada.

It is further agreed that the parts of the adjacent waters which are north of the line AB, and which are more than one marine league distant from the coast of the United States of America, will be open to the vessels, aircraft, and nationals of Canada who may use and enjoy such waters on a basis of equality with the vessels, aircraft and nationals of the United States of America; and that the parts of the adjacent waters which are south of the line drawn between Tow Hill and Stephens and which are more than one marine league distant from the coast of Canada, will be open to the vessels, aircraft and nationals of the United States of America, who may use and enjoy such waters upon a basis of equality with the vessels, aircraft and nationals of Canada; and that the adjacent waters which are between a straight line from Cape Muzon and Langara Point and the high seas will be open to the vessels, aircraft and nationals of both countries on a basis of equality.

III

It is agreed and declared that the waters of the strait of Juan de Fuca to the east of the line from Tatoosh Island lighthouse to Bonilla Point are national or inland waters of Canada and of the United States of America, and that there is a contiguous belt of territorial waters to the west of that line which connects the belts of territorial waters adjacent to the coasts of the Province of British Columbia and the State of Washington.

It is further agreed to extend the boundary between Canada and the United States of America as follows:

From turning point 12 midway on a line between Tatoosh Island lighthouse and Bonilla Point, at right angles to that line, with an initial bearing of North 86° 26' 40" West to the high seas.

It is further agreed that the waters which are between a straight line from Tatoosh Island lighthouse and Bonilla Point and the high seas will be open to the vessels, aircraft and nationals of both countries on a basis of equality.

IV

It is agreed that the Commissioners appointed under the provisions of the Boundary Treaty of April 11, 1908, and acting also under the provisions of the Boundary Treaty of February 24, 1925²¹³, will have authority to do all things which they deem necessary in the way of the establishment of monuments, making of surveys and publication of maps and reports, to give effect to the provisions of these Articles.

I have the honour to suggest that if these Articles meet with the approval of your Government this note and your reply thereto may be regarded as constituting an Agreement between the two Governments concerning this matter.

1249.

DEA/10471-40

*Mémorandum de la légation des États-Unis
au ministère des Affaires extérieures*
*Memorandum from Legation of United States
to Department of External Affairs*

Ottawa, August 10, 1943

Immediately upon the receipt of Mr. Read's letter of May 4, 1943^t, enclosing copies of a draft note dated April 22, 1943 and other documents regarding the unsettled boundary questions on the Pacific Coast, Mr. Clark forwarded these documents to the Department of State for consideration.

The Minister of the United States of America has now been instructed to make the following comments regarding the Canadian draft note of April 22, 1943: The American Government appreciates the thought which the Canadian Government has given to these long-standing questions and is gratified to note that it is now prepared formally to propose a definitive settlement of them.

The American Government believes that the present is an especially opportune time for such a settlement and to that end is prepared to enter into an agreement at once by exchange of notes embodying the terms of the draft note

²¹³ Voir Canada, *Treaties and Agreements Affecting Canada in Force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925*. Ottawa: Imprimeur du Roi, 1927, pp. 299-310 et 515-9.

²¹³ See Canada, *Treaties and Agreements Affecting Canada in Force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925*. Ottawa: King's Printer, 1927, pp. 299-310 and 515-9.

of April 22, subject, however, to the clarification of certain matters mentioned hereafter. It is believed that although both Governments may desire that this long-standing matter be disposed of as expeditiously as possible, it is in the interest of each that some understanding be reached on each of the following points. The American Minister has been directed in discussing this matter to explain that these questions are raised only with a view to avoiding future difficulties with respect to the exchange of notes, and not in anywise to delay the consummation of an understanding.

1. It is noted that the proposed extension of the Canada-Alaska boundary, from the entrance to the Portland Canal at 'B' to the high seas in the Pacific Ocean, is indicated by the lines connecting 'B' with the Turning Points numbered 1, 2, 3 and 4 and the unnumbered turning terminus in the Pacific Ocean. This line differs from the line previously drawn, principally in locating Turning Point 3 approximately seven statute miles farther west than on the map which accompanied an earlier Canadian proposal²¹⁴. The American Minister has been directed to endeavor to obtain an explanation of this proposed shift of the line which would leave on the Canadian side considerable additional waters in the vicinity of fishing grounds used by nationals of the respective countries.

2. Article I of the draft states that, in the event that the doctrine of historic waters is to be applied to any part of the waters contiguous to the coasts of Alaska or British Columbia, such waters will continue to be open to the vessels, aircraft, and nationals of the two countries. This is followed by a proviso that "this arrangement shall neither impair nor augment in any way the rights which the nationals of each country now enjoy in the waters of the other country including the right to engage in the fisheries thereof." Paragraph 4 of Article II states that the two countries may jointly or severally invoke the doctrine of historic waters as applicable to the waters of "Dixon Entrance." It is not clear whether it is meant that either Government, despite the proposed extension of the boundary line throughout the course of Dixon Entrance, has the right to declare the whole of Dixon Entrance to be historic waters, or whether each may declare to be historic waters only that part of Dixon Entrance on its side of the extended line. The matter has been somewhat confused by the fact that whereas the American Government's draft provided that the two Governments might jointly make such a declaration, Canada has inserted "or severally". This would also seem to be a matter properly to be clarified before the notes are exchanged.

3. The scope of the proviso in Article I relating to fisheries, referred to above, is a matter which is not entirely clear. It might be said that the proviso, connected as it is with the discussion of a declaration of historic waters, is to apply only in the event of such a declaration, and that immediately upon the conclusion of the agreement Canada would have a right to exclude American nationals from fishing grounds south of the extended boundary line through Dixon Entrance, and vice versa. The subsequent articles, paragraphs 4 and 5 of Article II and the last paragraph of Article III, state that the waters referred to therein will be open to the vessels, aircraft, and nationals of the two countries upon a basis of

²¹⁴ Voir garde de queue, appendice D.

²¹⁴ See back end-paper, Appendix D.

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equality but they do not mention fisheries. Having expressly mentioned fisheries in Article I, which, like the articles just mentioned, also makes the waters there referred to open to the vessels, aircraft, and nationals of the two countries, it might be said that fisheries are excluded from the scope of the subsequent articles under the principle *expressio unius est exclusio alterius*. It might be arguable, on the other hand, that the proviso in Article I, referring as it does to "this arrangement", is applicable to the entire agreement, but it is to be borne in mind that the Article is based upon an hypothesis that the waters may be declared to be historic waters. If they are not so declared, it is equally arguable that the provision regarding fisheries has no application. The American Minister has been directed to ascertain the views of the Canadian Government in this regard and to communicate them to the Department, after which further instructions will be sent to him.

4. Finally, it is not clear what the effect of the extension of the boundary line throughout Dixon Entrance will be upon the jurisdiction of the United States and of Canada on the respective sides of the line outside their territorial waters in view of the fact that they do not now declare Dixon Entrance to be historic waters. Is it to be expected that each Government will exercise jurisdiction on its side of the line before the waters of Dixon Entrance are declared to be historic waters? It is thought that authorities of the two Governments and others will expect a clear understanding as to the meaning of the line and it appears essential to avoid a situation in which the American Government might attach one meaning and Canada another.

The American Minister has been authorized to state that his Government would be prepared at the present time to make a joint declaration with the Canadian Government to the effect that the waters of Dixon Entrance are historic waters. It is doubted whether a more opportune time than the present for the making of such a declaration will present itself. If the Canadian Government should be favorably inclined to this procedure, the proposed notes would need to be modified accordingly.

Should the Canadian Government be agreeable to the suggestion of a joint declaration to the effect that the waters of Dixon Entrance are historic waters, the notes might be further recast to clarify the questions raised in paragraphs 3 and 4. If the Canadian Government is not now prepared to make a joint declaration of historic waters, the problems of clarification may take the form of an explanatory memorandum on the points discussed above.

1250.

DEA/10471-40

*Mémoire de l'assistante, la direction juridique,
le ministère des Affaires extérieures*

*Memorandum by Assistant, Legal Division,
Department of External Affairs*

[Ottawa,] October 1, 1943

INTERNATIONAL BOUNDARY BETWEEN
THE UNITED STATES AND CANADA

The United States Minister and Mr. Clark called today on the Legal Adviser to discuss the draft Note sent to the United States Legation, Ottawa, May 4,

1943, and the United States Memorandum of August 10, 1943, sent in reply.

Mr. Read said that he had prepared a revised draft of our Note, to meet the suggestions for clarification made in the United States Memorandum of August 10th. Mr. Read read over our revised draft Note of September 30th (attached), and the United States Minister and Mr. Clark agreed that it met the points raised in the United States Memorandum except that there was no explanation as to why the line from B through to turning Point 4 had been changed to place Turning Point 3 seven miles farther west, leaving more water on the Canadian side. Mr. Read said this had been done as a matter of convenience so that existing geodetic stations could be used to mark Turning Point 3. The old line would be more convenient for fishermen but the new line would avoid the expenditure of several thousand dollars. Mr. Read said that if the United States preferred the old line, he thought there would be no difficulty in changing it back to the line as drawn in the original proposal.

With regard to the declaration of Dixon Entrance as historic waters, Mr. Clark said that he thought Mr. Hackworth²¹⁵ might want a simplification or elucidation of this declaration. Mr. Read said we were willing to fall in with any suggestions for simplification of the declaration on historic waters.

Mr. Clark asked what the effect was, of drawing the line in Dixon Entrance, on the jurisdiction of each country. Mr. Read said that the waters above and below the line respectively became the territory of each country and would be subject to the jurisdiction of each country, subject only to a servitude of fisheries and navigation to the other country.

Mr. Clark said he would send our September 30th draft to the State Department. If it meets with their approval, we will submit it to Cabinet, and when it is approved, we will send it to the United States Minister as a formal Note.

K. B. B[INGAY]

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note du secrétaire d'État aux Affaires extérieures
au ministre des États-Unis*

*Draft Note from Secretary of State for External Affairs
to Minister of United States*

September 30, 1943

DRAFT NOTE — PACIFIC FISHERIES — REVISED IN
ACCORDANCE WITH SUGGESTIONS MADE IN UNITED
STATES MEMORANDUM AUGUST 10, 1943

I have the honour to refer to correspondence and conversations between the officers of your Government and of the Canadian Government, concerning the remaining unsettled boundary questions on the Pacific coast, and to propose that an understanding should be reached in the following Articles:

²¹⁵ Conseiller juridique, département d'État
des États-Unis.

²¹⁵ Legal Adviser, Department of State
United States.

NON CIRCULATING /
CONSULTEZ SUR PLACE

I

Having in mind the measures being taken jointly and severally by the two Governments for the defence of the northern half of the Western Hemisphere, the Government of the United States of America and the Government of Canada agree that, should either Government hereafter declare that the doctrine of historic waters is to be applied to any part of the waters contiguous to the coasts of Alaska or British Columbia, within the various bays, straits, sounds, entrances, and inlets, such waters will continue to be open to the vessels, aircraft and nationals of the two countries; provided, however, that this arrangement shall neither impair nor augment in any way the rights which the nationals of each country now enjoy in the waters of the other country including the right to engage in the fisheries thereof.

II

It is agreed and declared that the line which is referred to as "the line marked AB" in the decision of the Alaskan Boundary Tribunal dated October 20, 1903, being a line in Dixon Entrance from Cape Muzon to the entrance to the Portland Channel, allocated all land to the north thereof to the United States of America, and all land to the south thereof to Canada.

It is further agreed to extend the boundary between Canada and the United States of America, hereinafter in this Article referred to as the boundary, as follows:

From the entrance to the Portland Channel at the Point B in latitude $54^{\circ} 42' 27.933$ North and longitude $130^{\circ} 36' 50.047$ West of Greenwich, by a line 4550 metres in length with an initial bearing of South $30^{\circ} 36' 00''$ West to Turning Point 1 in latitude $54^{\circ} 40' 21.261$ and longitude $130^{\circ} 38' 59.287$;

thence by a line 32082.45 metres in length with an initial bearing of North $83^{\circ} 00' 00''$ West to Turning Point 2 in latitude $54^{\circ} 42' 24.082$ and longitude $131^{\circ} 08' 37.639$;

thence by a line 63376.86 metres in length with an initial bearing of South $63^{\circ} 44' 55.593$ West to Turning Point 3 in latitude $54^{\circ} 27' 06.062$ and longitude $132^{\circ} 01' 12.289$;

thence by a line 55,324.77 metres in length with an initial bearing of North $88^{\circ} 41' 04.577$ West to Turning Point 4 in latitude $54^{\circ} 27' 36.303$ and longitude $132^{\circ} 52' 22.648$;

thence by a line to the high seas at right angles to the line joining Langara Point lighthouse with Reference Monument No. 1 on Cape Muzon, with an initial bearing of North $62^{\circ} 05' 25.38$ West.

It is further agreed that the waters of Dixon Entrance include the waters south of the line AB and north of a line drawn between the Canadian Geodetic stations Tow Hill on Graham Island and Stephens on Stephens Island; and that, for the purpose of this Agreement, the adjacent waters include the waters of Revillagigedo Channel South of the lighthouse on Mary Island; and of Clarence Strait south of Wedge Island; and of Cordova Bay south of Kaigani Point; and of Hecate Strait south of a line drawn between Tow Hill and Stephens; and the waters between a straight line from Cape Muzon and Langara Point and the high seas.

It is hereby declared that the waters of Dixon Entrance are historic waters and that the part of such waters which is north of the boundary is included within the territorial waters of the United States of America and that the part of such waters which is south of the boundary is included within the territorial waters of Canada.

It is further agreed that the part of the waters of Dixon Entrance and the fisheries thereof which are north of the boundary, and which are more than one marine league distant from the coast of the United States of America, will be open to the vessels, aircraft and nationals of Canada who may use and enjoy such waters and fisheries upon a basis of equality with the vessels, aircraft and nationals of the United States of America; and that the part of the waters of Dixon Entrance and the fisheries thereof which are south of the boundary and which are more than one marine league distant from the coast of Canada will be open to the vessels, aircraft and nationals of the United States of America who may use and enjoy such waters and fisheries upon a basis of equality with the vessels, aircraft and nationals of Canada.

It is further agreed that the parts of the adjacent waters and the fisheries thereof which are north of the line AB, and which are more than one marine league distant from the coast of the United States of America, will be open to the vessels, aircraft and nationals of Canada who may use and enjoy such waters and fisheries on a basis of equality with the vessels, aircraft and nationals of the United States of America; and that the parts of the adjacent waters and the fisheries thereof which are south of the line drawn between Tow Hill and Stephens and which are more than one marine league distant from the coast of Canada, will be open to the vessels, aircraft and nationals of the United States of America, who may use and enjoy such waters and fisheries upon a basis of equality with the vessels, aircraft and nationals of Canada; and that the adjacent waters and fisheries thereof which are between a straight line from Cape Muzon and Langara Point and the high seas and are more than one marine league distant from the coast of either country will be open to the vessels, aircraft and nationals of both countries on a basis of equality.

III

It is agreed and declared that the waters of the strait of Juan de Fuca to the east of the line from Tatoosh Island lighthouse to Bonilla Point are national or inland waters of Canada and of the United States of America, and that there is a contiguous belt of territorial waters to the west of that line which connects the belts of territorial waters adjacent to the coasts of the Province of British Columbia and the State of Washington.

It is further agreed to extend the boundary between Canada and the United States of America as follows:

From turning point 12 midway on a line between Tatoosh Island lighthouse and Bonilla Point, at right angles to that line, with an initial bearing of North 86° 26' 40" West to the high seas.

It is further agreed that the waters and fisheries thereof which are between a straight line from Tatoosh Island lighthouse and Bonilla Point and the high seas and more than one marine league distant from the coast of either country, will

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ACQUISITION SUR PLACE

be open to the vessels, aircraft and nationals of both countries on a basis of equality.

IV

It is agreed that the Commissioners appointed under the provisions of the Boundary Treaty of April 11, 1908, and acting also under the provisions of the Boundary Treaty of February 24, 1925, will have authority to do all things which they deem necessary in the way of the establishment of monuments, making of surveys and publication of maps and reports, to give effect to the provisions of these Articles.

I have the honour to suggest that if these Articles meet with the approval of your Government this note and your reply thereto may be regarded as constituting in the first instance an Agreement between the two Governments concerning this matter and secondly a joint Declaration that the waters of Dixon Entrance are historic waters.

SECTION B

SOVERAINETÉ DANS LE NORD

SOVEREIGNTY IN THE NORTH

1251.

DEA/52-Bs

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] March 30, 1943

Malcolm MacDonald came to see me yesterday on his return from his flight to the Northwest Territories. He was not able to go through to Aklavik as he had hoped, but had got as far as Coppermine. This is his second trip to the Northwest within the last seven or eight months, and he has come back very concerned about the completeness of the American penetration and the absence of any apparent Canadian representation in the vast new territories which have been opened up since the war.

I gathered that, for most practical purposes, the Canadian Government's representative in local contacts with the American forces in the Northwest is the Secretary of the Alberta Chamber of Commerce and Mines, whose offices are in Edmonton and who acts as an unofficial representative of the Department of Mines and Resources. MacDonald says that he is an extremely capable and alert man, who does all that one man could do, but that he has no staff and no status and is, therefore, quite unequal to the job.

I am afraid that the diplomatic precautions and safeguards that we could take from Ottawa to make sure that American operations in this area are purely for war purposes and terminable at the close of hostilities will not amount to much if there is not an adequate local assertion of Canadian interests in the development of this part of Canada.

Probably the first step to be taken is a local survey of the situation. This might be a job for a good, vigorous Parliamentary Assistant who, with some aid from this Department, could investigate the field situation and make recommendations. These recommendations might include the appointment of some kind of a commissioner for the Northwest Territories whose business it would be to see that Canada was kept fully informed of all developments in this territory and that Canadian interests were consulted in any developments likely to have a post-war implication, e.g., selection of air routes and development of transportation, etc. To make such local representation effective, however, it would need more than one good man in Edmonton and I think they would need a really competent, technical staff, capable of collaborating with and controlling the American developmental activities in these regions.

1252.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, March 31, 1943

DEVELOPMENT OF CANADIAN NORTHWEST

15. THE PRIME MINISTER invited the High Commissioner for the United Kingdom to report on his recent visit to the Canadian Northwest.

16. THE U.K. HIGH COMMISSIONER expressed concern as to the results of immense U.S. construction and activity in this area. The extensive nature of the programme of development being carried on by Americans and under American auspices could not be appreciated without actual experience. It was quite evident that these vast undertakings were being planned and carried out with a view to the post-war situation. Canadian representatives in the area were few and quite unable to keep control or even in touch with day to day developments.

The Canadian Government might well despatch a special official to the northwest to review the position and report.

17. MR. KING said that the whole problem of U.S. development in the northwest was under active consideration. The establishment of a joint board to deal with labour problems in the area had already been decided upon. The appointment of a special Canadian commissioner for the area had been discussed as a means of keeping the government in direct and continuous touch with developments.

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 MANQUER SUR PLACE

1253.

DEA/52-Bs

Mémorandum du haut commissaire de Grande-Bretagne
Memorandum by High Commissioner of Great Britain

[Ottawa,] April 6, 1943

NOTE ON DEVELOPMENTS IN NORTH-WESTERN CANADA

I have recently returned from a second visit to the Canadian North-West to see the development works being accomplished there. They leave two major impressions on a casual visitor. First, they are colossal, and their significance may be very far-reaching indeed. Second, the Americans are doing the greater part of the planning and execution of these works, and at present at any rate the Canadian authorities have too little influence on the shaping of these important affairs in Canadian territory. The situation even seems so disturbing that I venture to write this personal, informal and frank note on the subject.

There can be no question of the Canadian Government's wisdom in giving every encouragement to these enterprises. The development works are to be wholeheartedly welcomed. They will open up the North-West a generation sooner than would otherwise have been the case, and will add immensely and immediately to Canada's importance in world affairs. Moreover, the Canadian Government have been right in agreeing to the Americans doing much of the work. When so much of Canada's energy was being thrown into other parts of the war effort it was beyond her power to achieve some of these additional works quickly, and from the point of view of the military defence of North America they had to be accomplished without delay. Again, the Canadian Government have been right in announcing that the work as a whole should be an act of co-operation between the American Government and the Canadian Government working as partners together. They have been right also in insisting that after the war the Americans should withdraw from the work except insofar as the Canadian authorities might be willing for them to continue, and that every part of the development works which remained on Canadian soil then should belong in undisputed ownership to Canada.

So the Canadian authorities have nothing to reproach themselves with on the general policy. On the contrary they have acted with foresight, broad-mindedness and courage. Where things seem to have "slipped" is in the practical carrying out of the third principle of policy outlined in the above paragraph. In theory the Canadian and American Governments are co-operating as equal partners in the work. But in practice the American authorities have gained increasing control of what is done, how it is done and where it is done, whilst the Canadian authorities' influence on events is comparatively small. There are explanations for this. Circumstances have been extremely difficult for the Canadian authorities. For one thing, they have thrown so much of their best personnel into organising Canada's tremendous war effort at many other even more urgent points that they have so far not been able to spare enough good men to make their influence sufficiently felt in these perhaps rather remote North-Western developments. For another thing, on the Americans' side difficulties

have been greatly increased for the Canadians by the fact that the State Department through whom the Canadian Government quite properly deal with the American Government has been largely ignored by the American Army and other authorities carrying out the works on the spot in the North-West.

But whatever may be the reason for what is happening, the facts of the situation are clear and disturbing.

II

I need not give a list of the works being accomplished or projected. When Mr. Crerar, Dr. Camsell and I visited the North-West last August there were four principal undertakings, and the Canadian and American authorities truly divided responsibility for them. There were the building of the Alaska Highway, the creation of a chain of airfields from Edmonton to Fairbanks, the production of oil at Norman Wells and the laying of a pipeline to convey the oil from Norman Wells to Whitehorse. American authorities were responsible for the carrying out of the first and fourth of these works whilst Canadian authorities were responsible for achieving the second and third. The first three were proceeding with remarkable speed and efficiency. The fourth was making disappointing progress owing to American miscalculations about the ease of transport in the Mackenzie country.

Generally speaking — though there were signs that matters might develop unfortunately — the situation from the point of view of the preservation of Canadian interests was reasonably satisfactory in August. It is since then that there has been a serious deterioration. The following are some of the developments which alter the general picture:—

1. Last August it was assumed that the chain of airfields then being built by the Canadians from Edmonton to Fairbanks along the general route of the Alaska Highway would provide, in war and peace, the principal airway from America to Asia. Since then the opinion of the American and Canadian experts in those parts seems to have changed. Of course, that opinion may swing back again. But at present it holds that, although the route through the mountains may always be important as an alternative flying route, for reasons which I need not go into a new chain of airfields from Edmonton down the Athabaska, the Slave and the Mackenzie valleys and thence across northern Yukon Territory to Fairbanks will be the more important. This air route is now being built solely by the Americans. They settle exactly where the airfields shall be; they decide where the auxiliary works shall be placed; they are building the airfields; and they are providing the equipment and administrative staffs. These new airfields are magnificent, all of them with 5,000 feet runways and some of them with runways already stretching 7,000 feet.

2. Just as the Americans have built the Alaska Highway partly as a feeder to the earlier chain of airfields, so they have now begun to build roads partly to serve this air route down the river valleys of Alberta and the Northwest Territories. The world was astonished when the Americans built the Alaska Highway 1600 miles long. But now already they are at work, and far advanced, on the construction of nearly 2,000 miles of other roads further east, from Grimshaw to Norman Wells, Fort Smith to Alexandra Falls, Fort Nelson to Willow Lake

and Fort Norman to Whitehorse. The Americans are solely responsible for this road-building, and the decision as to when, where and how the roads shall be brought into existence rests mainly with them. No doubt they have yet other plans for the not distant future.

3. It is perhaps easy to overstate the danger of so much initiative and decision belonging to our American allies. Admittedly it is highly important from the point of view of the vigorous prosecution of the war that these roads and air routes should be built forthwith, and they will in any case be of immense value to Canada after the war. But it is surely unfortunate that the Canadian authorities have little real say as to, for example, the exact placing of these airfields and the exact route of these roads on Canadian soil. The Americans decide these things according to what they consider American interests. They pay no particular heed to this or that Canadian national or local interest. This aspect of the matter assumes even greater importance when one realises fully the considerations which the American Army, and the other American interests working with them, have in mind in all their efforts in the North-West. Responsible American officers will tell you frankly in confidence that in addition to building works to be of value in this war, they are designing those works also to be of particular value for (a) commercial aviation and transport after the war and (b) waging war against the Russians in the next world crisis.

4. With the same considerations in view the Americans are pushing ahead with many other development works, such as the building of oil pipelines (there are already three such projects besides the Norman Wells-Whitehorse one), the improvement of navigation on the Athabaska, Slave and Mackenzie Rivers, the extension of railroad facilities, etc. In some of these matters they engage in only a minimum of consultation with Canadian authorities.

5. There has been a very encouraging expansion of oil production at Norman Wells during recent months. The Americans are very alive to this and to the possibility that further prospecting may reveal an oilfield of considerable importance in the Mackenzie valley. American oil interests are watching the situation closely, and if developments look good they will seek to gain control there. Canadian oil interests do not seem so alert to the possibilities. I was told at Norman Wells that no senior representative of the Imperial Oil Company has visited the place for a long time past.

6. The American Army are sedulously collecting all the information that they can about the Canadian North-West. For example, their aeroplanes are flying widely over the territory photographing it. I doubt whether they recognise any limits to what they can do if they want to do it. All the information that they collect goes to the War Department in Washington. Does it come likewise to Ottawa? I doubt whether all of it does. In fact the American authorities probably now know much more about this part of Canada than the Canadian authorities do, which is a most undesirable state of affairs.

7. Do the Americans intend to surrender all control over the works which they have established after the war? There can be no question at all of the good faith of the American Administration in supporting the agreements which they have made with the Canadian Government. But certainly many influential

American individuals who have had a hand in these developments in the North-West have no serious thought that the interests which they represent shall withdraw. American money, energy and labour have been spent on an immense scale whilst the Canadians have had comparatively little to do with some of the most important undertakings. One can imagine some of these people stirring up quite an unpleasant agitation in Congress circles to force the hands of the Administration, if they feel so disposed.

These are some of the worrying elements in the present situation. From them may flow other unfortunate consequences. For example, the political effect in Western Canada of these developments may be significant. Wherever you travel north of Edmonton there are large numbers of American military officers, troops and airmen and civilian workmen and representatives of American business and finance. Everywhere these Americans are talking eagerly about the development of the North-West, and their words are being translated into deeds. The American Army calls itself "the Army of Occupation". Much of this annoys the Canadian citizens of the territory, yet they cannot help realising that it is largely the Americans who are now opening up their country. The Canadian counterparts of the Americans who swarm through the country are conspicuous by their comparative absence. The inhabitants of those regions are beginning to say that it seems that the Americans are more awake to the importance of the Canadian North-West than are the Canadian authorities. This state of affairs tends to play into the hands of those Western Canadians who are inclined to assert that the West receives little sympathy and help from Eastern Canada, and that its destiny lies in incorporation with the United States of America.

III

The centre from which these various activities are generally directed is Edmonton. Some other places have also assumed a new importance, such as Whitehorse, which is the headquarters of the American builders of the Alaska Highway. But the growth of Edmonton under American stimulus in connection with these North-Western developments has been most remarkable. The Americans fill a large part of the Macdonald Hotel, they have taken over completely many other pre-existing buildings, and I am told that their Army and civilian organisations have caused the erection of eighty or ninety new buildings in the city during the last four months alone.

They have recognised the importance of the work by stationing a whole Army division in the region. Their local organisation runs to one General, eight Colonels, other high ranking officers and an assortment of civilian business executives presiding over military and civil departments established to examine, check and approve of field investigations, construction works, aerial reconnaissance, aerial photography, camouflage, public relations, postal service, legal matters, contracts, labour relations and various other branches of activity staffed by about 13,000 military and civil employees.

The regular Canadian organisation in Edmonton on the other hand consists of one man. He is Mr. Leonard E. Drummond, who is a consulting mining engineer and the secretary of the Alberta Chamber of Mines. He acts as repre-

representative of the Department of Mines and Resources, but is not strictly speaking a Government servant. Even his correspondence on behalf of the Canadian Government with the American authorities about all these works is conducted on either his Chamber of Mines or his private notepaper. I must say at once that I doubt whether any better choice could have been made as the semi-official representative of the Canadian Government. Mr. Drummond has an excellent knowledge of North-Western Canada and he is keen, industrious and tactful. His defence of Canadian interests is stout, and at the same time his relations with the Americans are excellent. American military and civilian officers alike speak in high terms of his wise and helpful advice. The extent to which he has been able to keep in touch with their multifarious activities is remarkable. But as often as not, as is inevitable in the circumstances, he only learns about these activities after they have happened, instead of being brought into consultation, as should invariably be the case, before decisions and actions are taken. He works from one small room in the Chamber of Mines office, and I believe his staff consists of one stenographer.

In addition the Department of Mines and Resources has other representatives in smaller centres in the North-West. The Commissioner for the Yukon in Dawson City and such men as Dr. Urquhart at Fort Smith and Dr. Livingstone at Aklavik in the Northwest Territories are admirable representatives of the Federal Government. They are doing excellent work as local Canadian advisers and liaison officers to the Americans in their respective districts. But they have other duties also to perform for the Department, and I expect (though I do not know) that they have insufficient staffs under them to achieve satisfactorily the many new tasks which fall to them as a result of the new developments.

Besides these permanent representatives of the Canadian Government, individual departments in Ottawa send officers to Edmonton or elsewhere in the area for *ad hoc* discussions with the American authorities on particular questions.

These arrangements clearly do not any longer measure up to the situation. One should not exaggerate the extent to which the Canadian authorities have lost their influence over events. The Departments concerned in Ottawa have sought to keep a keen eye on every development, and the Americans may have had to secure their authority in general terms for every project. This control from Ottawa might have worked reasonably satisfactorily if the control on the American side had remained in Washington. But, as has already been said, the dynamic American authorities in Edmonton and elsewhere in the North-West have tended to ignore Washington. At any rate, the War Department has ignored the State Department. And in any case Washington and Ottawa could only deal satisfactorily with the general principles of development policy. Speed required that much of the important detailed work should be settled in Edmonton. The Americans feel handicapped by the inadequacy of the Canadian organisation on the spot there. I understood from one of them that some time ago they offered to finance a considerable increase in Mr. Drummond's staff and office accommodation! Quite apart from other considerations, the effect of this state of affairs on the Americans' opinion of Canadian government is not good.

I am not qualified to propose the remedies. My visits to the North-West have been too superficial for me to claim any real grasp of the problems. Nor am I sufficiently acquainted with the difficulties of Canadian administration in war-time, and anyway it is no business of mine. But perhaps it would help those who read this Note if I risk censure by making some positive suggestions, however impractical or inappropriate they may turn out to be, so that they have something to "get their teeth into". In that spirit I throw out the following tentative suggestions:—

1. Someone in the nature of a special Commissioner should be appointed to represent the Canadian Government and be at the head of its organisation in Edmonton dealing, under the general supervision of the Government at Ottawa, with all questions of war-time development in North-Western Canada.

2. He should be assisted by a "general staff" living and working in Edmonton. On it should sit appropriate senior officers of all the Government Departments concerned (Department of External Affairs, Department of Mines and Resources, Department of Transport, Defence Department, Air Ministry, etc.) They should have an adequate complement of juniors, clerks, stenographers, etc.

3. This staff should be sufficiently large to allow some of its members to travel from time to time through the North-West, maintaining contact with the work in the field.

4. They should be housed in office quarters in Edmonton sufficiently imposing to impress everyone with the presence and authority of the Canadian Government.

5. They should be given appropriate powers. Their two main duties would be:—

a. to guard Canadian interests as such in all matters connected with the developments. They would naturally co-ordinate the efforts of all the Canadian Departments concerned.

b. to act as a co-operative partner organisation with the American organisation. Real consultation and co-operation between the Canadians and Americans before decisions and action are taken should be organised in every department of the work.

6. The staffs of the Government's representatives in the Yukon and the Northwest Territories should, if necessary, be increased. It might also be found desirable to appoint local representatives in some places where they do not at present exist.

These suggestions deal only with organisation. Other suggestions concerning other aspects of the situation naturally leap into one's mind. But I am very conscious that my observation of these affairs has been too cursory to make me in any way a reliable judge, and I repeat that I mention even the above suggestions diffidently on that account. This leads me to the one proposal which I do make with confidence. It is that two or three really good men should be appointed at once to proceed to Edmonton and the North-West forthwith as an official Commission to enquire into the situation and make recommendations to

the Government. For obvious reasons their appointment should be rather informal and should be attended by no publicity.

I would only add that I expect some of the authorities concerned will find mistakes of fact or of emphasis in this Note. I have not consulted them on these matters because this is in no sense a formal or official document. When I started out for the North-West I did not expect to find myself writing this Note, and so did not collect information with a view to its production. However, I submit it with all its imperfections, for I believe that the general picture which it presents is true.

M. M[ACDONALD]

1254.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 7, 1943

U.S. DEFENCE CONSTRUCTION AND DEVELOPMENT
IN CANADIAN NORTHWEST; APPOINTMENT OF
GOVERNMENT COMMISSIONER

38. THE PRIME MINISTER emphasized the importance of the government being provided with complete and up-to-date information regarding the extensive American developments, and the need to establish means of more effective representation of the government in the Northwest. A special commissioner might be named to make a full report to War Committee on the present situation, with a view to the later appointment of a representative of the government with broad authority in the whole area.

39. THE WAR COMMITTEE, after further discussion, agreed in principle upon the importance of adequate government representation in the area, and, as a first step decided that the Deputy Minister of Mines and Resources be asked to make a report on the present situation.

1255.

DEA/52-Bs

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures*²¹⁶

*Memorandum by Assistant Under-Secretary of State for External Affairs*²¹⁶

SECRET

[Ottawa,] April 9, 1943

UNITED STATES ACTIVITIES IN NORTHWESTERN CANADA

1. It has recently been suggested from several sources that the very extensive activities undertaken in Northwestern Canada by the United States have had or

²¹⁶H.L. Kcenleyside.

are likely to have serious political and economic repercussions both now and in the post-war period. This fear is most clearly expressed in the "M M"²¹⁷ memorandum of April 6th, 1943. In this memorandum and in other places apprehension is expressed lest

(a) The United States may claim post-war rights on the basis of wartime expenditure, construction and operation.

(b) The loyalty of Canadians in the area affected may be weakened by the evidence that only Americans "get things done."

2. The causes of these apprehensions are

(a) The alleged failure of Canada to exercise control over American construction activities in the Northwest;

(b) the alleged absence of Canadian officials armed with authority and obviously in touch with all developments;

(c) the tremendous number and great energy of the United States personnel both military and civilian, in the area;

(d) the alleged statements of United States army officers, contractors and airline operators about the permanence of United States control;

(e) the alleged collection of photographic and other information about the Northwest by United States military and civilian personnel.

3. Although the situation is not by any means as deplorable as "M M" and some others have suggested, there is no doubt that concern over developments in the Northwest is fully justified.

4. The number of Americans in the region between Edmonton and Alaska, in the Mackenzie Valley and in Northern British Columbia is now far greater than the number of Canadians in those areas. During the coming summer there will be not less than 46,000 United States civilians and United States military personnel working in the Northwest.²¹⁸ This compares with some 7,000 Canadian civilian employees and a few hundred Canadian service (chiefly air) personnel.

5. It is true that the United States forces and contractors working in the area under consideration have made an excellent record of practical and imaginative achievement. This is particularly true of the work done on the Alaska Highway, on the construction of airfields and landing strips, and in the erection of buildings. It is certainly not true of the Canol Project proper but this is out of sight and, as it is subject to censorship, little has become known of the egregious mistakes made by Colonel Wyman and his subordinates. (Wyman and his chief assistant Woodbury have been removed). Canadians have it is true done as well on the construction of the Air Routes as the United States forces have done in any field, but in building construction the record has been less satisfactory and the deplorable fiasco of the Prince Rupert Highway (for this is how it appears to the public — however unjustly) has done great harm.

²¹⁷ Malcolm MacDonald.

²¹⁸ Aucune copie indiquant le nombre de militaires ne fut trouvée.

²¹⁸ No copy giving the number of military personnel was located.

NON - CIRCULATING /
ENCOUNTER SUR PLACE

6. On the other hand the charge that Canada has been disregarded by the United States authorities is only true in part — and taking the picture as a whole — only in small part. There has been a tendency among the Americans to feel that once a major project has been approved that approval carries with it the right to take all necessary subsequent or contributory steps. The construction of the Alaska Highway having been approved, for example, the United States military authorities felt justified in initiating supplementary construction on a scale which, in some cases, seemed to the Canadian authorities to go beyond the terms of the original agreement. But this problem has now been pretty completely solved. The State Department and the War Department have both taken action which is resulting in a regularization of the whole procedure along lines approved by Canada. (Incidentally the difficulty in Washington has not been, as "M M" suggests, the War Department's disregard of the State Department. It arose from the basic United States Army conception of the prerogatives of a Commander in the field. The Northwest is a "zone of operation" and in United States theory the officer commanding in such a zone has full power to take any requisite action and to commit the Government to almost unlimited expenditure. His only restraint is his own good judgment and the fear of being replaced if he does not act wisely. Thus, when the United States War Department ordered the officers commanding in the Northwest to ask for permission before they undertook *any* new work or the expansion of any approved project, it took some time to convince them that the new order did, in fact, supersede the theory in which they had been trained. Thus the trouble was within the War Department not between the War and State Departments.)

7. The statement that Canada has resigned control on the spot to United States authorities and that they have initiated and are carrying on extensive programmes without Canadian knowledge or approval is also only partially true. The responsible Canadian departments, in fact, have representatives posted throughout the whole area with instructions to co-operate with, and to report upon the activities of, the United States authorities in the field. There has been very little done without Canadian approval and, it is probably safe to say, nothing without Canadian knowledge. The construction of roads and the programme of aerial photography of which "M M" complains were carried out with the full knowledge and approval of the Canadian authorities. The details of Canadian official representation in the Northwest are as follows:

DEPARTMENT OF MINES AND RESOURCES

G.A. Jackell, Controller and Chief Administrative Officer Yukon Territory, Whitehorse Y.T.

L. Higgins, Government Agent, Whitehorse Y.T.

C.K. Le Capelin, Liaison Officer, Alaska Highway.

L.E. Drummond, Liaison Officer, Canol Project.

Dr. J.S. Stewart, Liaison Officer, Norman Wells.

Dr. J.A. Urquhart, District Agent, Fort Smith.

DEPARTMENT OF TRANSPORT

A. MacEcheran, District Engineer, Whitehorse.

T. Chilcotte, District Engineer, Watson Lake.

Homer Keith, District Engineer, Fort St. John, Grande Prairie, Fort Nelson.

W.S. Lawson, District Inspector, British Columbia and Alberta.

DEPARTMENT OF LABOUR

Selective Service Officers, Dawson Creek, Edmonton.

DEPARTMENT OF NATIONAL DEFENCE FOR AIR

Control establishments in charge at each of the Airports along the Northwest Air Route.

It is proposed to appoint immediately a Squadron Leader from the General List to act as Liaison Officer on the Mackenzie River Servicing route.

Thus it will be seen that there is no lack of Governmental representation in the Northwest. What is lacking is a clear definition of the authority of these representatives. At present there seems to be some doubt as to just how far they or any of them can go in agreeing to United States proposals and requests. Generally speaking they do not take any responsibility but act merely as observers and reporters. It is perhaps permissible to suggest that in certain cases the officers mentioned are rather lacking in personal or official prestige and that the appointment of one or more Canadians of strong personality and wide public reputation might be useful. This would be particularly helpful if such officials were to be appointed as Governmental — rather than Departmental — representatives in the area. This, however, would be useful only if the Canadian officials were given clearly defined realms of responsibility. They should understand exactly what matters they can decide on their own authority and what must be referred to Ottawa.

8. There is no misunderstanding of the post-war situation in top official circles — military as well as civilian — in Washington. It may well be that attempts will be made to obtain or retain special advantages in Canada when the crisis is over but such efforts will have to be based on equity rather than on any existing agreement or legal pretext. Canada's position is fully protected by the text of signed agreements. No suitable opportunity should be lost, however, to impress upon the Americans and to say publicly to the people of Canada that the Government intends to retain in its own hands complete control over Canadian territory after the war. (This does not, of course, mean that Canada should not enter into bilateral or multilateral agreements which might grant special rights in or over Canada on a reciprocal basis when such agreements would be to Canadian advantage.) It would be desirable also to give more effective publicity in Canada to the achievements of the Canadian participants in the development of the Northwest. The people of Canada, especially of Western Canada, should not be encouraged to think that it is only Americans who can do brilliant and effective work.

9. The following steps might be considered as a contribution towards the solution of the Northwest problem. They would meet a real and practical need and would go far towards solving the genuine difficulties which are at the base of the rather exaggerated picture drawn by "M M" and others.

A. More effective publicity should be given to the work being done by Canadians in the Northwest. This could be arranged by the Departments concerned and by the Wartime Information Board.

B. Drastic steps should be taken to complete the Prince Rupert Highway at once — if necessary by taking the whole project out of the hands of the present contractors and having it carried through by Army Engineers.

C. Members of the Government and others should take frequent opportunities to state in a matter-of-fact and incidental but positive way that there is no question of complete Canadian post-war control over all Canadian territory and facilities.

D. A small commission of prominent and able Canadians should be appointed to coordinate and supervise all Canadian activities and all liaison and observation work being done in connection with United States activities in the Northwest. This Commission — which might be known as the Canadian Northwest Commission — should be empowered to issue decisions in regard to certain categories of United States requests. Their powers should be very clearly defined and understood.

E. A formal and definitive agreement should be negotiated with the United States to the effect that every request of every kind that cannot be settled by the Canadian Northwest Commission on the spot must be presented to the Canadian Government (either through recommendations of the Permanent Joint Board on Defence or through diplomatic channels) and Canadian approval be received *before any* action is initiated. A proposal to this effect is already before the Defence Board and the United States members have stated that their Government will certainly agree to a proposal on these terms. They are particularly anxious that some clearly delimited authority (of however narrow a scope) be given to the Canadian representatives on the spot in the Northwest. The present lack of definition causes both Canada and the United States constant and needless trouble.

If these proposals are accepted and acted upon with resolution and imagination it is probable that most of the difficulties — real and imagined — which have aroused apprehension in "M M" and others will disappear. At least the situation will be greatly improved. It is difficult to think of any other steps which would be likely to make an equal contribution to the solution that is sought.

1256.

DEA/52-Bs

*Mémorandum du secrétaire du Cabinet au Premier ministre**Memorandum from Secretary to the Cabinet to Prime Minister*

Ottawa, April 13, 1943

RE: CANADIAN NORTHWEST; IMPROVED GOVERNMENT REPRESENTATION

The serious situation revealed by Mr. MacDonald's report, and in recent discussions of specific problems resulting from already large and continually

expanding U.S. developments in Northwestern Canada, fully justify the War Committee's conclusion last week that special steps should be taken, at once, to safeguard the Canadian position and to provide for a larger measure of Canadian participation in these activities on Canadian soil. It was agreed that adequate government representation in the area was of first importance.

The Deputy Minister of Mines and Resources is to report at tomorrow's meeting of the War Committee on the present situation. A factual statement of American projects in the Northwest area is being circulated with the Agenda.

Since the last meeting I have collected a good deal more in the way of statements of fact and opinion and, after talking the matter over with Mr. Robertson, suggest (as the problem is urgent) that the government might, as an immediate step, appoint a Commissioner, with the dual function of representing the government and, after surveying the situation on the spot, make [sic] recommendations for solution of the problems involved.

Such a Commissioner should be from outside the government service but should have attached to him competent officials from Mines and Resources, Transport, Air, Munitions and Supply, and possibly Army. An Order in Council would appoint him in general terms to represent the Federal government in all matters relating to the development of the Northwest area. This would be publicly announced as a measure of Canadian co-operation with the United States. The Order would be supplemented by confidential instructions directing the Commissioner to review the whole situation from the point of view of Canadian war and post-war interests and submit recommendations to the War Committee within a short delay. An active and competent secretary and possibly later on other experts would probably require to be appointed to assist the Commissioner, who would presumably operate from headquarters at Edmonton.

If the War Committee, at tomorrow's meeting, were to approve, in principle, action along these lines, and agree upon a man, a draft Order in Council for his appointment and draft instructions could be prepared at once.

The strengthening of Canadian Service representation in the area seems to me an additional way in which further provision could be made for the protection of Canadian interests.

A. D. P. HEENEY

1257.

PCO

*Mémorandum du sous-ministre des Mines et des Ressources
au Comité de guerre du Cabinet*

*Memorandum from Deputy Minister of Mines and Resources
to Cabinet War Committee*

SECRET

Ottawa, April 13, 1943

RE: JOINT DEFENCE CONSTRUCTION PROJECTS
IN THE CANADIAN NORTHWEST

The following information, supplied by the Joint Defence Construction Projects Panel, is submitted as a factual statement of defence construction projects now under way in the Canadian Northwest.

I At the present time there are in the Canadian Northwest approximately 9,337 U.S. Army Engineer troops employed on the Alaska highway and 14,570 American civilians engaged as labourers, mechanics and domestic workers. It is anticipated that during the summer of 1943, the number of U.S. civilians will increase to 46,000. Canadian civilians employed in the Northwest number approximately 7,000 and there are a few hundred Service (chiefly R.C.A.F.) personnel.

Four Canadian government departments are represented in the Northwest. The Department of Transport has a district inspector in British Columbia and Alberta and three district engineers at Whitehorse, Watson Lake and between Grande Prairie and Ft. Nelson. The Department of Labour has Selective Service Officers at Dawson Creek and Edmonton. The Department of National Defence for Air has control establishments along the Northwest Staging and proposes to appoint a squadron leader to act as liaison officer on the Mackenzie River route. The Department of Mines and Resources has a chief administrative officer and government agent at Whitehorse, a district agent at Fort Smith, and three liaison officers at Whitehorse, Norman Wells and Edmonton. Progress reports on joint defence projects are submitted at regular intervals by field officers of the Departments of Mines and Resources and Transport and by the Chief of Engineers, U.S. Army.

II The United States has constructed, or is constructing, the following major facilities in the Canadian Northwest:

I. -The Alaska highway, including the following items:

Highway from Dawson Creek to the Alaskan boundary;

Storage and housing facilities at Dawson Creek and Whitehorse;

Rest camps and weather reporting stations along route;

Eight flight strips near Fort Nelson, Lower Post, Whitehorse, and between Burwash Landing and Snag;

Telephone and telegraph lines from Edmonton to 141st meridian boundary - completed from Edmonton to within fifty miles of Ft. St. John;

Highway from Haines Point, Alaska to Champagne, Y.T. under construction;

Survey for a road connecting Prince George and Ft. St. John;

Two pipelines; Carcross to Watson Lake - 85 miles completed; Whitehorse to Alaskan boundary - located but construction not yet begun.

The Alaska highway, constructed by U.S. Army Engineers and the Public Roads Administration was formally opened on November 20, 1942. The entire route has been constructed to pioneer standard or better. U.S. military and civilian personnel are maintaining and relocating the roads and constructing permanent bridges with a view to accommodating 2,500 to 3,000 tons of traffic daily by December, 1943.

In the exchange of notes authorizing construction of the Alaska highway, it was agreed that the United States should carry out the necessary surveys, and construct and maintain the highway, and that Canada should acquire the necessary rights-of-way, waive import duties, taxes and license fees on the materials

and supplies required, facilitate the admission of U.S. personnel, and, subject to Dominion or provincial supervision, provide timber, gravel and rock.

2. The Northwest Staging route — additional facilities beyond Canadian standards and requirements requested by the United States at thirteen aerodromes from Edmonton to Snag.

These aerodromes are being, or have been, constructed by the Department of Transport and the United States has requested that its Army Air Force be permitted to take over and expand the Canadian programme, but no decision has been reached in this matter.

3. The Canol Project, including the following items:

Pipelines: Norman Wells to Whitehorse; Skagway to Whitehorse (completed and pumping begun);

New wells at Norman — (sixteen new wells added to four previously existing wells — total daily capacity of twenty wells estimated at 2,924 bbls.);

Refinery and storage facilities at Whitehorse — (fifteen of twenty-four projected tanks built but refinery not yet under construction);

Loading and storage facilities at Skagway;

Fourteen aerodromes or landing strips: major fields at McMurray, Fort Smith, Simpson and Norman Wells; emergency fields at Embarras, Resolution, Hay River, Providence and Wrigley, etc. — all fields now serviceable;

Twelve weather stations near above aerodromes;

Roads: winter roads from Ft. Nelson to Simpson, Providence to Simpson, Simpson to Norman Wells; permanent road from Grimshaw to Hay River and summer road — Ft. Smith to Providence.

Wild-cattling programme in Northwest Territory and Yukon; twelve geological parties and additional oil drilling rigs to operate during summer of 1943;

Improvement of storage and transport facilities on Mackenzie River route;

U.S. Army Engineers and Canadian and U.S. contractors are to construct the above projects.

4. Alternative Northwest Air Route:

At the meeting of the Permanent Joint Board on Defence, held on February 24th and 25th, 1943, the United States proposed the development and operation of an air route to the Yukon, by way of the Mackenzie River, as a supplement to the Northwest Staging. This project, if approved, would involve the construction of new aerodromes north and west of Norman Wells, improvement of the Mackenzie River air facilities and expansion of storage facilities at Ft. Nelson. The proposed route is of great importance since it is a "low level route" and is conveniently situated with reference to the oil fields at Norman Wells and potential sources of oil on the Peel River.

5. Prince George-Alaska Railway survey: Survey completed but construction not to be proceeded with.

III In addition to the works listed above, the United States has also undertaken the following projects:

1. Development of port facilities at Port Edward and Prince Rupert — extensive storage accommodation at latter point.
2. Lease of the White Pass and Yukon Railway.
3. Mackenzie-Yukon road survey (from Fairbanks to Norman Wells).
4. Aerial photography of Canadian territory.
5. Construction of a military hospital and storage facilities at Edmonton.
6. Construction of additional facilities at Whitehorse and McRay, Y.T.
7. Meteorological stations along the Northwest Staging route and the Mackenzie River air route.

IV *Authority for construction by the United States:*

Requests by the United States for permission to undertake the above projects have frequently been submitted through the Department of External Affairs or the Permanent Joint Board on Defence, passed upon by Cabinet War Committee, and subsequently covered by an exchange of notes. In some cases, however, arrangements have been made between Canadian government departments and U.S. military authorities.

In a few instances, the United States has proceeded with the construction of new facilities without authority from the Canadian government. Two examples are the construction of a military hospital at Edmonton and the building of aerodromes, flight strips and other facilities along the Mackenzie River route. In the latter case, the unauthorized construction was the subject of letters exchanged between the Department of External Affairs and the U.S. Minister.

V *Construction and maintenance costs:*

The Alaska highway and the Canol Project with its aerodromes and landing strips are being constructed at the expense of the United States. Costs of the Northwest Staging route are to be divided; Canada is to pay for construction and defence up to Canadian standards and requirements; the United States is to assume expenses for construction and defence beyond this point. Interpretation of this stipulation as to costs has usually been left to officials of the United States, R.C.A.F. and the Department of Transport.

VI *Post-war disposition:*

In the exchange of notes authorizing construction of the Alaska highway, it was agreed that "at the conclusion of the war that part of the highway which lies in Canada shall become in all respects an integral part of the Canadian highway system subject to the understanding that there shall at no time be imposed any discriminatory conditions in relation to the use of the road as between Canadian and U.S. civilian traffic".

The exchange of notes governing the Canol project provides that "at the termination of hostilities" the pipeline and refinery are to be jointly evaluated on a commercial basis, and the Canadian government is to be given first option to purchase at the price to be established. If this option is not exercised within three months, the project may be sold by public tender with the amount of valuation as a reserve price. If neither the Canadian government nor any private company desires to purchase the pipeline and refinery at the established price, the matter is to be referred to the Permanent Joint Board on Defence for

consideration. It has been agreed that the pipeline and refinery shall not be dismantled without approval of the Permanent Joint Board on Defence and that if used for commercial purposes shall be subject to any regulation laid down by Canada in the public interest.

The Northwest Staging route, the airfields built as part of the Canol Project, and any other facilities not covered by specific agreements as to post-war disposition, are subject to a general formula, set forth in the Twenty-eighth Recommendation of the Permanent Joint Board on Defence, incorporated in an exchange of notes tabled in the House of Commons on February 1st, 1943. This formula provides that "all immovable defence installations built or provided in Canada by the government of the United States shall within one year after the cessation of hostilities" revert to Canada or a Canadian province; and that all "movable facilities" shall be either removed from or offered for sale to Canada or a province thereof. In the event that the governments of Canada and the United States forego their options as above, the facilities concerned are to be offered for sale in the open market and if no sale is concluded, the question of disposition is to be referred to the Permanent Joint Board on Defence.

CHARLES CAMSELL

1258.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 16, 1943

CANADIAN NORTHWEST; DEFENCE CONSTRUCTION AND
DEVELOPMENT; CANADIAN PARTICIPATION;
GOVERNMENT REPRESENTATION

3. THE DEPUTY MINISTER OF MINES AND RESOURCES submitted and explained, in detail, a report on defence construction in the area, copies of which had been circulated.

(Memorandum, Deputy Minister of Mines and Resources, to War Committee, April 13, 1943 - C.W.C. document 483).

4. THE PRIME MINISTER observed that the War Committee had already agreed upon the necessity of strengthening the representation of the Canadian government in the Northwest. This would involve the appointment of a suitable "commissioner" for the area, with appropriate staff from the departments having responsibility.

It was clearly very important that all construction projects, past, present and future should be covered by formal agreement between the U.S. and Canadian governments.

5. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS said that, in general, the formal position regarding U.S. construction projects was quite clear, provision having been made to protect Canada's legal rights. Apprehen-

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sion arose rather from the practical effect of large American expenditures in the area without major Canadian participation. Canada could strengthen her position by participating more vigorously in actual planning and development; this was probably of more practical importance than financial participation.

6. THE WAR COMMITTEE, after further discussion, agreed:

(a) that all U.S. and joint defence undertakings in the Canadian Northwest be the subject of specific agreement between the two governments;

(b) that Canada participate as actively as possible in the actual programme of development in the area; and,

(c) that the Under-Secretary of State for External Affairs and the Secretary, in consultation with departments concerned, prepare a draft submission to Council to provide for the appointment of a commissioner, responsible directly to the War Committee, to represent the government in the area, together with appropriate recommendations as to the instructions to be given such commissioner.

1259.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 21, 1943

CANADIAN NORTHWEST — APPOINTMENT
OF SPECIAL COMMISSIONER

16. THE SECRETARY submitted a draft submission to Council, prepared in consultation with officials of External Affairs and Mines and Resources, providing for the appointment of a "Special Commissioner for Defence Projects in Northwest Canada".

It was felt that the terms of any Order in Council of appointment would require to be supplemented by special confidential instructions, setting out the main purposes for establishment of the post and the functions the Commissioner would be required to perform.

Copies of the draft submission to Council had been circulated.

(Draft submission to Council, undated — C.W.C. document 492)†

17. The War Committee, after discussion, approved in principle the draft submission to Council, and agreed upon certain persons as being suitable for appointment as Commissioner.

1260.

DEA/5221-40

*Décret en Conseil**Order in Council*

P.C. 3758

Ottawa, May 6, 1943

WHEREAS the Governments of Canada and the United States established on 22nd August, 1940, a Permanent Joint Board on Defence for the purpose of studying and advising on matters relating to the defence of the North half of the Western Hemisphere;

AND WHEREAS pursuant to recommendations made by the said Permanent Joint Board on Defence, transport, communication and other facilities are being constructed and, in connection therewith, certain natural resources are being developed in northwestern Canada through co-operation between the Government of Canada and the Government of the United States;

AND WHEREAS the Prime Minister reports that these operations make it desirable that a Special Commissioner for defence projects in Northwest Canada be appointed to supervise and coordinate the activities related thereto of the several Departments of the Government and to maintain close and continuous cooperation with agencies of the Government of the United States in the area;

NOW, THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Right Honourable W.L. Mackenzie King, the Prime Minister, and under and by virtue of the War Measures Act, Chapter 206, Revised Statutes of Canada, 1927, is pleased to order as follows:

(1) Brigadier W. W. Foster, D.S.O., V.D. is hereby appointed Special Commissioner for Defence Projects in Northwest Canada.

(2) It shall be the duty of the Special Commissioner to supervise and coordinate the wartime activities in the area of the various Departments of the Government and to provide for continuous and effective Canadian participation and cooperation with the United States in the conduct of these activities.

(3) The powers hereby conferred upon the Special Commissioner shall not in any way derogate from the authority of the Northwest Territories Council and the Yukon Territorial Council.

(4) The Special Commissioner shall report to the Cabinet War Committee.

(5) The Special Commissioner shall be assisted by such departmental representatives and, with the approval of the Governor in Council, such other officers and employees as may be necessary for the carrying out of the responsibilities assigned to him.

A. D. P. HEENEY
Clerk of the Privy Council

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1261.

W.L.M.K./Vol. 340

*Le Premier ministre au commissaire spécial aux projets
de défense dans le nord-ouest du Canada*

*Prime Minister to Special Commissioner for Defence Projects
in Northwest Canada*

SECRET

Ottawa, May 20, 1943

Dear Brigadier Foster,

It is, I think, desirable that you as Special Commissioner for defence projects in the northwest, should have, in addition to the definition of your powers and duties as set forth in the Order in Council of appointment, an indication of the considerations which the government had in mind in appointing a Special Commissioner, and of the specific duties which they desire you to perform.

As you are aware, a programme of construction, extension of transport facilities, and development of certain natural resources has been undertaken in the Canadian northwest since the outbreak of war and particularly since December, 1941, largely on the recommendation of the Permanent Joint Board on Defence, in order to provide for the defence of North America and the effective prosecution of the war. Canada has undertaken the construction of the Northwest Staging Route, while the United States has assumed the responsibility for the greater part of the remaining construction and development for the simple reason that Canadian resources were already heavily concentrated on other phases of the war effort when the United States and Japan entered the war. However as changes in both countries' war programmes are being made and as certain phases of the Canadian programme are being curtailed, efficient use of continental resources and obvious considerations of national sovereignty make it desirable to transfer the largest possible share of northwestern and northern defence projects to Canada.

Developments in the northwest have now reached such proportions that special action has become necessary to enable the Canadian government to maintain close and continuing contact with the programme and to ensure that it is carried forward smoothly and effectively. The introduction of U.S. labour, both civilian and military, on a large scale, the necessity of regulating wages, prices and supply, the problem of obtaining permission for new projects through the proper channels, and other difficulties attendant upon the rapid completion of such extensive undertakings have produced various difficulties and strains, mainly of a local character, both within Canada and between Canada and the United States. The Canadian government desires to facilitate the construction of defence projects in the northwest by providing machinery for rapid solution of any difficulties which may arise and by arranging for such Canadian participation therein as may be useful or desirable.

Moreover, the extent of the development has raised questions relating to the future of the area. The northwest possesses valuable natural resources and is an area of strategic importance in the event of conflict between the United States and any Asiatic nation. The Canadian government desires to ensure that the

natural resources of the area shall be utilized to provide the maximum benefit for the Canadian people and to ensure that no commitments are made and no situation allowed to develop as a result of which the full Canadian control of the area would be in any way prejudiced or endangered.

With these considerations in mind, the government directs that you shall:

(1) As rapidly as possible, preferably within a period of one month, prepare a special report to the War Committee of the Cabinet on the situation in the Canadian northwest arising out of the programme of wartime development and construction that has been undertaken, this report to contain suitable proposals regarding action which might be taken by the government to carry out the purposes described above. In particular the report should recommend measures which would enable Canada to:

(a) carry out such additional joint defence or other projects or additions to existing joint projects as the government may decide to be in the national interest;

(b) assume wherever feasible the maintenance and management of joint projects already constructed or being constructed.

(2) Make regular fortnightly reports and recommendations thereafter to the War Committee of the Cabinet and carry out such instructions as may be issued to you by the War Committee.

(3) Review the existing forms of liaison established by representatives of the government with U.S. authorities in the area and make appropriate arrangements for the coordination, modification or expansion of these activities.

(4) Maintain direct personal contact with the senior officials, military and civilian, of the United States in the region.

(5) Ensure that all requests from the United States for permission to launch new or expand existing projects, except where they may be of a minor or supplementary nature, are referred by the U.S. government to the Canadian government through the established channels of the Department of External Affairs or the Permanent Joint Board on Defence. When requests have no major significance, you may decide whether the request should be granted, notifying the appropriate U.S. authorities and the Canadian government of your decision. In this connection you will recall that the U.S. government has designated the Corps of Engineers as the only U.S. agency from which requests should be entertained.

(6) Take such further action as may be appropriate under the terms of the Order in Council and the foregoing instructions.

Yours sincerely,

[W. L. MACKENZIE KING]

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1262.

DEA/5221-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

DESPATCH 582

Ottawa, May 26, 1943

Sir,

I have the honour to refer to my teletype of May 10, 1943, No. EX-1698^t in which I informed you of the decision to appoint a Special Commissioner for Defence Projects in Northwest Canada. The appointee, Brigadier Foster, assumed his duties in Edmonton on May 24th. You may be interested in the following information concerning the reasons for this appointment and the nature of Brigadier Foster's duties.

The background for the decision to appoint a Special Commissioner is found in the extensive programme of transportation and defence projects which has resulted from the decision of the Canadian and United States Governments to strengthen the defences of the Northwest. In the execution of this programme Canada was primarily responsible for the construction of the Northwest Staging Route, while the United States assumed the greater share of the responsibility for the remaining construction and development. However, with changes in the war programmes of the two countries it is now reasonable to assume that Canada may be able to undertake a greater share in the planning, construction and operation of the joint defence facilities which have been built or are to be built in the North and Northwest.

Developments in this area have now reached such proportions that it is necessary for the Canadian Government to maintain even closer, more effective and more continuous contact with developments than has been the case in the past in order to ensure the smooth and efficient operation of the defence programme. The introduction of United States labour on a large scale, the problems of regulating wages, prices and supply, the methods of obtaining permission for new projects and other difficulties inevitable in the rapid completion of such extensive undertakings have produced various complications, mainly of a local character, but affecting relations between Ottawa and the provincial Capitals as well as our relations with the Government and agencies of the United States.

The extent of these defence developments has also placed special emphasis on problems relating to the future of the Northwestern area, which is one of strategic importance in the event of war, and, in addition, possesses natural resources of great civil as well as military value. The Canadian Government desires to ensure that the natural resources of the area shall be utilized to provide the maximum benefits for the Canadian people, and to ensure that no commitments are made, and that no situation is allowed to develop, as a result of which full Canadian control over the area would be prejudiced or endangered.

Brigadier Foster was given the title of Special Commissioner for Defence Projects in Northwest Canada. He is the senior representative of the Government in the Northwest and responsible directly to the Cabinet War Committee.

A soldier of distinguished record, and a former Deputy Minister of Public Works of British Columbia, he is a Construction Engineer and is well qualified to handle the various problems that may arise. While becoming established in Edmonton, Brigadier Foster is being assisted by Mr. John MacNeil, Law Clerk of the Senate who has been temporarily released to undertake this duty. Brigadier Foster's instructions are thus set forth in the Order in Council making the appointment:

It shall be the duty of the Special Commissioner to supervise and coordinate the wartime activities in the area of the various Departments of the Government and to provide for continuous and effective Canadian participation and cooperation with the United States in the conduct of these activities.

The powers hereby conferred upon the Special Commissioner shall not in any way derogate from the authority of the Northwest Territories Council and the Yukon Territorial Council.

The Special Commissioner shall report to the Cabinet War Committee.

The Special Commissioner shall be assisted by such departmental representatives, and with the approval of the Governor in Council, such other officers and employees as may be necessary for the carrying out of the responsibilities assigned to him.

It is possible that Brigadier Foster's appointment may also be valuable for domestic purposes in the Northwest area. It should do something to reduce the apprehension that seems to exist in some misinformed circles to the effect that Canada is relinquishing control in the Northwest to the United States Army and other United States agencies. This is, of course, quite untrue. We have been glad to have United States assistance in the construction and maintenance of defence facilities which have been organized for our mutual benefit but there is no misunderstanding on either side, in official circles at least, of the conditions on which the United States agencies are operating in Canada. The various agreements, of which you have received copies, fully protect Canadian sovereignty and Canadian control.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1263.

DEA/5221-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au chargé d'affaires des États-Unis*

*Assistant Under-Secretary of State for External Affairs
to Chargé d'Affaires of United States*

Ottawa, June 4, 1943

Dear Mr. Clark,

In thinking over again our recent discussion of methods for clearing United States proposals in connection with defence facilities in Canada, it has occurred

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to me that one point may not perhaps have been made wholly clear. I think that it is a matter of importance both in itself and in order that time may be saved that Brigadier Foster should be informed and consulted about all proposals that are to be made to the Canadian Government. The Government will naturally wish to have Brigadier Foster's views in regard to such matters and it would assist the United States authorities in making their plans and would speed up the consideration of these plans by the Canadian Government if the reference to and consultation with Brigadier Foster could take place at an early date in each instance. I am sure that you will recognize the desirability of this procedure and I shall be grateful if you will bring the suggestion to the attention of Brigadier-General Worsham and the others who are interested.

Yours sincerely,

H. L. KEENLEYSIDE

1264.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 2, 1943

DEFENCE PROJECTS IN NORTHWEST CANADA;

REPORT OF SPECIAL COMMISSIONER

1. THE SECRETARY stated that the First Report of the Special Commissioner for Defence Projects in Northwest Canada had been received and was submitted for consideration.

Copies of the recommendations, contained in Part Six of the Report, had already been circulated and copies of Parts One to Five containing a detailed description of defence projects in the Northwest would be distributed to the Ministers, Deputy Ministers and senior officials of departments concerned.

2. THE WAR COMMITTEE, after consideration and discussion of the recommendations of the Report, agreed as follows:

Recommendation 1 — The Canadian government should prepare the necessary organization to take over the road for operation when the present crisis is at an end, the necessary understandings being arrived at with the British Columbia government as to the respective responsibility of Dominion and Provincial authorities.

Decision — Approved in principle and referred to departments concerned, the Special Commissioner to survey and report upon the nature and extent of the problem involved.

Recommendation 2 — Negotiations should be opened with the Provincial government of Alberta in order to determine the development of the Alaskan highway subsequent to its use during the present crisis, within the Province of Alberta; specifically, the link between Edmonton and Dawson Creek.

Decision — Approved in principle and referred to departments concerned, the Special Commissioner to include recommendations, in this connection, in reporting under Recommendation 1.

Recommendation 3 — The necessary arrangements covering the reservation and supply stations should be made with the government of British Columbia.

Decision — Special Commissioner authorized to confer with B.C. government with a view to submitting recommendations.

Recommendation 4 — Consideration should be given to the fact that supplementary work in connection with the highway will afford an opportunity for post-war employment.

Decision — Noted and referred to Economic Advisory Committee for consideration in post-war planning.

Recommendation 5 — A board should be established to deal with major policies in the development of commercial aviation as affecting resources, and the position of commercial air lines, both U.S. and Canadian.

Decision — Referred to the Interdepartmental Committee on Air Transport.

Recommendation 6 — An air control unit should be established in the Northwest to supervise and control all air operations.

Decision — Referred to the Interdepartmental Committee on Air Transport.

Recommendation 7 — If not already arranged, the necessary agreement should be entered into protecting Canadian interests in the oil resources of the Northwest.

Decision — Special Commissioner to have a survey made of present position with a view to submitting recommendations.

Recommendation 8 — The status of the Twenty-ninth Recommendation of the Canada-U.S. Permanent Joint Board on Defence²¹⁹, in respect of approval by the two governments, should be clarified immediately.

Decision — U.S. government to be informed that this Recommendation has not been approved by the government, with the request that U.S. authorities in the Northwest be so notified, immediately.²²⁰

Recommendation 9 — An understanding should be arrived at with the United States that all Canadian requests, from sources other than the Canadian government, for assistance in defence projects be referred to the Dominion government, and provincial authorities be notified accordingly.

Decision — Approved, U.S. government and provincial governments to be notified accordingly.

Recommendation 10 — When work essential to a Dominion government department is undertaken in the Northwest, it should, whenever possible, be handled by Canadian contractors and labour, and supervised by the department.

²¹⁹ Voir le document 1035.

²²⁰ Voir le document 1036. Voir aussi C.P. Stacey, *Armes, hommes et gouvernements*. Ottawa: Information Canada, 1970, p. 385.

²¹⁹ See Document 1035.

²²⁰ See Document 1036. See also C.P. Stacey, *Arms, Men and Governments*. Ottawa: Information Canada, 1970, p. 347.

concerned; otherwise requests for American authorities to utilize Canadian contractors and labour to a greater extent on U.S. projects become inconsistent.

Decision — Approved in principle.

Recommendation 11 — There should always be kept in view the distinction between U.S. projects dictated by the necessity of war, and participated in by Canada by virtue of joint defence agreements, and the post-war utility of such projects.

Decision — Noted and approved.

Recommendation 12 — Copies of all reports submitted by Canadian personnel in the field affecting Northwest defences should be forwarded to the office of the Special Commissioner.

Decision — Approved, departmental officials to be directed accordingly.

(First Report of Special Commissioner, June 24, 1943,[†] also Recommendations — C.W.C. document 550)[†].

1265.

DEA/5221-40

*Le deuxième secrétaire, la légation des États-Unis, au
sous-secrétaire d'État adjoint aux Affaires extérieures*

*Second Secretary, Legation of United States, to
Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

Ottawa, July 9, 1943

Dear Mr. Keenleyside,

I beg to refer to your letter to Mr. Clark of June 4, 1943, regarding the desirability that General Foster should be informed and consulted about all proposals in connection with defence facilities in Canada that are to be made to the Canadian Government.

Upon the receipt of this letter Mr. Clark brought its contents to the attention of the State Department, which in turn made them known to the appropriate military authorities in Washington. I have now been informed that General Robins conveyed the substance of your communication to the Division Engineer, Northwest Division, and requested that he communicate with General Foster on all matters requiring the ultimate approval of the Canadian Government on projects within the jurisdiction of the Northwest Division.

Sincerely yours,

EDWARD P. LAWTON

1266.

DEA/5512-40

*Le ministre aux États-Unis au secrétaire d'État des États-Unis**Minister in United States to Secretary of State of United States*

No. 362

Washington, July 10, 1943

The Canadian Minister presents his compliments to the Secretary of State and has the honour to refer to suggestions or recommendations which may be made by provincial or municipal authorities of Canada direct to the Government of the United States in respect of expenditures made or to be made in Canada by the United States Government.

The Canadian Government would be grateful if, in the event of such written or oral communications being received by the United States Government from any Canadian source other than the Canadian Government, they could be referred to the Canadian Government.

The Canadian Government, in its turn, is informing provincial authorities of the fact that any such communications should be submitted by the provincial governments to the Canadian Government and not to the United States authorities.²²¹

1267.

W.L.M.K./Vol. 240

*Le secrétaire, le Comité de guerre du Cabinet, au commissaire spécial aux projets de défense dans le nord-ouest du Canada**Secretary, Cabinet War Committee, to Special Commissioner for Defence Projects in Northwest Canada*

CONFIDENTIAL

Ottawa, July 23, 1943

Dear General Foster,

With reference to your letter of July 9th¹, regarding the use of the flag presented to you (which from your description appears to be a Red Ensign with the Canadian Arms in the fly), I have now had an opportunity of going into the matter further, and yesterday the question was discussed in the Cabinet.

The Prime Minister felt, and Council agreed, that it would be appropriate to have a distinctive Canadian flag flying from the headquarters of the Special Commissioner for Defence Projects in Northwest Canada and, accordingly, agreed that you be authorized to display, from your office, the Red Ensign with the Canadian Arms in the fly. As you know, it is the practice to fly this flag on offices of the High Commissioners and diplomatic representatives of Canada abroad, under authority of Order in Council P.C. 134 of January 26th, 1924.

For your own information I may say that at the same time the Ministers of National Defence were requested to explore the possibility of extending the use of this flag to the Armed Forces, in cases where the Canadian Army, Navy or

²²¹ Des lettres du Premier ministre aux premiers ministres de l'Alberta et de la Colombie Britannique furent envoyées le 10 juillet.

²²¹ Letters from the Prime Minister to the Premiers of Alberta and British Columbia were sent on July 10.

NON CIRCULATING /

Air Force is serving with the forces of other nations and it is felt that a distinctive flag, distinguishing Canadian units or formations would be valuable.

Yours sincerely,

[A. D. P. HEENEY]

1268. CEW/Vol. 2153

Le secrétaire d'État des États-Unis au ministre aux États-Unis
Secretary of State of United States to Minister in United States

Washington, July 24, 1943

The Secretary of State presents his compliments to the Honorable the Minister of Canada and has the honor to refer to the latter's note no. 361, July 10, 1943,²²² stating that certain American Officers in the Canadian Northwest were evidently not aware that the Twenty-Ninth Recommendation of the Permanent Joint Board on Defense had not been approved by the Canadian Government.

The Minister's note was referred to the appropriate authorities of this Government and Mr. Hull is now in receipt of a letter¹ stating that on July 14, 1943 a teletype message¹ was sent to Brigadier General Worsham, Division Engineer, United States Army Corps of Engineers, Northwest Division, informing him that the Twenty-Ninth Recommendation had not been approved by the Canadian Government and that work now progressing under plans B and C was not as a result of their inclusion in this recommendation.

1269. DEA/5512-40

Le secrétaire d'État des États-Unis
au chargé d'affaires aux États-Unis
Secretary of State of United States
to Chargé d'Affaires in United States

Washington, August 7, 1943

The Secretary of State presents his compliments to the Chargé d'Affaires ad interim of Canada and refers to the Legation's note No. 362, July 10, 1943, requesting that any communications in regard to American expenditures in Canada received from Canadian sources other than the Canadian Government be referred to the Government.

Mr. Hull has brought this matter to the attention of the appropriate American authorities and has been informed by them that instructions have been issued so that the Canadian Government's request may be complied with.

²²¹ Non trouvé.

²²² Not located.

SECTION C

DÉRIVATION DU CHICAGO/CHICAGO DIVERSION

1270.

DEA/1760-B-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-4753

Washington, September 25, 1943

CONFIDENTIAL. My despatch No. 1989, August 21^t, Chicago diversion. The Committee on Rivers and Harbours of the House of Representatives has decided to hold hearings, commencing Tuesday, September 28, on H.J. RES. 148, one of the bills which propose to increase the diversion. Copies of H.J. RES. 148^t were sent with my despatch No. 1574 of July 7, 1943.[†]

2. After discussing the matter informally with Hickerson of the State Department, I think that we can repeat the following paragraphs from our letter of September 2, 1942 to J.E. Read[†] regarding the identical bill which was before Congress at that time. We said in that letter, Begins:

"On the question of making representations to the State Department we ought perhaps to be guided to a certain extent by the views of that Department. They are of course opposed to the bill and may be able to arrange for its death in Committee on their own responsibility. On the other hand they may wish to have something from us that they can put before the Committee. In that event a memorandum from us stating our objections would probably be the most appropriate form.

"We have drawn the matter to the attention of the State Department and find that they do not give the bill much chance of success. Hickerson is going to look into the matter a little further and if anything comes of this we will let you know." End of extract.

3. Hickerson does not think that there is any need for us to give any memorandum to the State Department at the present time. It is inconceivable that the Committee will conduct its study of H.J. RES. 148 without asking the State Department for its views. At that time, we could give the State Department a memorandum or, for that matter, the State Department could state the Canadian objection without any memorandum from us.

4. In case we ever have to give the State Department a memorandum in a hurry, I would suggest that a draft of such a communication might now be prepared in Ottawa.

5. We shall watch the hearings before the Committee and keep you fully informed of developments.

NON - CIRCULATING /

1271.

DEA/1760-B-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

DESPATCH 2267

Washington, October 5, 1943

CONFIDENTIAL

Sir,

With reference to my teletype WA-4821 of September 30th^t concerning the Chicago Diversion, I wish to report on the September 28th hearing before the House Committee on Rivers and Harbors on H.J. Res. 148. Copies of the transcript of the hearing will not be available for distribution for some time, perhaps not until the Committee is ready to report.

2. The Nelson-Olds report on the proposed increase in the diversion was put in at the hearing by the Chairman. Copies of that report^t were sent to you with despatch No. 1989 of August 21st^t.

3. H.J. Res. 148 was supported at the hearing by the following:

- (1) Congressman Sabath of Chicago;
- (2) A representative of the U.S. Public Health Service;
- (3) The Commissioner of Public Works of Chicago;
- (4) The Assistant to the President of the Chicago Board of Health;
- (5) The Chief Attorney for the Sanitary District of Chicago;
- (6) The Engineer of Water Purification of Chicago;
- (7) Congressman Rowan of Illinois.

Their arguments were based purely on health considerations and followed the lines of the Chicago press stories we have sent you from time to time. Mr. Sabath claimed that a temporary increase would not lower the Lake levels, which are very high at present. To make extracts from their lengthy evidence would involve taking a stenographer from the Legation to the office of the Rivers and Harbors Committee; I shall do that if you think it worthwhile.

4. The following appeared to oppose H.J. Res. 148:

- (1) The Assistant Attorney General of New York State;
- (2) H.H. Naujoks, Special Assistant to the Attorneys General of the States opposed to increased diversion i.e. New York, Pennsylvania, Ohio, Michigan, Wisconsin and Minnesota;
- (3) The City Attorney of Milwaukee;
- (4) D.W. Hoan, President of the Great Lakes Harbor Association.

All these asked for time to prepare their evidence, and the hearing was therefore adjourned until November 9th at 11:00a.m.

5. The Assistant Attorney General of New York State said that, apart from the merits, Congress has no jurisdiction to permit diversion of water from Lake Michigan for health purposes, which are the only purposes mentioned in H.J. Res. 148.

6. Canada was mentioned twice. A committee member asked — “Do you not think that this is perhaps an international question, Mr. Sabath, in which Canada would be interested?” Mr. Sabath replied — “I am satisfied that it is not, because they sanctioned it before and agreed to it; and I had a conference with the ex-Senator from Kentucky, who is a member of the International Board, Senator Stanley, here some months ago, and he assured me that there would not be any question raised.” When Mr. Naujoks was speaking, the following exchange took place:

Mr. Naujoks: We must consider the interests of Canada . . . which has a vital interest in maintaining the integrity of the Lake levels.

The Chairman: I do not think though that Canada would want to join with you in any contest here.

Mr. Naujoks: No, sir.

The Chairman: I believe Canada relies on a treaty.

Mr. Naujoks: Yes, Canada has been relying on the Treaty of 1909 but it has been observing the situation . . . Canada feels that this is a matter for negotiation between the State Departments of the two nations and that it would not want to subject itself to the jurisdiction of the courts of this country or to the Congress of the United States.

The Chairman: Canada would go to the State Department.

7. Today a member of the Legation discussed the matter again with Mr. Hickerson of the State Department. He is confident that there is practically no chance of the Rivers and Harbors Committee reporting favourably on H.J. Res. 148. He is equally confident that, if the Committee were to contemplate making a favourable report, the Committee would first consult the Secretary of State, who would, of course, tell the Canadian Legation. That would provide a suitable occasion for Canada to present its views formally to the State Department. At our suggestion, the State Department intends to speak informally to the Chairman or Clerk of the Committee to ensure that the State Department will be consulted in advance in the unlikely event of the Committee contemplating a favourable report.

8. Mr. Hickerson sees no advantage in Canada submitting its views to the State Department until the stage described in the immediately preceding sentence has been reached, but has no objection, of course, to our acting earlier if we so desire. I agree with Mr. Hickerson; I think that Canada should, if possible, avoid incurring the ill-will of the people of Chicago. If H.J. Res. 148 can be buried without Canada's public intervention, so much the better.

9. However, as suggested in WA-4753 of September 25th, I think that a draft Canadian memorandum might now be prepared in Ottawa, for possible future use. The occasion for its use will certainly not arise until after November 9th. I do not think that it need be a lengthy memorandum.

10. Enclosed are three copies of H.R. 3337^t, introduced by Congressman Rowan of Illinois on September 27th. The Bill provides that —

“ . . . no sewage or industrial waste shall be discharged into Lake Michigan or into any body of water flowing into Lake Michigan until such sewage or indus-

trial waste has been chlorinated or otherwise treated so as to avoid danger to health through pollution of the waters of such lake."

This Bill is aimed at States neighbouring on Illinois. As stated in WA-3482 of July 13th,¹ the Chicago contention is that their present troubles are in great part due to war plants in neighbouring States dumping untreated sewage into Lake Michigan.

I have etc.

L. B. PEARSON
for the Minister

1272.

DEA/1760-B-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-4374

Ottawa, November 5, 1943

Reference your despatch No. 2267, of October 5, 1943, in particular paragraph 9, and my reply despatch No. 1130, of October 7, 1943¹, concerning the Hearings on the Chicago Water Diversion problem.

B. Quoted in my next paragraph is the text of a memorandum, setting out the views of the Canadian Government, which may if necessary be submitted to the State Department.

C. 1 "The Canadian Government is informed that there will be Hearings in the near future before the House of Representatives Committee on Rivers and Harbours with respect to H.J. Res. 148, introduced in the House by Mr. Sabath on July 2, 1943. It is understood that the purpose of this Resolution is to seek authorization for an increased diversion of water from Lake Michigan through the Chicago Drainage Canal.

2. The Canadian Government is of the opinion that adoption of such a Resolution would have an adverse effect upon navigation in the Great Lakes and the St. Lawrence, and would impair the power potentialities of the Niagara and St. Lawrence Rivers.

3. It is understood that the present diversion authorized by the United States Supreme Court Decree of April 21, 1930, is to the effect that such will not exceed an annual average of 1500 cubic feet per second in addition to domestic pumpage. In total this amounts to an annual average diversion of approximately 3200 cubic feet per second. The Resolution on which there will be Hearings would increase the total diversion by an amount of 3500 cubic feet per second. The Canadian Government is informed by its technical advisers that the ultimate reductions in the levels of the Great Lakes and at Montreal Harbour in the present and proposed amounts is accurately set out in the table below:

Reduction in level in inches due to

	Existing Diversion of 3200 c.f.s.	Proposed Increase of 3500 c.f.s.	Total Diversion of 6700 c.f.s.
Lake Huron	2 1/4	2 1/2	4 3/4
Lake Erie	1 3/4	2 1/20	3 4/5
Lake Ontario	1 7/8	2 1/8	4
Montreal Harbour	1 2/3	1 5/6	3 1/2

Such reductions in level are of substantial import to Canadian as well as to United States navigation interests, particularly in years of low stage in the Great Lakes-St. Lawrence System. The water levels in the Great Lakes System have been high in 1943, but many months are required for the full effect of any increased diversion which might be made at Chicago to be felt in the lower Lakes and the St. Lawrence River, and there is no assurance that the high Lakes stages of 1943 will be repeated in 1944, or for many years thereafter.

4. In its power aspect, the Canadian Government wishes to bring to the attention of your Government that the proposed increase of 3500 cubic feet per second in the Chicago Diversion would result in the reduction of the total power potentiality at Niagara and at the International Rapids Section of the St. Lawrence River of 134,000 continuous horse-power. On the wholly Canadian reach of the St. Lawrence River the reduction would total 38,000 potential continuous horse-power. It is acknowledged that during the existing period of high water the only effect on actual power production would be at Niagara. During a period of extreme low water however, there would be a reduction of 28,000 continuous horse-power in the total produced in the wholly Canadian reach of the St. Lawrence River. The Governments of our two countries are, moreover, at present engaged in the construction of a submerged weir in the Niagara River to raise the level of the Grass Island Pool one foot at standard low water. The purpose of this construction is to improve power generating conditions at the Queenston station of the Hydro-Electric Power Commission and at the plants of the Niagara Falls Power Company. The proposed increased diversion at Chicago of 3500 cubic feet per second would thus impair the improvement to be secured from the construction of the submerged [weir].

5. The Canadian Government ventures to submit [that the] adoption of the foregoing Resolution would be prejudicial to the navigation and power interests of both countries, and earnestly hopes that the United States Government will use its influence to prevent adoption of this or any other Resolution with similar purposes."

D. Please be good enough to keep me posted concerning developments.

1273.

DEA/1760-B-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-5669

Washington, November 13, 1943

My WA-5654, November 12th¹, Chicago diversion. State Department informed the Legation today that the State Department yesterday received a request from the House Committee on Rivers and Harbors for an expression of the State Department's views on H.J. Res. 148.

2. Apparently the Committee wants to have the State Department's views before the hearings on H.J. Res. 148 are resumed on November 30th.

3. The fact that the State Department has been asked for its views does not (not), in my opinion, mean that there is a likelihood of the Committee reporting favourably on H.J. Res. 148. It does mean, however, that the Committee is at least taking H.J. Res. 148 very seriously.

4. As I said in paragraph 8 of despatch No. 2267 of October 5th, it would be better for Canada if H.J. Res. 148 could be buried without Canada's public intervention. However, in view of the fact that the State Department has at the present stage been asked to give its views to the Committee, I have with some hesitation come to the conclusion that now is the time to give the State Department officially the Canadian Government's views.

5. Referring to the draft memorandum quoted in your EX-4374, November 5th, I should like to make two comments. First, the reference in the draft memorandum to hearings to be held in future should, of course, be changed to a reference to the hearings now in progress. Second, I think that it might be better to omit the second half of the final sentence of the draft memorandum beginning "and earnestly hopes". It is likely that the State Department will give to the Committee the text of our memorandum; I am afraid that some members of the Committee or of Congress might resent the blunt statement by the Canadian Government that we hope that the United States Government will use its influence to prevent adoption of the resolution. I do not think that the omission of the last two lines will do us any harm; our hope will be fairly evident even if we do not expressly state it.

6. I should like to get our memorandum to the State Department on November 16th or 17th at the latest and should, therefore, appreciate an early reply to this teletype.

1274.

DEA/1760-B-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-4499

Ottawa, November 15, 1943

Your WA-5669, of November 13, 1943, concerning the Hearings before the House Committee on Rivers and Harbors with respect to H.J. Res. 148, dealing with the Chicago Diversion problem.

2. The two suggested modifications in the draft memorandum, set out in our EX-4374, of November 5, which you mention in paragraph 5 of your foregoing teletype, are quite acceptable. I shall be glad, therefore, if these modifications are made, and memorandum given to the State Department in the manner you suggest.

1275.

DEA/1760-B-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-5935

Washington, November 27, 1943

My despatch No. 2589, November 16th[†], Chicago diversion. Following note dated November 26th has been received from the Secretary of State, Begins: I acknowledge the receipt of your note No. 593, November 26, 1943[†], setting forth under instructions from the Canadian Government the reasons why in its opinion the adoption of H.J. Res. 148 would be prejudicial to the navigation and power interests of the United States and Canada.

In the belief that it would be useful to the House Committee on Rivers and Harbors to have the Canadian Government's views before it, I have sent a copy of your note to the Honorable Joseph J. Mansfield, Chairman of the Committee. I shall, of course, be glad to inform you at a later date as to what action the Committee takes. End of note.

2. I do not like to ask the State Department whether they have yet sent to the Committee the State Department's own views on the question. I presume that these have been sent and that they will be made public when the Committee resumes hearings on November 30th.²²³ Ends.

SECTION D

RIVIÈRE COLUMBIA/COLUMBIA RIVER

1276.

DEA/5724-40

Le ministre des États-Unis au secrétaire d'État aux Affaires extérieures
Minister of United States to Secretary of State for External Affairs

No. 41

Ottawa, October 4, 1943

Sir,

Acting on the instructions of my Government, I have the honor to inform you that it has had under consideration the desirability of having a study made by the International Joint Commission with respect to the Upper Columbia River Basin from the points of view of navigation, power development, irrigation,

²²³ Le comité n'a pas repris ses délibérations.

²²³ The Committee did not resume hearings.

flood control, and other beneficial public uses and purposes. It has concluded that such a study and a report by the Commission would be timely and it very much hopes that the Government of Canada may agree that an undertaking of this kind would be in the interest of our two countries.

The investigation should not, in our view, be confined to the Upper Columbia River proper, but should include such important tributaries as the Kootenay, Clark Fork-Pend Oreille, and Okanogan Rivers, and other headwater tributaries rising in either Canada or the United States and flowing across the international boundary before discharging into the Columbia River.

It is suggested that the matter might be submitted to the Commission by a joint reference of our two Governments pursuant to Article IX of the Boundary Waters Treaty of 1909²²⁴, and that the reference should set forth in general terms the particular questions upon which the Commission would be expected to submit its report and recommendations.

This proposal is based upon a realization by my Government that a large part of the water resources of the two countries in this important basin is being allowed to go to waste because of lack of adequate regulation and control; also upon the desirability of more effective flood control, particularly along the Kootenay River, and the improvement of these river facilities in the general interest of navigation, irrigation, power development, fisheries, and conservation of wild life.

While it is considered desirable that the Commission should be given considerable leeway as to the method of procedure and the scope of the investigation to be made, it is important that the two Governments should obtain adequate information on the several points referred to, and that the advantages to be gained in a given direction through development and control of the water resources should be weighed and compared with the disadvantages that might result in another direction, as, for example, the advantages of greater storage facilities in the interests of navigation, flood control, irrigation, or power development over the disadvantages of the submersion of lands and other properties on either side of the boundary. This would, of course, include the estimated cost of any recommended action, such as provision of storage facilities and other works, as well as the estimated value of or damage to any properties that might be affected.

In accordance with established custom, the two Governments might agree to supply the Commission from their official staffs with the necessary technical, engineering, and other services needed for a complete and painstaking survey and report, such as is here contemplated.

I am directed to state that if the Government of Canada is prepared to go along with the United States Government in this respect my Government

²²⁴ Voir Canada, *Treaties and Agreements Affecting Canada in Force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925*. Ottawa: Imprimeur du Roi, 1927, pp. 312-8.

²²⁴ See Canada, *Treaties and Agreements Affecting Canada in Force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925*. Ottawa: King's Printer, 1927, pp. 312-8.

would be glad to receive any suggestions that the Government of Canada may desire to submit as to the precise form of the terms of reference.

It would be agreeable to my Government if the Government of Canada should think favorably of the proposition outlined above, to lay the matter before the International Joint Commission with a view to obtaining its suggestions, for submission to the two Governments, as to the form of reference deemed by the Commission to be desirable from its point of view.

Accept etc.

RAY ATHERTON

1277.

W.L.M.K./Vol. 282

*Mémorandum du conseiller juridique au sous-secrétaire d'État
aux Affaires extérieures*²²⁵

*Memorandum from Legal Adviser to Under-Secretary of State
for External Affairs*²²⁵

[Ottawa,] October 12, 1943

UPPER COLUMBIA RIVER BASIN REFERENCE

1. I am enclosing for your information a copy of Note No. 41 of October 4, 1943, from the United States Legation, proposing a reference to the International Joint Commission of a study of the Columbia River Basin from the point of view of navigation, power, irrigation, flood control, and other beneficial public uses and purposes.

2. This would include the tributaries of which the Pend Oreille, Kootenay and Okanogan are the most important from the Canadian point of view.

3. The reference is to be under Article IX of the Boundary Waters Treaty 1909, which would result in recommendations to the two Governments and which would have no binding force until they were accepted by both Governments.

4. Particular reference is made to the question of storage facilities, flood control, irrigation and power.

5. It is suggested that the Commission might be aided by technical and engineering service personnel furnished by the Governments.

6. The United States Government proposes to lay the matter before the International Joint Commission, with a view to obtaining its suggestions for submission to the two Governments as to the form of reference.

7. The following action has been taken, after consultation with the Dominion Water and Power Bureau (Mines and Resources):

(a) Copies of the Note have been transmitted through routine channels to the appropriate authorities of the Province of British Columbia, informing

²²⁵ Ce mémorandum fut ensuite adressé au Premier ministre.

²²⁵ This memorandum was later sent to the Prime Minister.

them they will be kept in touch with anything that is done in this matter, and that Canadian Government officials will discuss the questions informally with British Columbia officials.

(b) Preliminary conferences have been held with Dominion Water and Power Bureau with a view to settlement of preliminary drafts of terms of reference.

(c) The matter has been referred to Public Works, Indian Affairs, Power Controller, and Fisheries.

8. This is the most important reference to the Commission since the St. Lawrence. The Canadian Government, for ten years, has been trying to promote an overall reference of the Columbia question to the International Joint Commission. We have taken no steps to that end, because it was felt that it was necessary for Canada to be in a bargaining position in dealing with this problem. On the other hand, we have based all of our policy in the Columbia upon the desirability of bringing to pass a situation in which the United States would be compelled to take the initiative. The present proposal by the United States is, therefore, a most satisfactory result of the long-term policy followed by the Dominion Water and Power Bureau and External Affairs.

9. This movement involves, potentially, development of storage in Canada in the interests of United States power and development of storage in the U.S.A. in the interest of Canadian power.

10. From the broader economic point of view, it gives us an opportunity to meet a serious situation. The development of the lower Columbia promises to lead to a great economic development in Oregon and Washington. We are witnessing the establishment of a great industrial area in the Northwest of the U.S.A.

There is a serious danger that such a development, if unaccompanied by a corresponding development in British Columbia, might have a serious effect upon that Province. It might, for example, result in a drain upon British Columbia comparable to the drain upon the Maritime Provinces caused by the great industrial development of New England at a time when there was no corresponding economic progress in the Maritimes. The only possible answer that I know of is the development of southern British Columbia and that development needs to be based upon power. One of the greatest sources of power in Canada is the Columbia system, and it is probably the most economical. If we make full use of the power resources of the Kootenay and the Pend Oreille, it should be possible to promote a development of southern British Columbia which would prevent the occurrence of an economic catastrophe comparable to that experienced by the Maritimes from the late sixties until the present time.

11. The course which we are proposing to follow is:

(a) After consultations with the interested Departments, we shall have draft terms of reference discussed by Webb²²⁶ in Vancouver, with British Columbia officials.

(b) We shall then propose a meeting in New York of I.J.C. in executive

session with Washington and Ottawa officials to settle draft terms of reference.

(c) Our draft terms of reference would be cleared by Mr. Crerar before meeting in New York and the draft reached, after discussions in New York, would be sent to Cabinet for clearance.

12. This reference is so important that I think it should be dealt with by the following:

Legal Adviser, K.B. Bingay, representative of American Division (possibly MacKay), representative of Economic Division (possibly Deutsch).

J. E. R[**EAD**]

1278.

DEA/5724-40

*Mémoire de l'assistante, la direction juridique,
le ministère des Affaires extérieures*

*Memorandum by Assistant, Legal Division,
Department of External Affairs*

[Ottawa,] October 25, 1943

UPPER COLUMBIA RIVER BASIN REFERENCE

A meeting was held in the Office of the Deputy at 12.30, October 25th, 1943, to discuss the Columbia River Reference before the International Joint Commission, which was attended by the following: N.A. Robertson, V. Meek, J.E. Read, D.A. Skelton, R.A. MacKay, J. Deutsch, and K.B. Bingay.

Mr. Read and Mr. Meek explained the magnitude of the proposed investigation — that it would involve the whole of the upper Columbia River Basin. It was pointed out that economic questions would be immediately involved.

It was agreed that Mr. Read should call a committee of the persons present to discuss the draft terms of reference which had been submitted by the Dominion Water and Power Bureau, and that the terms of reference should then be discussed (in consultation with the B.C. authorities) with the Joint Commission and representatives of the State Department.

It was tentatively suggested that Mr. Crerar should properly be the minister responsible. Mr. Robertson will speak to the Prime Minister about this. Mr. Robertson suggested that copies of the notes might be sent to Mr. Ian Mackenzie.

K. B. B[**INGAY**]

²²⁶ Hydraulicien, région de Colombie Britannique, bureau fédéral des eaux et de l'énergie, direction des levés et du génie, ministère des Mines et des Ressources.

²²⁶ Hydraulic Engineer, British Columbia District, Dominion Water and Power Bureau, Surveys and Engineering Branch, Department of Mines and Resources.

1279.

DEA/5724-40

*Le contrôleur, le bureau fédéral des eaux et de l'énergie, la direction
des levés et du génie, le ministère des Mines et des Ressources,
au conseiller juridique*

*Controller, Dominion Water and Power Bureau, Surveys and Engineering
Branch, Department of Mines and Resources, to Legal Adviser*

Ottawa, November 3, 1943

Mr. Read,

I am attaching a draft copy of the Minutes of the Meeting of the Interdepartmental Committee held in your office on October 30, as prepared by Mr. T.M. Patterson. Before final typing for distribution, I shall be pleased if you will look them over and let us have any corrections or revisions you consider desirable.²²⁷ It is proposed to attach a copy of the note, the draft Terms of Reference, and a plan of the Columbia Basin.

I am also attaching a Fourth Draft of the Terms of Reference. The underlined amendments are suggested revisions as outlined in Minute 3.

V. MEEK

[PIÈCE JOINTE I / ENCLOSURE I]

*Procès-verbal d'une réunion interministérielle
Minutes of an Interdepartmental Meeting*

Ottawa, October 30, 1943

RECORD OF INAUGURAL MEETING OF THE INTERDEPARTMENTAL
COMMITTEE RE COLUMBIA RIVER REFERENCE AT OTTAWA,
ONTARIO, OCTOBER 30, 1943

The Meeting convened in the Conference Room of the Legal Division, Department of External Affairs, Post Office Building, at 2.30 P.M. October 30, 1943.

Present —

Department of External Affairs

J.E. Read, K.C., (Chairman)

Miss K.B. Bingay

Bank of Canada

D.A. Skelton

Department of Public Works

F.G. Goodspeed

²²⁷ Aucune version corrigée ne fut trouvée.²²⁷ No amended version was located.

Department of Fisheries

J.A. Rodd

Department of Mines and Resources

V. Meek

N. Marr

T.M. Patterson

International Joint Commission

Dr. L.J. Burpee

1. In opening the meeting Mr. Read explained that it had been called for the purpose of considering Terms of Reference covering the submission to the International Joint Commission of questions regarding the development of the water resources of the Columbia River Basin. In this connection Dr. L.J. Burpee, Secretary of the Canadian Section of the Commission, had been invited to attend the meeting in an unofficial capacity. It was considered that this action would be helpful both to the Committee in drafting Terms of Reference and to the Commission in undertaking its studies.

2. Copies of Note No. 41 (See Annex A), dated October 4, 1943, from the Legation of the United States of America to the Right Honourable The Secretary of State for External Affairs, were available for study and copies of draft terms of reference entitled "Draft Amending Water and Power Bureau Draft of October 6th" (See Annex B), dated October 20, 1943, were distributed for discussion.

3. Developing from the discussion of the Terms of Reference it was agreed that Messrs. Read and Meek should revise Question 1 to broaden its interpretation to include the Columbia River below the International Boundary at least as far as Grand Coulee Dam and should give consideration to the addition of a clause (e) to Question 2 to cover the matter of possible adverse effects to any interests. Subject to these amendments it was agreed that the draft Terms of Reference should form the basis of discussions with representatives of the Government of British Columbia.

4. In considering how the Terms of Reference should be broached and reviewed with British Columbia, it was agreed that Mr. C.E. Webb, District Chief Engineer, Dominion Water and Power Bureau, formed a good means of approach to the officials of the interested Provincial Departments should it be decided to raise the matter through them. However, it was felt that it might be desirable to have the original approach on a ministerial level. It was agreed that Messrs. Read and Meek place the whole matter before Mr. Crerar, Minister of Mines and Resources, and at the same time ascertain the Minister's wishes in the manner of approach to British Columbia.

5. The view was expressed that consideration of matters requiring discussion with British Columbia should be expedited and that, subject to the decision as to the manner of approaching the Province, Mr. Webb should be in a position to initiate discussion on or about November 8th. With this start it was felt that

Terms of Reference from the Canadian standpoint would be available for discussion with the United States Government and the I.J.C. by the end of November.

6. Mr. Goodspeed informed the Committee that a complete investigation of the water problems of Okanagan Lake and Okanagan River from the lake to the International Boundary is under way by a Committee of which he is the Chairman. He stated that this information would be available for use in connection with the study of the Columbia River watershed.

7. Some consideration was given to the possible constitution of the engineering board likely to develop from the reference to the Commission, it being recognized that the Canadian and United States sections should be similarly constituted. In this connection it was visualized that such a Board might be large enough to include Federal, State, and Provincial membership or [be] of a smaller and Federal nature with National Advisory Boards attached. In any event it was agreed that British Columbia should be given to understand that it would have adequate representation at all times.

8. In discussing the matter of fisheries, Mr. Rodd explained that anadromous fish in the Columbia River watershed were of no commercial value to Canada and that the Dominion Department of Fisheries had withdrawn from the area. He further explained fishery matters in this watershed were Provincial concerns except in the case of international questions.

9. It was agreed that the records in connection with the Committee's activities should be maintained at the Dominion Water and Power Bureau and that Mr. T.M. Patterson should be responsible for the preparation of Minutes.

10. The meeting adjourned at 4 P.M.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Quatrième projet du mandat pour la Commission mixte internationale

Fourth Draft of Terms of Reference for International Joint Commission

Amendments underlined²²⁸ are suggested revisions to cover discussion at meeting of Interdepartmental Committee, October 30, 1943.

Ottawa, November 3, 1943

QUESTIONS RE COLUMBIA RIVER STORAGE

1. In order to secure the most advantageous use of the waters of Columbia River and of its tributaries, for domestic water supply and sanitation, for navigation, for fishing, for power, irrigation and reclamation, flood control, and other beneficial public uses and purposes, is it, from an economic standpoint, now practicable and desirable, having regard for all or any of the interests affected thereby, or under what conditions will it become thus practicable and desirable to provide additional storage facilities upon, or to take any other measures with regard to the waters *of the Columbia River from its source to Grand Coulee Dam and the waters of the tributaries to the main river above the*

²²⁸ En italique ici.

²²⁸ In italics here.

point where the said main river crosses the International Boundary, and upon waters of other streams which cross the International Boundary and are tributary to the Columbia River below its crossing of the said Boundary?

2. If it be found practicable and desirable thus to provide additional storage facilities upon, or to take any other measures with regard to waters in that part of the Columbia River Basin defined in question 1 —

(a) What additional storage facilities are recommended and what limiting elevations are recommended in each of the proposed storage reservoirs?

(b) What other measures are recommended?

(c) What provision or reservation should be made in the interest of domestic water supply and sanitation, navigation, flood control, land irrigation or reclamation, power development, fisheries, mineral lands, conservation of wild life, and other public uses and purposes?

(d) To what extent will it be necessary to acquire lands, *to protect and indemnify interests adversely affected*, and to construct works in order to provide for such storage, or in order to carry out such other measures, and what will be their respective costs?

(e) What interests on each side of the boundary would be benefited? What would be the nature and extent of such benefit in each case? How should the cost be apportioned among the various interests so benefited?

3. What methods of control and operation would be feasible and advisable in order to regulate the volume, use and outflow of the waters in each case in accordance with such recommendations as may be made in answer to questions 1 and 2?

4. What interests on each side of the boundary are benefited by existing storage on waters controlled by dams on the Kootenay, Pend Oreille, and Okanogan river systems? What are the nature and extent of such benefits in each case? What is the cost of such storage and how should such cost be apportioned or adjusted among the various interests so benefited?

1280.

DEA/5724-40

*Le ministre des Mines et des Ressources au
Premier ministre de Colombie britannique*

*Minister of Mines and Resources to
Premier of British Columbia*

Ottawa, November 15, 1943

Dear Mr. Hart,

The United States Government, in a Note No. 41 dated October 4th of this year, has proposed a reference to the International Joint Commission of a study of the use of the waters of the Columbia River System, for all purposes. A copy of this Note was sent to your Government through the usual channels and I understand that it is now under consideration.

The proposed reference would require the Commission to make recommendations to the Governments regarding the overall development of the Columbia River Basin. The recommendations would not be binding upon either Government. If they commended themselves to the Governments, it would be necessary, at a later stage, to give effect to them by Treaty.

The United States Government has asked that we should consult with the Commission with regard to terms of reference.

The proposal is being studied by the departments of the Canadian Government which are interested, and I understand that Mr. C.E. Webb, the District Chief Engineer of the Dominion Water and Power Bureau in Vancouver, has had a preliminary consultation with Mr. E. Davis, Comptroller of Water Rights for British Columbia, who is, I believe, studying the matter on behalf of the interested department of your Government.

The International Joint Commission has had before it, during the last ten or fifteen years, a number of specific problems relating to the Columbia River Basin. These include the development of storage in Kootenay Lake, the establishment of reclamation districts in the Kootenay Flats, the Grand Coulee Dam Project, and the Osoyoos River Reference. The possibility of an overall reference of Columbia River problems has been considered from time to time by the members of the Canadian and British Columbia Public Services who have been concerned in these specific problems. The general view has been that an overall reference would be desirable, but that it would be better to have it come about as a result of United States Government initiative, rather than as the result of any action by Canadian agencies.

It is planned to arrange for a meeting with the members of the International Joint Commission and United States Government representatives, towards the end of this month or early in December, for the purpose of consultation with regard to terms of reference. A preliminary draft has been prepared, and I am asking Mr. Webb to consult the appropriate authorities of your Government in order to ascertain their views as to the nature and scope of the reference. I am sure that you will agree that it would be desirable to ensure close co-ordination between federal and provincial interests in this reference. At the discussions with the Commission there will be no representative from the States concerned. I think, however, that it would be helpful if you could send an engineer to consult with the Canadian representative in these negotiations. In this way it should be possible to ensure that the terms of reference would be considered in conformity with British Columbia interests.

It is expected that the International Joint Commission will appoint an advisory committee consisting of a federal engineer from both countries. It would be our intention in such circumstances to establish direct liaison between the Commission's engineering committee and a Canadian National Advisory Board. This Board would include adequate provincial representation as well as representation of interests directly affected by the Reference.

I should greatly appreciate an expression of your views on any aspect of this problem.

Yours sincerely,

T. A. CRERAR

1281. DEA/5724-40

*Le Premier ministre de Colombie britannique au
ministre des Mines et des Ressources*

*Premier of British Columbia to
Minister of Mines and Resources*

Victoria, December 4, 1943

Dear Mr. Crerar,

I have for acknowledgment your letter of the 15th ultimo, with reference to an examination by the International Joint Commission of the water resources of the Columbia River.

Please be advised that I have discussed this matter with Mr. Ernest Davis, our Comptroller of Water Rights, and can assure you that the fullest cooperation will be given by him and his department in connection with this survey. Mr. Davis is at liberty to attend any meetings that may be necessary in connection with the consideration of this problem.

Yours faithfully,

JOHN HART

1282.

DEA/5724-40

*Mémoire de l'assistante, la direction juridique,
le ministère des Affaires extérieures²²⁹*

*Memorandum by Assistant, Legal Division,
Department of External Affairs²²⁹*

[Ottawa,] December 9, 1943

COLUMBIA RIVER BASIN REFERENCE

The attached draft reply¹ refers generally to a study of the Upper Columbia River Basin, without defining the term, and does not refer to the U.S. suggestion that the investigation "should not be confined to the Upper Columbia River proper but should include such important tributaries as the Kootenay, Clark Fork-Pend Oreille, and Okanogan Rivers, and other headwater tributaries rising in either Canada or the U.S. and flowing across the international boundary before discharging into the Columbia River." Instead, our note suggests that the scope of the reference be settled at a meeting of U.S. and Canadian representatives with the International Joint Commission. The question whether Grand Coulee, Bonneville or the Snake River should be included, can be discussed at this meeting.

²²⁹ K.B. Bingay.

NON - CIRCULATING /

1283.

DEA/5724-40

*Mémorandum de l'assistante, la direction juridique,
le ministère des Affaires extérieures*

*Memorandum by Assistant, Legal Division,
Department of External Affairs*

[Ottawa,] December 10, 1943

NOTE ON MEETING HELD ON FRIDAY, DECEMBER 10TH,
1943, IN THE OFFICE OF HON. C. STEWART

Attended by:

Mr. Stewart²³⁰

Mr. Burpee

Mr. Read

Mr. Meek

Mr. Patterson

Miss Bingay.

Mr. Read read over the Canadian draft note¹ in reply to the United States note of October 4, 1943, and its terms were agreed upon. It was agreed that the meeting of the representatives of the Canadian and United States Governments, with the International Joint Commission, might be held in New York on the second Tuesday in January. This date will be suggested informally to the United States Ambassador, and Mr. Stewart will also suggest this to Senator Stanley.²³¹

It was agreed that Mr. Davis should accompany the Canadian representatives – not as a representative of B.C. but as a consultant to Mr. Meek.

K. B. B[INGAY]

1284.

DEA/5724-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur des États-Unis
Secretary of State for External Affairs to Ambassador of United States

No. 157

Ottawa, December 10, 1943

Sir,

I have the honour to refer to your note No. 41 of October 4th, 1943, concerning the desirability of having a study made by the International Joint Commission with respect to the Upper Columbia River Basin from the points of view of navigation, power development, irrigation, flood control, and other beneficial public uses and purposes.

²³⁰ Président, section canadienne, Commission mixte internationale.

²³¹ Président, section américaine, Commission mixte internationale.

²³⁰ Chairman, Canadian Section, International Joint Commission.

²³¹ Chairman, American Section, International Joint Commission.

This matter has been considered by the Government of Canada, in consultation with the Canadian Section of the International Joint Commission, and it is agreed that a study and report of this nature by the Commission would be timely, and in the interest of our two countries.

It is agreed that the matter be submitted to the Commission by a joint reference of our two Governments pursuant to Article IX of the Boundary Waters Treaty of 1909, and that the reference should set forth in general terms the particular questions upon which the Commission would be expected to submit its report and recommendations.

I am directed to state that the Canadian Government welcomes your proposal to lay the matter before the International Joint Commission with a view to obtaining its suggestions as to the form of reference deemed to be advisable from the point of view of the Commission.

It is suggested that the form and scope of the terms of reference be decided upon at a meeting of representatives of your Government, and representatives of the Government of Canada, in consultation with the International Joint Commission. It is suggested that such a meeting might be held early in January of 1944, on a date to be arranged informally by your Embassy and this Department after consultation with the International Joint Commission.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1285. DEA/5724-40

*Le contrôleur, le bureau fédéral des eaux et de l'énergie, la direction
des levés et du génie, le ministère des Mines et des Ressources,
au conseiller juridique*

*Controller, Dominion Water and Power Bureau, Surveys and Engineering
Branch, Department of Mines and Resources, to Legal Adviser*

Ottawa, December 17, 1943

With regard to the Columbia River Reference, I have now been advised by our Mr. C.E. Webb that he has conferred with Mr. Davis and the heads of Provincial Departments interested in the Columbia River.

All are agreed that a Reference to the International Joint Commission is desirable, but the Provincial Authorities feel that the Draft Terms²³² should be broadened to some extent. I am attaching a copy of a letter dated December 11 from Mr. Davis to Mr. Webb expressing this viewpoint, together with a copy of some preliminary notes by Mr. Davis in regard to the detailed information he considers should be obtained.

²³² Voir pièce jointe 2, document 1279.

²³² See Enclosure 2, Document 1279.

Mr. Webb states that he and Mr. Davis can arrange to attend the meeting in New York on January 11. You might consider it desirable to have a meeting of the Interdepartmental Committee with Mr. Davis and Mr. Webb prior to the meeting in New York to discuss the Provincial suggestions in regard to the Terms of Reference.

V. MEEK

[PIÈCE JOINTE 1/ENCLOSURE 1]

Le contrôleur des droits hydrauliques, le ministère des Terres de Colombie britannique, au hydraulicien, la région de Colombie britannique, le bureau fédéral des eaux et de l'énergie, la direction des levés et du génie, le ministère des Mines et des Ressources

Comptroller of Water Rights, Department of Lands of British Columbia, to Hydraulic Engineer, British Columbia District, Dominion Water and Power Bureau, Surveys and Engineering Branch, Department of Mines and Resources

Victoria, December 11, 1943

Dear Sir,

COLUMBIA RIVER

In reference to the correspondence between [sic] the Under-Secretary of State to the Honourable the Lieutenant-Governor¹ and from the Honourable Mr. Crerar to the Honourable Mr. Hart²³³ respecting the development of the Columbia River basin for the mutual advantage of the United States and Canada, and to the proposed terms of reference to the International Joint Commission for examination and report, I have to advise that the "fourth draft" of the proposed terms of the reference to the Commission has been duly considered by several departments of the Provincial Government, and it is our opinion that the draft as set out appears to emphasize that the only matter to be considered is the storage of water, whereas the recital which is included in question 1 indicates that the more advantageous use of the waters is desired.

The second paragraph in the Honourable Mr. Crerar's letter of the 15th November last to the Honourable John Hart indicates that "the proposed reference would require the Commission to make recommendations to the Governments regarding the overall development of the Columbia River Basin." If it is only considered desirable "that the reference should set forth in general terms (3rd paragraph of Hon. Ray Atherton's letter of the 4th October last) the particular questions" then some of the details in question (2) of the Fourth Draft appear unnecessary. If, however, the questions should include some details, then information and data required for the development to cover the several uses should be set out.

I understand that a suggestion has been made that the enquiry should not only include the Columbia River Basin above the Grand Coulee dam but the whole of the river system from the sea to the headwaters. This, in our opinion, is desirable, as no doubt any further power development on the main river below

²³³ Document 1280.

Grand Coulee will benefit from any improvements which might be undertaken in Canada.

Might I suggest that the terms of the reference should not require the Commission to make any recommendations but should examine into and report upon the facts and circumstances together with any conclusions arrived at? Should the Dominion Government require recommendations, it could ask for these at a later date.

Yours very truly,

E. DAVIS

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Mémoire du contrôleur des droits hydrauliques,
le ministère des Terres de Colombie britannique*

*Memorandum by Comptroller of Water Rights,
Department of Lands of British Columbia*

[n.d.]

UPPER COLUMBIA RIVER

In order to secure the most advantageous use of the waters of the Columbia River and its tributaries above the Grand Coulee dam all possible uses should be given consideration, and the cost of any works which have been or may be carried out in the future should be equitably apportioned between all the interests benefited, and those properties which are adversely affected should be duly compensated.

To enable the International Joint Commission to study this matter for report to the respective Governments, the following data and information should be secured:

PREAMBLE

In view of the fact that the natural flow of the river and of its tributaries varies considerably throughout the seasons of the year and also from year to year, and of the fact that the greatest beneficial use can be made of the waters and greater safety can be provided for the reclaimed area if the rate of flow is uniform, it would appear as a first requisite that every effort should be made to create as uniform a flow as possible.

1. Data required respecting the physical conditions and financial costs:

(a) What quantity of water could be stored at the various reservoir sites, and to what elevations the waters would have to be raised to provide these quantities?

(b) What would be the nature of the dams required and what would be their respective costs? If enlargements of present structures are suggested, give details and costs.

(c) What retarding basins could be used, if any, to automatically retard and smooth out flood peaks? What would they cost?

(d) What channel improvements are required to increase capacity and facilitate flow? What would they cost?

(e) What merchantable timber still remains uncut on the watersheds? Advise whether its removal would seriously affect the rate of run-off of the waters from these watersheds, and, if in the affirmative, what is its present-day stumpage value?

(f) What privately-owned lands and interests would be adversely affected and what indemnification would be required?

(g) What Crown or state-owned lands would be affected? Would mineral lands be affected? What public works either Provincial or State, such as railroads, highways, bridges, etc. would be affected and what will be the cost to relocate or replace them?

2. Respecting the benefits or otherwise to be derived from the regulation of stream flow:

(a) What *power sites* would be benefited? (a) developed sites (b) undeveloped sites. What will be the ultimate capacity considering 24-hour power in each case?

(b) What *irrigable areas* would be benefited? (a) at present irrigated (b) undeveloped.

(c) What *wet lands* would be benefited? (a) those reclaimed (b) those awaiting reclamation. What would be the safe elevations of levees required for protection? What would be the cost of raising the present levees to the safe elevations?

(d) Would *navigation* be adversely affected or improved? If affected, what wharves, ferries, etc. will have to be reconstructed and at what cost?

(e) Would the facilities to secure *domestic water* be adversely affected or improved?

(f) Would the storing of water in the reservoirs affect the ground water in the vicinity or the discharge of sewage and so adversely affect *sanitation* of adjoining properties?

(g) Would *fish life* be adversely affected? If so, what remedial measures should be taken to compensate?

(h) Would *wild-fowl* life be adversely affected? If so, what remedies are suggested?

3. What regulatory works at present exist on the main river or tributaries?

(a) What is the nature and capacity of such works?

(b) Whom do they benefit and for what purpose?

(c) What has been their cost?

4. What methods of control and operation would be feasible and advisable in order to regulate the volume, use and outflow of the waters in each case?

5. Summarize the cost of the respective works which should be constructed including the cost of existing works. How should such costs be apportioned or adjusted amongst the various interests so benefited?

1286. DEA/5724-40

*Le ministre des Mines et des Ressources au sous-secrétaire d'État
aux Affaires extérieures*

*Minister of Mines and Resources to Under-Secretary of State
for External Affairs*

PERSONAL AND CONFIDENTIAL Ottawa, December 17, 1943

My dear Norman [Robertson],

Doubtless you have seen the letter, prepared by John Read, which I sent to Premier Hart of British Columbia under date of November 15th, and his reply of December 4th, copy of which has been sent to Mr. Read. This correspondence relates to the proposed enquiry into problems of water conservation as between Canada and the United States.

Mr. Hart's assurance of co-operation is very welcome and I should like to make the suggestion to you that it be accepted in the fullest sense, in this respect, that Mr. Davis, the British Columbia Government's controller of water rights, should be invited to attend the preliminary discussions when any interest of British Columbia was affected. I am sure that Mr. Hart would much appreciate this and it might well prove the means of avoiding difficulties, by a full consideration of them, before they become problems.

Yours sincerely,

T. A. CRERAR

1287. DEA/5724-40

*Le sous-secrétaire d'État aux Affaires extérieures
au ministre des Mines et des Ressources*

*Under-Secretary of State for External Affairs
to Minister of Mines and Resources*

Ottawa, December 20, 1943

RE: COLUMBIA RIVER BASIN RECORDS

With reference to your letter of December 17th regarding the proposed study by the International Joint Commission with regard to the Upper Columbia River Basin, I wish to assure you that Mr. Hart's promise of cooperation will be accepted in the fullest sense. It is intended that Mr. Davis, the British Columbia Government's controller of water rights, should be consulted at all stages.

The meeting of the United States and Canadian Governments' representatives with the International Joint Commission to settle the Terms of Reference has been tentatively arranged for Tuesday, January 11th, in New York. Mr. Davis will accompany the Canadian Delegation. In addition, it is planned that Mr. Davis should attend a meeting of the Interdepartmental Committee, before

the meeting in New York, so that any suggestions made by the British Columbia Government may be taken into consideration.

J. E. READ

for the Under-Secretary of State
for External Affairs

PARTIE 6/PART 6
EXTRADITION

1288.

DEA/12216-6-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

Ottawa, February 16, 1943

Attached is a memorandum,¹ prepared by Mr. Gordon Robertson of our Legal Division, analysing the provisions of the Extradition Treaty with the United States, which was signed in Washington in April last and is now awaiting ratification by Canada.²³⁴

This note reviews the extradition arrangements now in force between Canada and the United States and the points at which the new Treaty will modify present procedure if it comes into force. It examines, in particular, the effect of the inclusion, as extraditable offences, of offences against securities and exchange regulations. It is to these provisions of the Treaty that very serious objections have been taken by all the Canadian mining and stock exchanges. They contend, correctly, that when the Treaty becomes law, promoters in Canada will become liable to extradition to the United States for acts connected with the sale of securities to United States citizens which, under the looser Canadian laws, would not be offences at all. The American Government's rejoinder to this contention will be that it is not in their public interest to permit Canadian promoters to invite United States capital for investment in Canada under regulatory conditions less strict than those which control invitations for domestic investment.

The conflict of interest is an important one. Its implications do not appear to have been fully apprehended and certainly they were not resolved when the Treaty was signed. In the circumstances, I am inclined to the opinion that we should try to get the Treaty modified before submitting it to Parliament for approval. The attached memorandum contains the text of a suggested supplementary Protocol which, if it were agreed by the United States, would remove the more serious objections which have been raised against the Treaty. If it is

²³⁴ Voir Canada, *Recueil des traités*, 1942, No. 10. ²³⁴ See Canada, *Treaty Series*, 1942, No. 10.

decided to proceed in this sense, the matter should be taken up with the United States quickly so that the revised Treaty may be ready for consideration by Parliament this session.

1289.

DEA/12216-6-40

*Mémorandum du deuxième secrétaire, la légation aux États-Unis*²³⁵

*Memorandum by Second Secretary, Legation in United States*²³⁵

Washington, June 11, 1943

RE: EXTRADITION TREATY

Mr. J.E. Read of the Department of External Affairs and Mr. R. Forsyth of the Canadian Department of Justice had a meeting on June 9 with Mr. Hackworth, Legal Advisor of the State Department. Also present were Mr. Wershof of the Canadian Legation and the following representatives of the Securities Exchange Commission:

Edward Cashion, Counsel, Corporation Finance Division.

Robert S. Rubin, Special Counsel of the Commission.

Jas. W. Deer, Attorney, Corporation Finance Division.

Mr. Read explained the objections which have been made by many people in Canada, especially reputable security and bond dealers, against the provisions of the treaty dealing with extradition for security offences.

Mr. Read proposed that there should be either an exchange of notes or a reservation by Canada to the treaty, in the form set out in the attached sheet of paper.

The representatives of the SEC seemed to be greatly disturbed by the provisions of the proposed reservation. They emphasized that the people they were after are not reputable dealers who may technically infringe U.S. law; they are concerned only with crooks or occasionally with people who deliberately set out to flout on a large scale the registration provisions of the Securities Act. The Securities representatives were afraid that the provisions of the attached draft reservation would make it very difficult to extradite anybody.

The SEC representatives were especially disturbed by the following provisions of the reservation:

"NO PERSON shall be subject to extradition by reason of any offence committed at a date prior to that on which the present Treaty comes into effect which was not an extraditable offence at the time when it was committed;"

They state that there are at present a few men in Canada (some U.S. citizens and some Canadian) who are actually under indictment in the U.S. for security offences involving serious fraud. The SEC is anxious to extradite these men and the provision just quoted would make it impossible. Mr. Read said that there

²³⁵ M. Wershof.

would be strong feeling in Canada against extraditing anybody for something which was not extraditable at the time the alleged offence was committed.

At the conclusion of the meeting it was understood that the SEC representatives would obtain the views of the Security Exchange Commission on Mr. Read's draft and send them to Mr. Hackworth. Mr. Hackworth will forward them to External Affairs.

[PIÈCE JOINTE/ENCLOSURE]

Projet de réservations au traité d'extradition

Draft Reservations to Extradition Treaty

"It is declared that:

WHEREAS it is desired that the provisions of Article 3 of the Treaty should not extend to the extradition of persons engaged in genuine business transactions in the requested country in compliance with the laws in force therein, notwithstanding that such business transactions might involve incidental technical conflict with the law of the requesting country; and

WHEREAS it is desired that the above provisions should not extend to the extradition of publishers or vendors in the requested country of newspapers or periodicals which are published and sold for circulation in that country in accordance with its laws, notwithstanding that such newspapers or periodicals are incidentally sold or circulated in the requesting country, which sale or circulation involves incidental conflict with the law of the requesting country; and

WHEREAS it is desired that the provisions of Article 3 of the Treaty should not be deemed to make possible the extradition of any person for an offence made extraditable by the Treaty, but which was not previously extraditable, if the offence was committed prior to the coming into effect of the present Treaty;

NO PERSON dealing in securities in the requested country in the ordinary course of business and in compliance with the laws of the requested country shall, in respect of transactions in which the title to the outgoing security passes within the requested country, be subject to extradition by reason of:

- (a) sale or transfer of title to a customer in the requesting country, or
- (b) exchange of securities with such customer, or
- (c) communication of a message directed to a customer and addressed to him in the requesting country by post, by telegraph or by telephone, or
- (d) despatch of a security, after passing of title, to a customer in the requesting country

unless there has been fraud by such a person or unless such a person has entered the requesting country for the purposes of the transaction; and

NO PERSON who publishes or sells any newspaper or periodical in the requested country which is primarily intended for sale and circulation in that country in accordance with its laws, shall be subject to extradition by reason of any sale or circulation of the newspaper or periodical in the requesting country, which is incidental to the ordinary course of publication and sale in the requested country, and which involves incidental conflict with the law of the requesting country relating to securities; and

NO PERSON shall be subject to extradition by reason of any offence committed at a date prior to that on which the present Treaty comes into effect which was not an extraditable offence at the time when it was committed;

and also that the application and construction of the provisions of this declaration shall be subject to the laws of the requested country, and that the terms of this declaration shall be deemed to have equal force and effect as the Treaty itself and to form an integral part thereof."

1290.

DEA/12216-6-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre des Finances*

*Under-Secretary of State for External Affairs
to Deputy Minister of Finance*

Ottawa, July 1, 1943

RE: CANADA-U.S. EXTRADITION TREATY

1. The general position of the Extradition Treaty was discussed informally and unofficially at the Conference of Security Commissioners in Winnipeg. They were opposed to a treaty on the same sort of grounds as the bond dealers and other persons who discussed the question with the Special Committee of the Cabinet. They did not, however, raise any definite objections which were related to their own administrative problems.

2. The terms of a reservation or of a supplementary agreement, protecting the position of legitimate Canadian business, were discussed with the Legal Adviser of the State Department and the S.E.C. representatives at Washington. There was a most helpful discussion, and the State Department is preparing a counter-draft.

3. It is now practically certain that nothing will be settled in Washington in time to enable the matter to be dealt with at this session of the House.

4. It is also clear that a very large part of the opposition to the treaty results from a misunderstanding of the U.S. legislation.

5. The U.S. legislation does not touch securities which have been on the market for one year. Further, it does not touch securities placed on the Canadian market. It only touches securities which are marketed in the U.S.A. or in which a Canadian marketing operation covers both countries. It therefore does not touch the ordinary broker-customer transaction, unless there is a direct New York market or unless the broker is in the position of being a *de facto* underwriter and is carrying on a campaign in the U.S.A. which could be regarded as a U.S. marketing transaction.

6. It is also clear that the U.S. authorities are interested only in two classes of people:

(a) Persons engaged in fraudulent transactions; and they do not mean statutory fraud, but they do mean real fraud.

(b) Persons who are deliberately defying their administration.

7. They are greatly disturbed about classes of persons which are hard to define but which can be readily illustrated —

(a) The promoter who proposes to market in the U.S.A. but whose documents are rejected by the S.E.C. in Washington. He completes his marketing transactions in the U.S.A. and escapes to Toronto, where he is safe.

(b) The persons, largely U.S. citizens, who are engaged in wholesale fraud. They tell me that American crooks come up and operate from border cities, particularly in Ontario, where they take buildings, install batteries of as many as fifty long-distance telephones and cover the U.S.A. with high pressure fraudulent salesmanship. They are determined to get these people and will, I think, apply the utmost pressure on the Government to force us to make them extraditable.

(c) Offenders generally, who are U.S. citizens and have committed their crimes within the United States and have fled to Canada.

J. E. READ
for the Under-Secretary of State
for External Affairs

P.S. Referring to the first paragraph of this letter, I should have pointed out that the Commissioners take a further objection. They contend that the Extradition Treaty is unconstitutional because it touches upon property and civil rights.

1291.

DEA/12216-6-40

*Mé morandum du troisième secrétaire*²³⁶

*Memorandum by Third Secretary*²³⁶

[Ottawa,] July 30, 1943

THE CANADA-UNITED STATES EXTRADITION TREATY

1. Attached hereto is a copy of a confidential memorandum¹ concerning the Extradition Treaty which outlines, on pp. 1 and 2, the negotiations that had been entered into hitherto with respect to extradition between Canada and the United States. The subsequent pages of the memorandum deal with particular features of the new Treaty, and especially with items 31 and 32 of Article III concerning violations of security regulations.

2. To complete the outline of negotiations concerning the present Treaty, reference should be made to the fact that, after the Treaty was signed in Washington a number of protests were received in Canada from various brokerage interests and mining organizations, in which strong exception was taken to the inclusion of securities violations among extraditable offences. A summary of the principal statements of objection is included as Appendix A of the attached memorandum.

²³⁶ R.G. Robertson.

3. It was finally decided that the most suitable procedure would be to have a hearing before a Special Committee of the Cabinet, to give an opportunity to the organizations which had signified an interest in the Treaty to set before the Ministers the nature of their objections. A hearing was consequently held on May 18 by Mr. Crerar, Mr. St. Laurent, Mr. Ilsley and Mr. McLarty. The interests represented were substantially those listed as having sent in protests in Appendix A. The nature of the objections to the Treaty was precisely similar to the objections summarized as referred to above. During the course of the hearing Mr. St. Laurent indicated that he received a letter from the Canadian Bar Association aligning themselves with the protests against ratification of the Treaty in its present form.

At the conclusion of the hearing, the various representatives were asked if their view was that they did not object to extradition in cases where the extraditable offence was committed by a person physically present in the United States at the time of his act, but that they did object to extradition in all other cases. This interpretation was not concurred in by certain of the delegation on the ground of the difficulty of knowing the American law involved. The Cabinet Committee pointed out, however, that as a general principle ignorance of the law is no excuse, and added moreover that it did not necessarily follow that because double criminality had always been the rule it must continue to be.

4. Following the above meeting, it was decided that it might be desirable to consult informally with the Securities Commissioners of the various provinces as being the governmental experts in Canada most closely concerned with securities questions in Canada. The matter was consequently brought up at a meeting held in Winnipeg (primarily to discuss other topics) and the views of the various provincial authorities were heard. The Attorney General's Department in Ontario took very strong objection to both Articles 31 and 32. They were objected to as seriously endangering the legitimate operations of brokers; as being likely to withhold venture capital from new enterprises in Canada; and as being within the provincial field of jurisdiction relating to securities questions and, therefore, not proper subjects for the conclusion of a Treaty by the Dominion. The Attorney General of British Columbia had given instructions that he was to be placed on record as objecting to the deletion of the double criminality clause.

The meeting wound up with a resolution to have a submission prepared embodying the view of the meeting that reference should be had to the provincial Attorneys General with regard to the objections raised.

5. Early in June representatives of the Department of External Affairs and the Department of Justice visited Washington to have further conversations concerning the Treaty.

In the renewed conversations the United States authorities made it clear that it had at no time been their intention that items 31 and 32 should be read in so broad a way as to endanger the legitimate business of securities interests in Canada. They stated that the persons they were particularly interested in reaching were those "bucket shop" operators who by the use of long-distance telephone solicitation and dishonest advertising from Canada, had deliberately defrauded purchasers in the United States.

A draft protocol setting forth explicitly restrictions on the interpretation of items 31 and 32 was left with the State Department representatives in Washington. They agreed to give this their consideration and, as they thought a few changes in it should be made, to submit an alternative draft. The alternative draft and the final reply of the State Department have not as yet been received. (The draft protocol left by the Canadian representatives with the State Department was substantially as set forth on page 10 of the attached memorandum.)

1292.

DEA/12216-6-40

Le conseiller juridique au ministre des Mines et des Ressources

Legal Adviser to Minister of Mines and Resources

Ottawa, August 18, 1943

Dear Mr. Crerar,

I am enclosing for your information and consideration a copy of a redraft of reservations to the Extradition Treaty put forward by the United States Minister yesterday. For the purpose of convenient reference, I have had it put in parallel columns with the second draft which has been discussed by Mr. Forsyth and myself at the Washington meeting in June.

Yours sincerely,

J. E. READ

[PIÈCE JOINTE/ENCLOSURE]

Nouveau projet de réservations au traité d'extradition

Redraft of Reservations to Extradition Treaty

SECOND DRAFT PUT FORWARD BY
MESSRS. READ AND FORSYTH AT
WASHINGTON MEETING

WHEREAS it is desired that the provisions of Article 3 of the Treaty should not extend to the extradition of persons engaged in genuine transactions in the requested country in compliance with the laws in force therein, notwithstanding that such business transactions might involve incidental technical conflict with the law of the requesting country; and
WHEREAS it is desired that the above provisions should not extend to the extradition of publishers or vendors in the requested country of newspapers or periodicals which are

REDRAFT OF RESERVATIONS PUT
FORWARD BY UNITED STATES MINISTER
AUGUST 17, 1943

WHEREAS, it is desired that the provisions of Items 26, 31 and 32 of Article 3 of the Treaty should not extend to the extradition of persons engaged in lawful business transactions in the requested country, unless the activities of such persons involve fraud or wilful and knowing violation of the laws of the requesting country; and
WHEREAS, it is desired that said provisions should not extend to the extradition of a publisher or vendor of a lawful publication in the requested country which is primarily

published and sold for circulation in that country in accordance with its laws, notwithstanding that such newspapers or periodicals are incidentally sold or circulated in the requesting country, which sale or circulation involves incidental conflict with the law of the requesting country; and

WHEREAS it is desired that the provisions of Article 3 of the Treaty should not be deemed to make possible the extradition of any person for an offence made extraditable by the Treaty, but which was not previously extraditable, if the offence was committed prior to the coming into effect of the present Treaty;

NO PERSON dealing in securities in the requested country in the ordinary course of business and in compliance with the laws of the requested country shall be subject to extradition in respect of any inadvertent or casual transaction, or in respect of any other matter involving offences under Items 26, 31 and 32 of Article 3 of the Treaty unless such person has fraudulently or wilfully and knowingly committed an offence against the laws of the requesting country; and

NO PERSON who publishes or sells any newspaper or periodical in the requested country which is primarily intended for sale and circulation in that country in accordance with its laws, shall be subject to extradition by reason of any sale or circulation of the newspaper or periodical in the requesting country, which is incidental to the ordinary course of publication and sale in the requested country, and which involves incidental conflict with the law of the requesting country relating to securities; and

intended for sale and circulation in that country, the circulation of which in the requesting country is only incidental to the ordinary course of publication and sale in the requested country, and the purpose of which is not to aid in the sale or offering for sale of securities in the requesting country;

NO PERSON dealing in securities in the requested country in the ordinary course of business and in compliance with the laws of the requested country shall be subject to extradition in respect of any matter involving offenses under Items 26, 31 and 32 of Article 3 of the Treaty, unless such offense involves fraud, or wilful and knowing violation of the laws of the requesting country; and

NO PERSON shall be subject to extradition for the sale and circulation in the requesting country of a lawful publication in the requested country which is primarily intended for sale and circulation in that country, the circulation of which in the requesting country is only incidental to the ordinary course of publication and sale in the requested country, and the purpose of which is not to aid in the sale of securities in the requesting country;

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NO PERSON shall be subject to extradition by reason of any offence committed at a date prior to that on which the present Treaty comes into effect which was not an extraditable offence at the time when it was committed;

and also that the application and construction of the provisions of this declaration shall be subject to the laws of the requested country, and that the terms of this declaration shall be deemed to have equal force and effect as the Treaty itself and to form an integral part thereof.

The terms of this declaration shall be deemed to have equal force and effect as the Treaty itself and to form an integral part thereof.

1293.

DEA/12216-6-40

*Le sous-secrétaire d'État aux Affaires extérieures
au ministre des Mines et des Ressources*

*Under-Secretary of State for External Affairs
to Minister of Mines and Resources*

Ottawa, November 1, 1943

Dear Mr. Crerar,

You will recall that under cover of a letter dated August 18, I forwarded to you a copy of a redraft of reservations to the Extradition Treaty put forward by the United States Minister. An inquiry has now been received from the United States Chargé d'Affaires asking the present status of Canadian consideration of the proposals which were submitted.

So far as matters of drafting and the actual contents of the reservations are concerned, it seems to me that they are acceptable as an alternative to the original draft reservations left with the United States authorities in Washington last June. The redraft of the reservations deletes the paragraph which was originally included, making it clear that the Extradition Treaty should not have retroactive effect. I do not think that this need be a matter of concern, since I am clear in my own mind that there can be no possible doubt but that there is no retroactive effect whatever to the Treaty. The effective date is specifically stated in the terms of the Treaty. The only other change of any real importance seems to be the deletion of the words "the application and construction of the provisions of the declaration shall be subject to the laws of the requested country". Here, again, I do not think the alteration is a serious one.

I am communicating to the above effect with the Deputy Minister of Justice, the Deputy Minister of Finance and the Assistant Under-Secretary of State. No doubt I shall receive their comments in the near future. If there are any particular instructions in connection with this matter which you wish to give, I shall appreciate having them.

Yours sincerely,

J. E. READ
for the Under-Secretary of State
for External Affairs

1294.

DEA/12216-6-40

*Le sous-ministre des Finances au sous-secrétaire d'État
aux Affaires extérieures*

*Deputy Minister of Finance to Under-Secretary of State
for External Affairs*

Ottawa, November 9, 1943

Dear Sir,

ATTENTION MR. READ

RE: YOUR REF. 2354-40 EXTRADITION TREATY

In answer to your letter of November 1st, I wish to advise you that this department is not clear on the effect of the proposed reservations to the Extradition Treaty, as put forward by the United States Minister on August 17th last.

It would not appear that the two principal points raised by the mining and investment dealers' representatives, namely, the protection against a technical interpretation of fraud afforded by the double criminality principle, and a safeguard against retroactive application by reason of Section 12 of the Extradition Act, were present in the American version of the reservations.

While the draft reservations put forward by the American Minister do provide that no extradition shall be made "unless such offence involves fraud or wilful and knowing violation of the laws of the requesting country", I am not sure of the value of these words as a protection to the Canadian who commits an act which by definition in the United States Securities Acts is classified as fraud. I am quite sure that the American authorities are not interested in extraditing Canadians who are guilty only of "technical fraud" but the words suggested in their draft reservations would not appear to accomplish any such limitation, and I think that a ruling on this matter should be obtained from Justice before the treaty is submitted for ratification.

On the possible retroactive application of the treaty, while I agree with you that it would be most unreasonable for the American authorities to attempt to make use of Section 12 of the Extradition Act to cover offences committed before the treaty came into effect, it would appear that sufficient doubt upon this point has been expressed to warrant the insertion of a clause such as you put forward at the time of your Washington meeting. Even if such a clause is not strictly necessary, I do not see what harm it could do in the treaty, and if it were

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there, it would assist greatly in reassuring many of those in Canada who have objected strenuously to the treaty.

With regard to the reservation covering newspapers, "the circulation of which in the requesting country is only incidental to the ordinary course of publication and sale in the requested country", I am wondering what criterion is available for determining when such circulation is only incidental. Would a judge be entitled to say, for example, that 5% U.S. circulation was only incidental but 10% was more than incidental? If the question were raised in the House, would there be any definite demarcation line which could be shown as having been in the minds of the contracting parties? If this demarcation line is capable of more definite definition, then I would suggest that it be inserted.

No doubt the Department of Justice will be communicating with you on the various legal aspects of the treaty with reservations and I hesitate to go into this aspect of the matter, apart from mentioning the one question in my mind of the meaning of the word "fraud".

Yours very truly,

W. C. CLARK

1295.

DEA/12216-6-40

*Le sous-secrétaire d'État adjoint au sous-secrétaire d'État
aux Affaires extérieures*

*Assistant Under-Secretary of State to Under-Secretary of State
for External Affairs*

Ottawa, December 15, 1943

In acknowledging your letter of the 30th ultimo¹ re the proposed Extradition Treaty with the United States of America, I would confirm my apology to Mr. John E. Read, K.C., for delay in answering, which delay has been due in this instance to my absence from the office on account of illness.

I have read with considerable interest the copy of the letter of the Deputy Minister of Finance dated the 9th November in which he expresses concern with respect to two features of the Treaty on the basis of the proposed reservations as presently put forward by the United States Minister. I must say that personally I share the apprehension which the Deputy Minister of Finance expresses as to whether on the basis of the terminology now employed in the proposed reservations, a Canadian might not find himself subject to extradition proceedings based on the commission of an act which might be one of "technical fraud" under the laws of one or other of the United States but which would not be regarded as fraudulent in any sense under Canadian law. It would be my view that if such a danger exists, particular care should be exercised to overcome that danger. It would also be my view that, as suggested by the Deputy Minister of Finance, the precaution would be worthwhile of pressing for the insertion in the reservations of a clause such as already proposed by your Department to make it clear that section 12 of the Extradition Act would not be invoked to cover offences committed before the coming into effect of the Treaty.

As to Doctor Clark's comments with respect to the criterion to be used in determining when circulation of a newspaper published in the requested country would be only incidental to its ordinary publication, I have some difficulty in offering any helpful suggestion. I agree that if an appropriate criterion could be defined with some accuracy, considerable uneasiness on the part of the publishers of certain Canadian financial journals would be allayed.

As you are aware, subsections 31 and 32 of Article III of the proposed Treaty were given careful consideration at a meeting of provincial officers enforcing Security Frauds' Prevention Acts in Canada which was held in Winnipeg on May 31st last and at which Mr. R.G. Robertson, of the Department of External Affairs, was present. As you will no doubt also recall, the writer for some years past has been acting as liaison among the various provincial Securities Commissioners and between those Commissioners and the officials enforcing Security Fraud Prevention Laws in the United States. Also there has been established in the Department of the Secretary of State an office for the collection and dissemination of information useful or of interest to the various provincial Securities Commissioners. In these circumstances I make bold to suggest that before negotiation of the proposed Extradition Treaty is consummated, your Department might feel disposed to authorize me to invite comments from the provincial Securities Commissioners on subsections 31 and 32 of Article III in the light of the contemplated reservations. Since the offences which would be extraditable under subsections 31 and 32 would be peculiarly within the purview of the provincial Securities Commissioners, it would seem most desirable that those officials be informed of the present position and that they be afforded opportunity to submit any formal comments which they might wish to have considered by your Department.

You will appreciate that I hesitate to invite such comments from the provincial Commissioners without your approval. It is my feeling, however, that the friendly and co-operative relationship presently existing between this Department and the Securities Commissioners would be enhanced with mutual advantage if such a course might be followed.

W. P. J. O'MEARA

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CHAPITRE VIII/CHAPTER VIII

RELATIONS AVEC LA FRANCE

RELATIONS WITH FRANCE

PARTIE I/PART I

SAINT-PIERRE-ET-MIQUELON

ST. PIERRE AND MIQUELON

1296.

DEA/702-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 8, 1941

The United States Minister called this morning to deliver an interim answer to your enquiry asking for the United States Government's observations on our tentative plans for controlling wireless transmissions from St. Pierre and Miquelon.¹ The Department of State felt that it was important to try to pin the responsibility for any possible breach of the peace that might occur on the Vichy authorities and their representatives. With this object in mind, they thought we might begin by requesting the Administrator of St. Pierre and Miquelon to see that no messages, whether by cable or wireless, were sent from the Islands in code or cypher. If he refused to give this undertaking or, having given it failed to live up to it, the United States would be prepared to collaborate with us in taking suitable steps to see that such messages were stopped. Mr. Moffat thought we might wish to consider asking de Bournat, the Administrator, to come to Ottawa for a three-cornered discussion of the situation with the Canadian and United States representatives. He thought his Government, however, would be inclined, in view of events over the week-end, to advise against taking any immediate action with respect to St. Pierre and Miquelon.

I told him that the United Kingdom Government, who had been consulted at the same time as the United States, had not yet given us their views but it was highly probable, in view of their feeling that the immediate moment was not a propitious occasion for making any change in the status of the Vichy Legation and Consulates in this country, that they would agree with the United States view that the matter might be kept in abeyance for a week or two.

¹ Voir le volume 8, document 686.

¹ See Volume 8, Document 686.

1297.

DEA/702-40

*Mémorandum?**Memorandum?*

CONFIDENTIAL

Washington, December 8, 1941

Mr. Wrong called at the Department of State this morning in order to discuss with Mr. Atherton, Mr. Hickerson, and Mr. Reber the proposals of the Canadian Government with respect to the control of wireless installations at St. Pierre which were included in the memorandum given by Mr. Wrong to Mr. Welles on December 5th.³

Mr. Atherton mentioned the previous approach made to the Department of State on this subject, concerning which the Department had replied on November 8th that the information had been noted and that they had no comments to make.⁴ He then said that the question had been discussed at a meeting of the Permanent Joint Board on Defence on November 10th. At this meeting consideration had been given to a plan whereby the Canadian Government would request the Governor [Administrator] of St. Pierre to permit Canadian civilian inspectors to supervise the activities of radio stations in the islands. The request would be presented as in the interests of the Islands, since rumours were circulating that the radio stations had been used to transmit information about ship movements, rumours which the Governor himself would doubtless wish to dispel by acquiescing in the Canadian proposal. It was recognized that the Governor would probably refuse. The Canadian spokesman would then inform the Governor that unless he agreed, Canada would not permit the release of any funds to purchase supplies for the Islands. Mr. Hickerson had agreed at Montreal to recommend, on the request of the Canadian Government, that the United States Government co-operate in this economic pressure.

Mr. Atherton continued that the United States Government is strongly of the opinion that this line of action should be tried before the more drastic procedure set forth in the Canadian memorandum of December 5th is even considered. He added that the United States officials feel that there is a good chance that economic pressure would produce the desired result, particularly since the Governor could undoubtedly be led to believe that his acquiescence under protest might avert more drastic action.

Mr. Wrong replied that he did not have full information on the reasons which had led the Canadian Government to omit the possible use of economic pressure from their proposals to deal with the situation. At present, there was no direct evidence that the wireless installations were being used to transmit information about shipping movements to Vichy for German use. He had heard that

² Ce mémorandum fut rédigé par H. H. Wrong et R. Atherton.

³ Voir le volume 8, documents 686, 688 et 689.

⁴ Voir le volume 8, documents 677, 678 et 680.

² This memorandum was drafted by H. H. Wrong and R. Atherton.

³ See Volume 8, Documents 686, 688 and 689.

⁴ See Volume 8, Documents 677, 678 and 680.

the Canadian Naval authorities were concerned lest, after the initial approach to the Administrator, which would probably be rejected, the transmission of shipping information might be either commenced or extended if there was an interval of some length between the first approach and the placing of Canadian personnel on the Island. He pointed out that the Islands were only about 75 miles from Argentia and that the United States Naval authorities had a very direct interest in seeing that the use of wireless at St. Pierre was rigidly supervised. The United States officials agreed that this was true and that the United States Navy is concerned over this unsupervised radio station.

After further discussion it was suggested by the representatives of the Department of State that the following course might be adopted by the Canadian Government. The approach to the Administrator could be made in three stages, the use of the second and third stages depending on the replies made by him. It would not be necessary to allow much time to elapse between each stage, and if it were essential the entire approach might be made during one day. First, the Administrator could be interviewed by some senior Canadian representative, who could tell him in a friendly manner that there were rumours that the wireless station was being employed in a manner inimical to our interests, especially through the transmission of cypher and code messages. It could be represented to him that while doubtless these reports were unfounded, he would wish to give no possible cause for apprehension. Therefore, he was being asked to grant facilities for civilian Canadian radio inspectors to take up their residence in the Island in order to supervise transmissions from the station.

In the likely event of the refusal of the Administrator to agree, it could immediately be pointed out to him that the Islands were dependent for their economic existence on funds released from Canadian and United States control, that the Canadian Government were prepared to prevent the further release of funds until wireless transmissions were effectively supervised, and that they had good reason to believe that the Government of the United States would take parallel action. The use of this threat would give the Administrator an opportunity to reverse his decision. He could excuse himself to his own Government by saying that he had to choose between Canadian supervision of the wireless installations and starvation for the islanders, and that he preferred the first to the second choice.

In the event, however, that the Administrator still was obdurate, a third stage could be employed to bring pressure upon him. He could be told not only that the release of further funds would be refused, but also that the Canadian authorities would record every message transmitted from the wireless station, and if any of these messages were in code or cypher or contained matter of assistance to the enemy, he would be responsible for any consequences which might follow. Any departure from these conditions could, if necessary, provide an occasion for the despatch of Canadian personnel to the Islands.

Mr. Atherton suggested that at the appropriate moment the French Minister to Canada should be informed of the situation and the steps being taken to meet it. He said that he felt it important to give the Vichy authorities no ground for contending that their representative had been slighted or ignored.

Later in the day Mr. Atherton informed Mr. Wrong by telephone that he had discussed this question with Secretary Hull, who approved a cautious course for the present along the lines suggested by the United States officials.

1298.

W.L.M.K./Vol. 404

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELEGRAM 573

Washington, December 12, 1941

MOST IMMEDIATE. My despatch No. 3696 of December 10th, St. Pierre.[†] State Department consider attitude of caution is no longer necessary. If Canadian Government feel that danger from uncontrolled radio station is serious, they do not object to installation of Canadian radio personnel against Administrator's wishes. They feel procedure proposed by them might still be followed, but if Administrator still refuses consent, Canadian personnel might be immediately installed.

2. Admiral Robert has assured them that all his undertakings respecting French West Indies remain in effect, and that French naval vessels there are disarmed. They would appreciate advance notice of our intentions respecting St. Pierre.

3. Pétain assured United States Ambassador yesterday of strict neutrality of France, but it is questionable how much he knows about latest developments in Franco-German collaboration. State Department undertakes, if possible, to give advance notice if they break off diplomatic relations with Vichy.

1299.

DEA/702-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 15, 1941

ST. PIERRE

When the United States Minister called this morning to enquire what action the Canadian Government had decided to take with regard to the radio station in St. Pierre and Miquelon which had been discussed last week in Washington by Mr. Wrong with Mr. Atherton of the Department of State, I told him that his Government's observations were being communicated to the United Kingdom Government, and that we hoped to have a reply from London shortly to our first

enquiry,⁵ which was identical with that addressed to the United States Government through our Legation in Washington.

With reference to the fact that Admiral Muselier, Commander-in-Chief of the Free French naval forces, was arriving in Ottawa today, and would undoubtedly wish to discuss the St. Pierre situation, I reminded Mr. Moffat that, in conversation in June last, he had expressed the opinion that the United States Government would prefer, if the status of the Islands had to be changed, that they should be under Free French administration rather than Canadian control, and asked if this was still the view of the United States Government. He said this was not their view now. I gathered that other Departments of the United States Government, probably the Navy or the Army, had raised the question of allowing the Free French to take over the Islands for general security reasons. The State Department's view is that the arrangements for Canadian control of the radio station, which had been discussed with the Canadian Legation, would be satisfactory from the security standpoint. If, for any reason, control over communications in the Islands had to be extended to other Government activities, the United States would prefer to have this done by an American country rather than by a "Free Movement".

I said that I thought this attitude was a logical corollary of the general statement of American policy vis-à-vis Free Movements generally, which had been issued by their Government in Washington last week. I wondered, however, if we would not very shortly be compelled to think of the political future of St. Pierre in relation to the specific French problem rather than as an aspect of Free Movements generally. It seemed to me that if Vichy took another decisive step toward closer collaboration with the Nazis, then we should all have to think about recognizing General de Gaulle and the Free French Movement as an alternative to being forced into war with France. If we were to recognize General de Gaulle, it would be difficult to deny the Free French control of St. Pierre and Miquelon. I asked Mr. Moffat how he understood the message which the State Department had given our Legation in Washington on December 10th to the effect that the need for "caution" had now been removed. I thought it was at least arguable, as a result of the United States involvement in the general war, that the importance of avoiding the creation of a new political issue with Vichy had increased rather than diminished. He said he had himself been rather puzzled by the State Department message, which he thought was at least ambiguous, and he had come to the conclusion that what they meant was that they hoped Canada would hurry up and take definite action along the lines indicated in pages 3 and 4 of the memorandum drawn up by Mr. Atherton and Mr. Wrong.

⁵ Voir le volume 8, document 686.

⁵ See Volume 8, Document 686.

1300. O.D.S.-N.A.R./Vol. 779

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures**Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM 222 London, December 15, 1941

IMMEDIATE. MOST SECRET. Prime Minister has asked me to thank you for your telegram No. 245 regarding St. Pierre and Miquelon.⁶

We too regard position there with concern. Existence on St. Pierre of a powerful wireless station connected by cable with the United States and Canada constitutes a serious threat to the security of our convoys so long as it is controlled by Vichy and a Governor who is notoriously anti-British. We fear that the solution which you propose would hardly go far enough to meet all difficulties, and our view is that nothing will afford complete security short of taking over the island entirely. Moreover, in existing conditions, it seems likely that such action would not be embarrassing to the United States Government.

Free French authorities have proposed to us that Admiral Muselier, who is now in Newfoundland and shortly proceeding to Ottawa, should, with small naval force under his command, rally islands to Free France.

This seems to us in every way the most satisfactory solution of difficulty, and we are, therefore, informing the Free French Headquarters that we see no objection to their going ahead, and are informing the United States of position. Ends.

1301.

DEA/702-40

*Mémoire du ministre-conseiller, la légation aux États-Unis**Memorandum by Minister-Counsellor, Legation in United States***MOST SECRET**

Washington, December 16, 1941

Mr. Hayter of the British Embassy came to see me at about 10 o'clock last night to discuss a Most Immediate telegram about St. Pierre which had just been received at the Embassy. This stated that the wireless station at St. Pierre was causing the British Government great concern and that they felt that the only way to ensure security was to take the Islands under Allied protection. General de Gaulle has earnestly requested Admiral Muselier, who is now in Canada and is in command of the Free French Naval forces, to rally the Islands to the Free French. This seems to London to be the most satisfactory solution, especially since it would involve no change of sovereignty. The telegram continued that the United Kingdom authorities have informed the Free French headquarters that they have no objection. The matter is extremely urgent, as the ships under Muselier's command are required at once for convoy duty. They had asked de Gaulle to postpone action for 36 hours, which would be until tomorrow morn-

⁶ Voir le volume 8, document 686.⁶ See Volume 8, Document 686.

ing, December 17th. This had been done to permit the United States Government to be consulted.

Hayter came to see me on his way back from seeing Atherton. He told me that Atherton had said that, while he could not definitely speak for the Secretary of State, he could say that Dunn, Hickerson, and himself were all against the despatch of Free French Naval forces to St. Pierre.

I told Hayter that I was surprised at the way this was being done, since we had consulted London and Washington within a matter of a few days on the question of the St. Pierre wireless and Washington had commented on our proposals. We had not suggested a Free French expedition to the Islands, but had proposed to take charge of the wireless ourselves, either by persuasion or compulsion. I said that it looked to me as though there was a lack of co-ordination at London inside the Foreign Office, inasmuch as our approach to London had not been answered so far as I knew. He said that he thought that this was quite likely.

I telephoned to Mr. Robertson at 9:15 this morning. While I was speaking to him he was given a telegram just in from London, which was probably a repetition of the one received at the British Embassy last night. He said that he was seeing Admiral Muselier in three-quarters of an hour. He himself was inclined to think that the best course was to permit the Free French to take over the Islands. I told him that I had long felt that this was what we should do. He suggested that I might do some work on the State Department to persuade them to agree to this course. I told him that I thought he had better talk first to Muselier and possibly then to the Prime Minister before a further approach was made to the State Department. He agreed to this, and he will call me later in the day.

Later

Mr. Hickerson telephoned to me about 11:30 to bring me up to date on latest developments inside the State Department. The question of Free French action had come up before Hayter's approach last night on the basis of a telephone conversation from Moffat in Ottawa. Moffat yesterday afternoon saw Muselier on the suggestion of Admiral Nelles. Muselier told him that he had orders to act in his pocket, but that he wanted to be sure that the action would be agreeable to the three Governments of Canada, Newfoundland, and the United States. Atherton, Dunn, and Hickerson saw Welles after receiving Moffat's report, and Welles consulted the President this morning. He says that they are all agreed that no action should be taken in St. Pierre by the Free French, that the President approves an approach to the Administrator, followed, if necessary, by the use of force in order to ensure Canadian control over the wireless. I gather from Hickerson that their objections to a Free French coup are based in part on their preference, on security grounds, to [sic] Canadian control to control by the Free French. The President has also recently sent a message to Marshal Pétain in which he confirmed, so far as the United States was concerned, the maintenance of the *status quo* with respect to French possessions in the Western Hemisphere. So long as they remain in diplomatic relations with Vichy, they feel unable to

give any encouragement whatever to the Free French in St. Pierre or the French West Indies.

H. W[RONG]

1302.

DEA/702-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 16, 1941

This morning with Mr. Keenleyside and Mr. Stone of the Department I saw Admiral Muselier, Colonel Pierrené, Captain Villefosse⁷ and Lieutenant Savary, who came to discuss the problem of St. Pierre and Miquelon. I explained to the Free French representative that this problem had been worrying us for considerable time and outlined briefly for him the various considerations which affected our approach to it.

Admiral Muselier seemed to have a clear appreciation of the complications from a North American point of view. He explained to me and set forth a very good case however, for the taking over of the Islands by the Free French. This procedure was suggested, you will recall, by the United Kingdom authorities last October⁸ and it still has their full approval which was repeated in a telegram received from London yesterday. Admiral Muselier has just been in St. John's, Newfoundland, and he informed me that his proposals have also the full approval of the Newfoundland Government. This was confirmed by a telegram received this morning at Earncliffe from the Newfoundland Government urging that such action be taken immediately.

I told the Admiral that I would have to put his proposals before the Government and that in addition it would probably be necessary to have further conversations with the United States authorities. I did not go into detail regarding the attitude of the United States authorities as outlined for you in my memorandum on the conversation with Mr. Moffat yesterday.

The *modus operandi* proposed by Admiral Muselier is to arrange that an appeal from the pro-Free French elements of the Islands be received by him before he proceeds with the actual taking over of the Administration. In fact two such appeals have already been made from individuals on the Islands. The Admiral would propose then proceeding to St. Pierre with the three Free French Corvettes which are now in Halifax and to anchor far enough off shore so that there would be no possibility of any exchange of shots. He would request the Administrateur to issue orders that all the civilian officials on the Islands

⁷ Chef adjoint de l'état-major de l'amiral Muselier. ⁷ Deputy Chief of Staff to Admiral Muselier.

⁸ Voir le volume 8, document 675. ⁸ See Volume 8, Document 675.

remain at their posts. The police of the Islands are reported to be pro-Free French and are apparently the only persons on the Islands who have arms in their possession.

The Admiral intends to replace the Administrateur, Mr. de Bournat by Lieutenant Savary, who would be directly responsible to General de Gaulle of the Free French Committee in London. He expressed a strong desire that our Consul should remain on the Islands as a liaison between Ottawa and the Free French Administrateur. Presumably the United States Consul would also remain.

1303.

DEA/702-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 16, 1941

ST. PIERRE AND MIQUELON

Shortly after Admiral Muselier and his colleagues of the Free French Delegation had left the Department this morning, I received a call from the United States Minister, who had been instructed by his Government to inform you that Mr. Sumner Welles had this morning taken up with President Roosevelt the question of the steps to be taken with regard to St. Pierre and Miquelon. The President was strongly opposed to a Free French occupation of St. Pierre and Miquelon at the present time, and favoured Canadian action along the lines indicated in the memorandum drawn up after Mr. Wrong's conference with Mr. Atherton at the Department of State.⁹

The President's views were being communicated today to the British Ambassador, where they will correct the assumption on which London was proceeding (cypher No. 222 of December 15th) that Free French occupation of the Islands "would not be embarrassing to the United States Government".

Mr. Moffat, who had seen Admiral Muselier yesterday afternoon, will advise him of the United States attitude as determined by the President. It will undoubtedly be a great disappointment to the Free French, who shared the United Kingdom's confidence that the United States would not object to their rallying the Islands.

I have not seen Admiral Muselier since my conversation with Mr. Moffat, but I would prefer him to learn the United States' attitude from the United States Minister rather than from us. I think, however, when we do see him tomorrow and explain the course that is to be taken with regard to the Islands, we should make it clear that any Canadian control over St. Pierre and Miquelon will be confined to supervision of communications, and that French sovereignty in the

⁹ Document 1297.

Islands will be fully respected. I think we might also let him know that the decision on the course to be pursued has been primarily governed by prudential considerations relating to the use of the French fleet and the possession of North Africa, and that if circumstances should require a further modification of policy with regard to France and French possessions, the Canadian Government would not object to the administration of St. Pierre and Miquelón by a Free French Government.

1304.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 16, 1941

Until the arrival of the Prime Minister[. . .], the Minister of Mines and Resources acted as Chairman.

ST. PIERRE AND MIQUELON

1. THE MINISTER OF MINES AND RESOURCES read the U.K. government's reply to the communication sent Mr. Churchill on December the 3rd regarding St. Pierre and Miquelón.¹⁰

The U.K. government agreed that the wireless station constituted a serious threat to the security of convoys. They considered, however, that the steps proposed would be insufficient, and that nothing short of taking over the islands would afford complete security. To have Admiral Muselier and a small Free French naval force rally the islands seemed the best course in the circumstances. Free French headquarters were being advised that the United Kingdom would have no objection.

(Telegram No. 222, dated December 15th, 1941, from Dominions Office to External Affairs).

2. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS said that the U.S. government had indicated quite emphatically that they would disapprove of action by the Free French. On the other hand, recognizing the danger, the U.S. State Department felt that Canada should assume control of the radio station. If this could not be done by consent; the withdrawal of economic assistance could be threatened, and, if necessary, further pressure might have to be applied.

Admiral Muselier was in Ottawa and had conferred with the Minister of National Defence for Naval Services and officials of the Department of External Affairs. The Admiral was anxious to take over the islands and, had it not been for U.S. opposition, his doing so might have proved the simpler and more effective solution, both from the short and long term viewpoint.

¹⁰ Document 1300.

The Prime Minister felt strongly the importance of avoiding any action which might be made the occasion for increased German demands upon Vichy.

3. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES observed that to assume control of the radio station, without free consent would itself be an interference with French sovereignty. Further, the installation of Canadian radio personnel was unlikely to prove a lasting solution. Action by the Free French would be the most appropriate.

4. The War Committee, after some discussion, came to the conclusion that, in the circumstances, any action taken should be by Canada.

...

1305.

DEA/702-40

Mé morandum du ministre-conseiller, la légation aux États-Unis

Memorandum by Minister-Counsellor, Legation in United States

MOST SECRET

Washington, December 16, 1941

I saw Mr. Hickerson this afternoon for a more intimate discussion of the question of St. Pierre than had been possible on the telephone. He told me that the Free French proposal had been thoroughly thrashed out at the Department this morning between Welles, Atherton, Dunn, and himself, and that all had agreed that it was definitely undesirable from their point of view. He even went so far as to say that it was a most inopportune moment for a Free French movement.

I pressed him for particulars about this unsympathetic attitude and I learned from him rather more about the exchange of messages between Pétain and Roosevelt. The gist of this exchange, which was made apparently on December 13th, is that Roosevelt has undertaken not to interfere with the status of French possessions in this hemisphere so long as the Germans do not secure the French Fleet or have access to French territory for military operations against the Allies. They had in mind mainly the French West Indies, but the U.S. undertaking was broad enough to cover St. Pierre. They would regard the taking over by the Free French of the Islands as a change of status, but would not so regard Canadian control of the wireless station without interference with the civil administration. Hickerson also said positively that the U.S. Government would prefer the station to be under Canadian control rather than see it in the hands of the Free French.

As regards the French West Indies, the U.S. Government are sending at once to Martinique Admiral Horne of the U.S. Navy to discuss the position with Admiral Robert. Robert has verbally assured them that all undertakings given before the U.S. involvement in war are still in effect. They want to get this in writing and they also want Horne to inspect the French ships at Martinique. They are very definitely opposed to any Free French initiative in that area.

I was not able to get to the bottom of the suspicion apparently felt in the State Department for the Free French movement. I pointed out that they were now

fellow belligerents with the Free French against the Axis, but they seemed to feel that they want to have as little to do with them as possible. They are definitely opposed to a suggestion from Admiral Muselier that he should visit Washington and have instructed Moffat to convey this to the Admiral.

H. W[RONG]

1306.

W.L.M.K./Vol. 404

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 257

Ottawa, December 16, 1941

IMMEDIATE. MOST SECRET. Your telegram No. 222. I was informed today by the United States Minister that the President, while fully sharing our concern about the threat to security of St. Pierre wireless station, is strongly opposed to Free French occupation of the Islands, and favours instead early action by Canada to establish effective supervision of the wireless station. I gathered that the President's attitude is influenced by assurance given Pétain that French sovereignty in Colonial possessions in Western Hemisphere will not be interfered with so long as French Fleet and bases are not made available to the Germans. United States appear to feel that limited Canadian operation confined to supervision of wireless transmissions would have fewer political repercussions than occupation of Islands by Free French.

1307.

DEA/702-40

Mémoire du premier secrétaire¹¹ au sous-secrétaire d'État
aux Affaires extérieures

Memorandum from First Secretary¹¹ to Under-Secretary of State
for External Affairs

[Ottawa,] December 17, 1941

I had a further conversation with Admiral Muselier between 1:00 and 2:00 today when he told me about his talks with Mr. Moffat. He read me a note which he is sending to the United States Legation,[†] a copy of which will eventually reach us.

In this note the Admiral confirms that one of the purposes of his visit was to discuss the question of St. Pierre et Miquelon with the United States authorities and that he is, of course, prepared to respect their wishes in the matter of the action which should be taken to solve the problems which these Islands present. He feels it his duty, however, to point out that in his view any Canadian action

¹¹T. A. Stone.

with respect to the Islands will be fraught with much more danger insofar as the internal peace of the Islands is concerned and that it would have a much higher propaganda value for the enemy. The Admiral adds furthermore that any Canadian supervision of the communication system of the Islands might be used as an excuse by the Germans to demand of the Government of Vichy similar German supervision of radio stations in other French Colonies.

The Admiral is not only a little disappointed that the Free French are not going to take over St. Pierre, but he is also very worried. He says that while he knows that the police of the Islands would not obey an order of the Administrator to resist Free French occupation by the use of arms, he is not at all certain that they would not carry out such an order in the event that it was Canadian forces that they had to resist. He expressed a strong hope that we would continue to discuss the matter from all angles with the American authorities and put forward "officieusement" the proposal that a Free French corvette should carry Canadian radio technicians to the Islands.

I did not undertake to put to the Admiral the point which we were discussing yesterday that in our view any steps which we might take might be regarded as temporary measures.

I had the impression even more than at yesterday morning's meeting that the Admiral feels rather strongly that any Canadian action in St. Pierre would be an act against French sovereignty which he could not help but resent a little.

1308.

W.L.M.K./Vol. 358

*Mé morandum du sous-secré taire d'É tat aux Affaires exté rieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 18, 1941

When Mr. Wrong saw Mr. Welles this morning, the latter again raised the question of St. Pierre, and made it clear that the United States attached great importance under present circumstances to maintaining its precarious bridgehead at Vichy, and would not countenance any initiative on the part of the Free French in this hemisphere which might prejudice that bridgehead. Once, however, further capitulation and collaboration by Pétain resulted in the transfer of French ships or bases to the Germans, the situation would be entirely changed and the United States would be glad to get together at once to discuss the new situation. This statement of Mr. Welles certainly qualifies the impression I got from Mr. Moffat that the United States objections to Free French occupation of St. Pierre-Miquelon were likely to persist beyond the immediate diplomatic situation: Welles went on to express the hope that Canada would put the agreed plan for Canadian control of communications in St. Pierre into force quickly. He seemed hopeful that the Administrator would agree to our limited proposals

and felt that if he did not, the diplomatic repercussions would be less serious than if the Free French took over the Islands.

N. A. R[OBERTSON]

1309. W.L.M.K./Vol. 404

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM 224

London, December 18, 1941

MOST SECRET. Your telegram No. 257.¹² The President's view has been represented to General de Gaulle who agrees that proposed action should not, repeat not, now be taken.

We have again carefully considered your suggestion that steps should be taken to supervise wireless station at St. Pierre by Canadian personnel. We fully appreciate the reasons in favour of this proposal. There is, however, always danger that it might arouse hostility among Islanders. Moreover, our military advisers feel nothing short of occupation of Islands by British or Allied forces would really meet the case from military point of view. This course, however, now seems ruled out by United States attitude as disclosed in your telegram.

In the circumstances it seems wiser not to take any action for the time being.

1310.

W.L.M.K./Vol. 404

*Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs*

MOST SECRET

Washington, December 19, 1941

Dear Mr. Robertson,

With reference to our telephone conversation this morning and in confirmation of the information which I gave to Mr. Pearson by telephone this afternoon, I enclose a record of a conversation with Mr. Atherton of the Department of State dealing with the agreements entered into by the United States respecting the French West Indies and their bearing on the position in St. Pierre.

Yours sincerely,

H. H. WRONG

[PIÈCE JOINTE/ENCLOSURE]

Mémoire du ministre-conseiller, la légation aux États-Unis

Memorandum by Minister-Counsellor, Legation in United States

MOST SECRET

Washington, December 19, 1941

I called on Mr. Atherton this morning to enquire concerning the reported new agreement between the United States and Admiral Robert and its bearing on the projected action in St. Pierre.

¹² Document 1306.

Mr. Atherton said that the agreement merely reaffirmed, after the involvement of the United States in the war, the undertakings which had been entered into with Admiral Greenslade about a year ago for the control of French planes and ships in the West Indies. The State Department had not received a full report from Admiral Horne, who is due in Washington tomorrow, but his mission was that which Mr. Atherton had described. The chief undertakings in question on the French side were:

1. A promise to give the United States 48 hours' notice before French ships left Martinique and to cancel their movement if the United States objected;
2. Reception of an American Naval observer at Martinique and freedom to the American Consul to inspect and check the aircraft there; and
3. Permission for a daily U.S. Patrol plane to fly over the islands. (He said this had been done regularly for about a year.)

The purpose of the undertakings, which in a sense constituted an agreed infringement on French sovereignty on the Islands, was to ensure that vessels and aircraft in the Islands could not be used in a manner contrary to the interests of the United States. In return, of course, certain economic concessions have been granted to the Islands, chiefly permission to send a monthly ship to New York and also to trade in certain products with Casablanca, and the unfreezing in the United States of the funds necessary to maintain the economic life of the Islands.

I told Mr. Atherton that the Horne-Robert agreement, coming on top of the exchange of assurances between Pétain and the President of which the State Department had confidentially informed me, seemed to make it more difficult for Canada to take the initiative in establishing control of the wireless station at St. Pierre. He answered that he thought that there was a very close analogy between establishment of Canadian control of the wireless station and of the type of U.S. control already exercised in the West Indies over French ships and planes. Both would be done in the interests of public security. Both would in a sense constitute an infringement of sovereignty. Both, however, would be balanced by the continuance of the existing administration in the colonies and by economic benefits essential to the life of the colonies.

I said that we could not assume in present circumstances an acquiescence either of the local government or of Vichy in Canadian control of the wireless station. If Canadian personnel were installed by force, we might find ourselves charged with action directly contrary to arrangements just entered into between Washington on the one hand and Vichy and Martinique on the other, and Vichy might use this as a pretext for further steps detrimental to the general interests of the Allies. He answered that he thought that this was most unlikely. He was satisfied that the main concern of the Vichy Government was to protect as far as possible the integrity of the French Empire. They would much prefer to have Canadian control of the wireless station than a de Gaulle coup in the Islands. He felt that it was by no means unlikely that the Administrator would agree to admit Canadian personnel, but he agreed that if he refused, the immediate installation of Canadian personnel would be necessary and that they would have to be protected by a small Naval guard. He felt that a Free French

coup would be quite likely to upset the whole delicate balance of relations with Vichy, whereas there was no great danger in the establishment of Canadian control on the lines that we had discussed.

H. W[RONG]

1311.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, December 19, 1941

ST. PIERRE AND MIQUELON

1. THE PRIME MINISTER reviewed the situation briefly. The U.K. government favoured action by the Free French; the U.S. government were opposed, preferring that steps be taken by Canada. In the circumstances, no action should be taken until the British and U.S. governments were agreed.

The U.K. government appreciated the reasons in favour of supervision of the wireless station, but their military advisers felt that nothing short of occupation, which was ruled out by the U.S. attitude, would really meet the case. They felt it wiser to take no action for the time being.

(Telegram No. 224, December 14, 1941, Dominions Office to External Affairs).

2. THE MINISTER OF NATIONAL DEFENCE FOR AIR was inclined to feel that, while the U.K. and U.S. governments were properly consulted in the matter, the problem was primarily a Canadian concern, and decision might have to be made without waiting for agreement between the British and Americans.

3. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES referred to newspaper reports of a settlement between the U.S. government and the local authorities in Martinique. This was said to affect French possessions in the hemisphere.

4. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS stated that a full report would be made by the Legation in Washington upon the reported settlement.

5. The War Committee, after further discussion, agreed to defer any action for the time being.

1312. DEA/702-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELEGRAM 599 Washington, December 20, 1941

MOST SECRET. Your telegram No. 543.¹³ Do you wish me to communicate to State Department views of the United Kingdom Government?

1313. DEA/702-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELEGRAM 545 Ottawa, December 20, 1941

MOST SECRET. Your telegram No. 599. As Embassy has been in direct communication with State Department about St. Pierre situation, I assumed that Welles had advised Halifax of United States Government's views as to alternative courses of action which were under consideration. Text of message repeated to you in our telegram No. 543 suggests, however, that information as to United States Government's attitude has only been communicated to London from Ottawa. I see no objection to your showing our telegram under reference to Embassy, but I do not think we can undertake to advise the Department of State of the United Kingdom position.

In view of terms of United Kingdom message, War Cabinet [*sic*] decided last night not, repeat not, to take any immediate action with regard to St. Pierre. Question may be given further consideration next week. You may inform State Department of this decision.

1314. DEA/702-40

Mémorandum du ministre-conseiller, la légation aux États-Unis
Memorandum by Minister-Counsellor, Legation in United States

Washington, December 22, 1941

I have given to Sir Ronald Campbell copies of the last two telegrams from Ottawa about St. Pierre. He tells me that they had heard at the Embassy from London on the question of the proposed Canadian control of the radio station. I said that I thought it might be desirable for them to take the matter up with the State Department, since I had merely told the State Department that the British

¹³ Non reproduit. Ce télégramme avait communiqué le texte du document 1309. ¹³ Not printed. This telegram had repeated the text of Document 1309.

Government did not like the scheme and that we were not going to put it into effect for the moment.

I also had a word with Mr. Hickerson on the matter. He asked me whether I thought that we would object to the U.S. Navy taking charge of the station. I told him that I thought we certainly should, but that if they were to propose this in Ottawa it might bring the question to a head and ensure a rapid decision.

H. W[RONG]

1315.

DEA/702-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 24, 1941

The French Minister called this morning to say that he had been disturbed by two rumours which had reached him within the last week of a contemplated raid on St. Pierre. One report was that the Free French had plans to take over the Islands, the other that the Canadian Government had similar plans in preparation. He was very disturbed at the prospect of either of these developments, and pressed me for a reassuring word that they were unfounded.

I suggested that the reports which had reached him had probably come from shipping and naval circles, which were undoubtedly seriously worried about the possible abuse of the Islands' uncontrolled shortwave broadcasting station to convey information about ship movements which might be of use to the enemy. He would appreciate that this was a very natural and legitimate concern on our part, which had inevitably been aggravated by the recent operations of enemy submarines very close to Newfoundland. No decision had been taken as to whether further security steps were necessary, but I said that we would count on his cooperation in any additional steps which might have to be taken.

I asked him whether he had had any word about the report, current last night, that Marshal Pétain had resigned. He did not believe this story, which he said had been denied by the Vichy Radio this morning. He was sure that Pétain would not resign in the face of German pressure. He might surrender himself as a prisoner of war, he might conceivably go to North Africa to lead opposition, but he would not resign.

I referred to the note we had received from him two or three days ago, advising us of French neutrality in the war in the Pacific,¹ and suggested that the Franco-Japanese "Agreement" for the mutual defence of Indo-China was hardly compatible with the new policy of neutrality. He shrugged his shoulders and said France's neck was in a noose, and that they were not any longer free agents in the Far East. In view of the Minister's reference to reports received over the Vichy radio, I asked him whether he had anything to say about Mr. Firmin Roz's broadcasts from Vichy, addressed specifically to French Canada. I

thought it was probably natural to put the best face you could on your own defeat, but it was quite another matter to export defeatist propaganda to your Allies who were carrying on the struggle. He professed to be surprised at my characterization of Firmin Roz's broadcasts as defeatist propaganda, and offered to cable Vichy, suggesting some modification if I thought this advisable.

1316. DEPARTMENT OF STATE

DEA/702-40

*Le secrétaire d'État aux Affaires étrangères de Grande-Bretagne
à l'ambassadeur de Grande-Bretagne aux États-Unis¹⁴*

*Secretary of State for Foreign Affairs of Great Britain
to Ambassador of Great Britain in United States¹⁴*

TELEGRAM 7216

London, December 24, 1941

IMMEDIATE. My telegram No. 7008.[†]

General de Gaulle has addressed general letter to me in which he states that National Committee learnt with surprise that a decision on this matter should have been taken upon action involving possible use of force on French territories without consulting it and that at the same time the Allied Governments apparently disapproved of rallying of these territories to Free French.

2. Letter states that one of the essential objects of the National Committee is to bring into the struggle under the French flag and for the French cause at the same time as for Allied cause, all parts of the French Empire which could be withdrawn from the Authority of a Government under enemy control. It would lose all reason for existence if it accepted infringement of French sovereignty by the Allies in any portion of France's Empire. The National Committee moreover felt it its duty to draw the attention of His Majesty's Government in the United Kingdom to the awkwardness of the repercussions that the contemplated action would undoubtedly have upon the morale of Free French forces and upon French opinion. It would help enemy propaganda which sought to set the French against their British and American allies and was indefatigable in its efforts to convince France that the Anglo-Saxon powers coveted the French Empire. The National Committee requested that their views might be brought to the attention of His Majesty's Government in Canada.

3. Dominions Office are instructing the United Kingdom High Commissioner in Canada to inform the Canadian Government of General de Gaulle's reaction.

¹⁴ Ce télégramme est daté du 24 décembre mais apparemment il ne fut reçu à Washington que le 25. Le ministre-conseiller, légation aux États-Unis, a reçu une copie le 26.

¹⁴ This telegram is dated December 24 but apparently it was received in Washington only on the 25th. The Minister-Counsellor, Legation in United States, received a copy on the 26th.

1317. DEA/2984-40

*Le consul par intérim à Saint-Pierre-et-Miquelon
au secrétaire d'État aux Affaires extérieures*

*Acting Consul in St. Pierre and Miquelon
to Secretary of State for External Affairs*

TELEGRAM 68

St. Pierre, December 24, 1941

IMMEDIATE. 9 A.M. December 24th.

Three corvettes and one submarine under Admiral Muselier occupied Archipelago at 8 A.M. this morning without incident.

EBERTS

1318.

DEA/2984-40

*Le consul par intérim à Saint-Pierre-et-Miquelon
au secrétaire d'État aux Affaires extérieures*

*Acting Consul in St. Pierre and Miquelon
to Secretary of State for External Affairs*

TELEGRAM 69

St. Pierre, December 24, 1941

December 24th. My telegram No. 68, December 24th. Administrator confined to house and will apparently be replaced. Alain Savary, a civilian from France who accompanied the occupation force, is in charge of Administration temporarily. Some pro-Vichy officials and private individuals have been examined but none of the former will be dismissed for the moment, and occupation has been quiet and tolerant despite enthusiasm of population.

This morning radio and cable stations and arms and ammunition were taken over and de Gaulle flag placed on Administrator's office and house. War Veterans' Association was reconstituted at meeting addressed by Vice-Admiral Muselier this afternoon. A plebiscite will be held tomorrow. Local defence force is to be organized immediately and recruits sought for Free French Forces.

Admiral called and was most cordial, and stated that he would give every facility permitting me to continue my functions. I told him that I expected to receive instructions regarding this question shortly.

He requests me to enquire whether Canadian Naval authorities could undertake to keep him informed of the movements in North American waters of naval units of the Vichy Government, especially those stationed at Martinique.

EBERTS

1319.

DEA/2984-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2106

Ottawa, December 24, 1941

IMMEDIATE. CONFIDENTIAL. Reference my telegram No. 2096.[†]

In view of circumstances of Free French occupation of St. Pierre today, do not send Christmas message to General de Gaulle.

1320.

DEA/2984-40

*Le consul par intérim à Saint-Pierre-et-Miquelon
au secrétaire d'État aux Affaires extérieures*

*Acting Consul in St. Pierre and Miquelon
to Secretary of State for External Affairs*

TELEGRAM 71

St. Pierre, December 25, 1941

IMMEDIATE. December 25th. My telegram No. 69 of December 24th, last paragraph.

Various aeroplanes have flown over the Archipelago yesterday and today, and the Admiral states that he does not consider it prudent to permit free movement of planes in the neighbourhood in view of difficulty of identification. He would therefore like to establish, in agreement with Canadian and United States authorities, regulations for flights over the Island, unless he can be guaranteed against possible action by planes of French vessels stationed at Martinique or by these vessels themselves.

Lighthouses have been kept in operation, but the Admiral states that their continued operation endangers his naval forces, and he would consequently like to reach understanding with Canadian and United States authorities on this question.

He adds that he considers these questions most urgent. He has requested United States Consul also to take them up with his Government.

EBERTS

1321.21VATG

DEA/2984-40

*Le consul par intérim à Saint-Pierre-et-Miquelon
au secrétaire d'État aux Affaires extérieures*

*Acting Consul in St. Pierre and Miquelon
to Secretary of State for External Affairs*

TELEGRAM 72

St. Pierre, December 25, 1941

URGENT. Your telegram No. 39 of December 25th¹. Report of yesterday's events given in my telegram No. 69 of December 24th doubtless now received. Main development today has been plebiscite by secret ballot on this Island in which males of 18 years and over were given choice between "rallying to Free France or collaborating with Axis Powers". Results are 651 votes for the former, 10 for the latter policy, 140 ballots incorrectly completed. It is estimated that approximately 950 had franchise and total polled was slightly above average earlier elections. A United States journalist witnessed the count which was apparently quite straightforward. Plebiscites will be held Sailors' Island and Miquelon village December 26th and 27th and voting will probably be almost unanimously for the Free French movement.

Admiral was acclaimed after placing wreath on the War Memorial this morning and when plebiscite results were announced, but population has manifested little bitterness against pro-Vichy elements. Pro-Vichy chiefs of Administrative services have agreed to remain in the service, and in some cases have offered complete loyalty to the Admiral.

EBERTS

1322.

DEA/2984-40

*La légation de France au ministère des Affaires extérieures*¹⁵

*Legation of France to Department of External Affairs*¹⁵

No. 72 Ottawa, le 25 décembre 1941

La Légation de France a pris acte de la démarche que le Très Honorable Premier Ministre a bien voulu faire effectuer dans la nuit d'hier auprès d'elle pour lui faire savoir que l'occupation des Iles de Saint-Pierre et Miquelon par les forces navales françaises dissidentes avait été effectuée en dehors du Gouvernement canadien et sans sa connaissance.

La Légation de France croit devoir rappeler à cette occasion que sur l'insistance des Autorités canadiennes, elle avait obtenu l'envoi de la *Ville d'Ys* en

¹⁵ La note suivante était écrite sur ce document:¹⁵ The following note was written on this document:

This is a corrected copy of the Note left with me on December 26 and dated 24 December 1941. H. L. K[EENLEYSIDE]

dehors des parages de Saint-Pierre et Miquelon, la présence de ce bâtiment de guerre ayant été estimée de nature à créer éventuellement des incidents regrettables.¹⁶ La colonie française se trouvant ainsi complètement désarmée, pour donner tout apaisement au Gouvernement canadien, celui-ci avait par-là même, assumé l'engagement moral, non seulement de respecter lui-même le statu quo de l'île, mais aussi de veiller à son maintien.

D'autre part, depuis de longs mois, la Légation de France avait trouvé auprès des Autorités canadiennes une généreuse compréhension à laquelle elle tient à rendre de nouveau ici hommage et grâce à laquelle la pénible situation de l'île, notamment au point de vue alimentaire, avait pu être améliorée. Il s'était ainsi établi une véritable et confiante collaboration excluant toute idée d'un brusque changement d'attitude.

Enfin, le Gouvernement des Etats-Unis, dont les liens d'alliance avec le Canada sont particulièrement étroits, vient précisément de conclure, avec les Autorités des Antilles françaises, un accord dont le Secrétaire d'Etat s'est déclaré à Washington entièrement satisfait. Dans ces conditions, une attitude différente du Gouvernement canadien à l'égard de Saint-Pierre et Miquelon, serait d'autant plus difficile à justifier que rien ne semble actuellement de nature à lui faire adopter, dans ce cas particulier, une politique divergente.

Aussi la Légation de France est persuadée que le Gouvernement canadien voudra bien désapprouver formellement le coup de force qui vient d'être effectué et faire en sorte que soit rétablie sur les Iles de Saint-Pierre et Miquelon l'autorité du Gouvernement légal de la France que lui-même reconnaît.

N'ayant pu joindre le Très Honorable Premier Ministre avant son départ pour Washington, la Légation de France serait très reconnaissante au Ministère des Affaires Extérieures de vouloir bien lui transmettre d'extrême urgence les considérations qui précèdent afin qu'elles soient portées à sa connaissance au moment où s'engageront à Washington les discussions relatives à Saint-Pierre et Miquelon. Ces arguments ont d'autant plus d'importance que l'auteur du coup de force commis sur la Colonie française venait de s'entretenir avec les Autorités Maritimes du Canada et que les bateaux qui ont pris possession de Saint-Pierre sont partis d'un port canadien.

La Légation de France exprime d'avance ses vifs remerciements au Ministère des Affaires Extérieures pour la transmission dont il voudra bien se charger et saisit cette occasion pour lui renouveler les assurances de sa très haute considération.

¹⁶ Voir le volume 8, documents 638 et 641.

¹⁶ See Volume 8, Documents 638 and 641.

1323. *Le haut commissaire de Grande-Bretagne au sous-secrétaire d'État
par intérim aux Affaires extérieures*
*High Commissioner of Great Britain to Acting Under-Secretary
of State for External Affairs* DEA/702-40

1001/77 Ottawa, December 26, 1941

IMMEDIATE SECRET.

Dear Mr. Pearson,

I am writing to let you know that I have just received a telegram from the Secretary of State for Dominion Affairs referring to his telegram to the Canadian Government No. 224 of 18th December, on the subject of St. Pierre and Miquelon.

Lord Cranborne states that the Free French authorities who, as you know, had been informed of the views expressed by the United States Government, as shown in your telegram No. 257 of 16th December, have now sent him a strongly worded protest against the action of the United States and Canadian authorities in approving a plan for action to be taken in St. Pierre by Canadian personnel whilst rejecting steps by the Free French to bring these French islands over to the Allied cause.¹⁷

As the Free French authorities have asked that their views on this point may be brought to the notice of the Canadian Government, Lord Cranborne feels that you should know that the Free French have reacted very unfavourably to the proposal that the Canadian authorities should take over the supervision of the wireless station at St. Pierre.¹⁸

Yours sincerely,

MALCOLM MACDONALD

1324. *Mémoire du ministre-conseiller, la légation aux États-Unis*
Memorandum by Minister-Counsellor, Legation in United States DEA/2984-40

Washington, December 26, 1941

DEVELOPMENTS WITH REGARD TO ST. PIERRE

I learned from the Naval Attaché at about 7:15 p.m. on December 24th that he had been approached by the Navy Department with a request for informa-

¹⁷ Voir le document 1316.

¹⁷ See Document 1316.

¹⁸ La note suivante était écrite sur ce document:

¹⁸ The following note was written on the document:

December 26, 7:30 P.M. EST.

Telephoned to Mr. Wrong who says it was also received today by the Can[adian] Legation at Washington from the British Embassy. The Embassy and Legation understood it to refer to the earlier exchange of views and not to recently contemplated action. S. R.[AE]

tion as to the reasons whereby they had for some hours been unable to make contact with the radio station at St. Pierre. He said that he had telephoned to Naval Service Headquarters in Ottawa and had learned from them that Admiral Muselier had signalled a few minutes before that he had rallied the Islands to the Free French cause pursuant to instructions issued by General de Gaulle.

I managed to reach Mr. Robertson in Ottawa on the telephone without delay. He had just been informed of this development by N.S.H.Q. He confirmed that the Canadian Government had no foreknowledge of the Free French action and agreed that I should bring it at once to the notice of the State Department, making it clear that we had acted throughout with them in good faith.

I gave the information to Mr. Atherton on the telephone at about 7:45 p.m. He had not previously heard of this development and confined himself to remarking that he was afraid it would have many repercussions.

At about 1 p.m. on December 25th Mr. Robertson telephoned to say that Mr. Moffat had come to him with an urgent message from the United States Government which concluded with a request for information as to the steps that the Canadian Government proposed to take to restore the status quo in the Islands. Mr. Moffat had told him that the position had been discussed at the State Department that morning between the Secretary of State, Mr. Welles, and other senior officials. The State Department took a very serious view of the development. I said to Mr. Robertson that as the Prime Minister would arrive in Washington on the following day, it seemed to me that any decision ought to be postponed until the position had been discussed here with the President and Mr. Churchill. He told me that he was informing Mr. Malcolm MacDonald of the United States representations.

Mr. Atherton telephoned to me a few minutes later to read me the text of a statement just made public by the Department of State. This statement is as follows:

"Our preliminary reports show that the action taken by three so-called Free French ships at St. Pierre-Miquelon was an arbitrary action contrary to the agreement of all parties concerned and certainly without the prior knowledge or consent in any sense of the United States Government.

"This government has inquired of the Canadian Government as to the steps that government is prepared to take to restore the status quo of these islands."

I replied at once that I thought that the last sentence was most unfortunate and urged him to have it withdrawn, if possible. He answered that the statement had already been given to the press. I repeated that we had no responsibility for the Free French action and that I felt it unfair for the United States Government to put the Canadian Government on the spot in this manner without prior consultation and especially in view of the meeting to take place in Washington the next day. Mr. Atherton left me with the impression that there were two main reasons for the State Department's precipitate action:

(1) their fear that the delicate balance of their relations with Vichy and perhaps of Franco-German relations would be upset by the use of Admiral Muselier's action as an excuse for breaking existing agreements and under-

standings; (2) their hemispheric preoccupations, which led Mr. Atherton to say to me that the whole policy they intended to place before the Conference of American Foreign Ministers at Rio de Janeiro was imperilled by the St. Pierre episode.¹⁹

I was not able to get in contact with any of the senior officers of the British Embassy until about 4 p.m. I then talked over the situation with Sir Ronald Campbell and finally with Lord Halifax. Lord Halifax told me that Mr. Malcolm MacDonald had telephoned to Lord Beaverbrook at lunchtime to inform him of the United States request in Ottawa and that Lord Beaverbrook had spoken to Mr. Churchill, who had asked Lord Halifax to furnish him with background information immediately. I went over with him a memorandum which he had prepared for Mr. Churchill. While I was with him, Telegram No. 7243 from the Foreign Office arrived, making it clear that the occupation had taken place as a result of orders issued by General de Gaulle and that he had broken faith. His Commissioner for Foreign Affairs explained his action by saying that he had heard that the Canadian Government proposed, with the agreement of the United States, to secure control of the wireless station and that if this were done the Free French movement would be completely discredited.

Lord Halifax was to see Mr. Hull at 6 p.m. yesterday to discuss the situation and to show him the telegram in question. Obviously, the Ambassador is surprised at the vehemence of the State Department's reaction.

Mr. Stone telephoned me at about 8 p.m. to ask for the latest news, so that he could relay this to the Prime Minister in Montreal. I gave him an outline of developments. He telephoned later in the evening to give me the text of a reply which had been sent verbally to Mr. Moffat in Ottawa.

Note: The chief explanation that Mr. Atherton offered in reply to my complaint that the State Department had tried to commit us to a policy just in advance of the Prime Minister's visit was that the character of the press despatches coming in from London was such that they could not leave them without an immediate answer. He made no reply when I remarked that one effect of the State Department's action was obviously to magnify the importance of the incident, which was in itself an insignificant episode in the course of the war.

H. W[RONG]

¹⁹ Une note dans l'original renvoyait le lecteur à la note au dernier paragraphe.

¹⁹ A footnote in the original referred the reader to the note in the last paragraph.

1325.

DEA/2984-40

*Mémoire du sous-secrétaire d'État par intérim
aux Affaires extérieures²⁰**Memorandum by Acting Under-Secretary of State
for External Affairs²⁰*

SECRET

[Ottawa,] December 26, 1941

MEMORANDUM REGARDING SEIZURE OF ST. PIERRE
BY FREE FRENCH FORCES

So far as this Department is concerned, the first announcement of this action was received late Christmas Eve. Early Christmas morning the United States Minister, Mr. Moffat, expressed to Mr. Robertson and Mr. Stone the strong feelings of the United States Government on this aggressive and unprovoked action. Mr. Moffat had been in touch with the Secretary of State in Washington and he took an extremely strong condemnatory line. He requested that the Canadian Government take action at once to restore the status quo in the Islands. The difficulty in any such action was pointed out to Mr. Moffat but he was told that the matter would be taken up with the Prime Minister. Meanwhile it was agreed with Mr. Moffat that it was essential to keep the matter as quiet as possible for the time being and not aggravate the situation by premature press statements.

The next development was a surprising one. About 2 p.m. Mr. Carnegie, of the Canadian Press, read to Mr. Pearson over the telephone the following statement which had just been issued in Washington:

"Our preliminary reports show that the action taken by three so-called Free French ships at St. Pierre and Miquelon was an arbitrary action contrary to the agreement of all parties concerned, and certainly without the prior knowledge or consent in any sense of the United States Government.

This government has inquired of the Canadian Government as to the steps that government is prepared to take to restore the status quo of these islands."

This statement had been issued without any consultation with the Canadian Government; was entirely misleading in its reference to an agreement between Muselier and the Canadian Government and most embarrassing in its suggestion that the Canadian Government should at once restore the status quo.

We protested to Mr. Moffat about the unfairness of issuing any such statement. Mr. Moffat got in touch with Washington and later explained that the above statement had been issued prematurely in error. Later Mr. Wrong explained that he had been called to the State Department and Mr. Atherton had read to him the above statement. Mr. Wrong, thinking he had been called in consultation over the matter, suggested certain changes to make the statement more accurate in its references to Canada, whereupon Mr. Atherton informed him that the statement had already been issued and he was merely being informed of it. Mr. Wrong reacted strongly to this treatment.

²⁰ L. B. Pearson.

There were numerous inquiries from the press during the afternoon as to whether there was anything to be said in reply to the statement issued by Washington. They were merely told that the action of the Free French Forces came as a complete surprise to the Canadian Government; but that there was no agreement between those Forces and the Canadian Government covering the Islands, as suggested in the United States communiqué.

Meanwhile, in Washington, Mr. Wrong had discussed the matter with Lord Halifax at the Embassy, who read to him a telegram from the Foreign Office, which stated that Admiral Muselier had acted on instructions from de Gaulle because the Free French had heard rumours that Canada was to take action. Lord Halifax showed this Foreign Office telegram to Mr. Hull at 6 p.m. Lord Halifax was also drafting a memorandum to Mr. Churchill on the matter, and asked Mr. Wrong to assist him in this, insofar as it referred to things Canadian. He was going to try to take this memorandum up with Mr. Churchill during the evening, and if there were any developments, he promised to let Mr. Wrong know. Apparently there were no such developments.

During the evening Mr. Moffat once again expressed violent feelings on the whole matter, and stated that any course by the Canadian Government other than restoration of the Vichy regime, with Canadian supervision of the wireless, would be "190° removed from United States policy." He also made certain obscure observations on the unfortunate results that would ensue if Canada adopted a separate policy in this matter. Mr. Moffat was still inclined to take the darkest possible view of the consequences of the seizure. In fact, he seems to have lost his sense of proportion over the whole business. It appears possible that, at the beginning, he thought that the move had been made with Canadian knowledge and that, therefore, some question of good faith might be involved. The fallacy of this view was pointed out to him in no uncertain terms. Indeed, if the question of "good faith" were brought up, it would be impossible not to refer to an agreement made without the knowledge of the Canadian Government by the United States with the Vichy authorities at Martinique purporting to cover all the French territory in the Western Hemisphere; also the issue of a press statement that morning in Washington of the most damaging and embarrassing kind to Canada without consulting the Canadian Government.

It seemed to us that Mr. Moffat's strong and indignant feelings might not entirely reflect the attitude of the United States Government who, it was hoped, might take a calmer view of the situation. Mr. Wrong last evening, however, confirmed over the telephone, that, as he put it, "the whole State Department was 'hot' on the matter."

Mr. Robertson had an opportunity of discussing the question with the Prime Minister, Mr. Ralston and Mr. Macdonald on the way to Montreal. As the result of that discussion he was able to phone us from Montreal the following statement from the Prime Minister:

"Canada is in no way responsible for the Free French occupation of St. Pierre and Miquelon. We have kept in close touch with both the United Kingdom and the United States on this question and have always been ready to co-operate in carrying out an agreed policy. We declined to commit ourselves to any action or

to take any action pending such agreement. In the circumstances and until we have had an opportunity of considering action with the President and Mr. Churchill, the Canadian Government cannot take the steps requested to expel the Free French and restore the status quo in the Islands.

This was given officially at 10 p.m. to Mr. Moffat as an answer to his request that the Canadian Government take immediate action to restore the status quo in the Islands. It was also telephoned to Mr. Wrong in Washington.

Neither the above statement nor any other report has been given to the press, pending the result of the conversations in Washington.

1326.

DEA/2984-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures²¹
au Premier ministre par intérim²²*

*Memorandum from Assistant Under-Secretary of State for External Affairs²¹
to Acting Prime Minister²²*

[Ottawa,] December 26, 1941

ST. PIERRE AND MIQUELON

The French Minister called, by appointment, to see me at 10:30 this morning.

M. Ristelhueber stated that on December 24th he had received warning that the Free French Forces, under Admiral Muselier, were preparing a *coup de main* in the Islands of St. Pierre and Miquelon. He had at once reported this to the Under-Secretary of State for External Affairs who had told him that the Canadian Government had discussed the situation with Admiral Muselier but had told the latter that they were not prepared to support him in any move against the Islands. M. Ristelhueber added that he went away convinced that the Canadian Government had taken steps which would be adequate to prevent any overt act by the Free French. He then telegraphed to his Government in this sense. The telegram had hardly been despatched when he received information that Admiral Muselier had, in fact, seized the Islands.

Early on December 25th the French Minister, acting on instructions from his Government, tried to get in touch with the Prime Minister but this was found to be impossible in the time available before the departure of Mr. King for Washington. M. Ristelhueber was then told that he should speak to Mr. Crerar; but, although he endeavoured to get in touch with the Minister of Mines and Resources, from five o'clock until after ten o'clock on Christmas night, he was unsuccessful. His call on me was to put on record the views of his Government in regard to the unprovoked attack on St. Pierre and to express the wish that these views should be made known to the Prime Minister in Washington before Mr. King speaks to Mr. Roosevelt and Mr. Churchill about this subject. The French

²¹ H. L. Keenleyside.

²² T. A. Crerar.

Minister then went over, orally, the representations presented in his official note,²³ a translation of which is attached hereto.

I contented myself with indicating to M. Ristelhueber what he was fully prepared to accept: namely, that the Canadian Government had acted in complete good faith throughout. He felt, however, that because we had insisted upon the departure of the *Ville d'Ys* and had been acting cooperatively in regard to the maintenance of the Islands since that time, we were under a moral obligation to maintain the de Bournat administration at St. Pierre. I stated that while I could not myself accept the validity of this argument, and did not believe that either the removal of the *Ville d'Ys* or the maintenance of sympathetic relations with the Islanders placed any such responsibility upon Canada, I would nevertheless see that his representations were placed before the Prime Minister if possible before Mr. King meets the President and Mr. Churchill in Washington.

I gained the impression that M. Ristelhueber did not, in fact, expect us to attach any very great weight to the rather specious arguments which he was advancing.

1327.

DEA/2984-40

Mémorandum du ministre-conseiller, la légation aux États-Unis

Memorandum by Minister-Counsellor, Legation in United States

Washington, December 26, 1941

The attached telegram from Lord Halifax to Mr. Eden¹ contains a report of a discussion about St. Pierre between the Ambassador and Mr. Hull yesterday evening. Attention is directed to the last sentence, stating that Mr. Churchill has in mind the possibility of finding a compromise solution by some kind of government by commission.

Mr. Tixier of the Free French Delegation in Washington called on me this morning to explain the attitude of the Free French movement here toward the episode and to enquire concerning the intention of the Canadian Government. On the latter point I told him that no decision would be reached until after the Prime Minister had conferred with the President and Mr. Churchill. I added that I personally felt that any solution involving the restoration of the status quo by the use of force in the Islands could hardly be expected. He put the Free French position very clearly and forcibly, and told me that he was going to a meeting at the State Department this afternoon on the subject. I understand from the British Embassy that Mr. Bergner, a colleague of Mr. Tixier in the Free French movement, has seen Lord Halifax this morning. I gather that Lord Halifax shares my feeling that it is in our mutual interest that the Free French case should be put forcibly to the State Department by their own representatives here.

H. W[RONG]

²³ Document 1322.

1328.

DEA/2984-40

*Mémorandum*²⁴*Memorandum*²⁴

Washington, December 26, 1941

ESSENTIAL CONDITIONS

Plan should include following as essential conditions:

1. It should be such as to ensure security, especially by control over communications between St. Pierre and France. This to be done:
 - (a) by (Canadian ?) control of wireless station, including authority to precensor messages,
 - (b) by continued control of movement of French public vessels and similar measures.
2. It should be accepted by General de Gaulle, preferably voluntarily but if necessary under pressure. It must therefore represent his action as having assisted in solving a difficult problem. This means no forcible restoration of Vichy control at risk of bloodshed.
3. There must be no reprisals in the islands, or victimization of Free French supporters.
4. The plan must be such as not to damage seriously the prestige of the Free French movement, with consequent danger to the movement of resistance to the Nazis in France and Europe generally.
5. The plan must be such as to be acceptable without serious controversy to public opinion in Canada, the United States, and the United Kingdom.

POSSIBLE FEATURES

Plan might require status quo in internal laws and regulations as of June 15, 1940 — i.e. guarantee of civil rights etc. by restoration of status quo.

The President has suggested that an elected Council might take over the administration of the islands. This sounds a promising line to be followed up.

Economic arrangements could include understanding authorizing the marketing in the French West Indies of the product of the island fisheries.

PRELIMINARY QUESTIONS TO BE ANSWERED

- (1) What are minimum changes in regime installed by Muselier required to meet U.S. position?
 - (a) Withdrawal of Free French ships?
 - (b) Type of regime - must be acceptable to Vichy?
 - (c) Restoration of Vichy officials?

²⁴ Rédigé par N. A. Robertson et H. H. Wrong.²⁴ Drafted by N. A. Robertson and H. H. Wrong.

(2) How can a restoration of the authority of Vichy be made to accord with democratic principles of U.S. and Allies? There seems no doubt of the overwhelming Gaullist sentiment in the islands.

1329.

DEA/2984-40

Mémorandum du ministre-conseiller, la légation aux États-Unis

Memorandum by Minister-Counsellor, Legation in United States

Washington, December 27, 1941

The Prime Minister called on Mr. Hull, accompanied by Mr. Robertson and Mr. Wrong, at 5 p.m. on December 26th. Mr. Hull explained at some length to Mr. King the policy which he had followed with respect to relations with Japan up to the outbreak of hostilities. He then said that there were two or three matters affecting relations between Canada and the United States which had been causing him great concern. The first of these was St. Pierre, and the rest of the discussion was devoted to this alone.

Mr. Hull began by saying that he had been under great pressure on Christmas day to issue a public statement about the Free French coup and had felt that he could not delay. He said somewhat apologetically that he had not thought about the political effects in Canada of the statement which he had issued. He went on to describe his policy in maintaining the bridge of diplomatic relations with the Vichy Government, emphasizing that its continuance had been strongly desired by the United Kingdom. He reviewed the position from both the political and the economic point of view, mentioning that the provision of certain essential supplies to North Africa had been successful in improving the attitude of the French in that territory. He also alluded to the agreement with Admiral Robert governing the French West Indies. He said, however, that relations with Vichy might change at any hour, and that would bring an entirely new situation.

He referred only briefly and incidentally to the Pan American aspect of the coup at St. Pierre and he did not seem to attach a great deal of importance to this.

Mr. Hull said that at his press conference that day he had attempted, off the record, to place the issue in better perspective. Hitherto, the problem afforded by the uncontrolled wireless station had not been publicly mentioned and he had brought this into the open as being a major cause of concern to the United States, the United Kingdom, and Canada. He had urged the press to soft-pedal the situation in St. Pierre.

He then suggested the possibility of a compromise solution, which had already been discussed between the President and Mr. Churchill. This would include Canadian or joint control of the wireless station, an approach to General de Gaulle through Mr. Churchill, saying that his action had been helpful in bringing to an end a potential danger which had been a source of worry but that his object was now accomplished, and the restoration of civil administration in the islands under some agreed policy. Mr. King said that he felt there could be

no question of putting the Administrator back in office, as he was an unreliable character with a German wife.

Mr. Hull finally said that he hoped Mr. King would talk over the matter with Mr. Churchill and the President. Mr. King told him that he had always been opposed to the use of force to solve the problem of St. Pierre and that it was necessary for any solution to be arrived at by agreement between the Governments concerned.

Mr. King and Mr. Hull then went to the White House to meet the President and Mr. Churchill. The main subject of discussion was the St. Pierre episode. Mr. Churchill advanced the idea of a compromise solution, which would involve control of the wireless station, but would place the islands under an administration acceptable to Vichy. It was finally agreed that the matter should be left to be further explored by Mr. Hull and Mr. King. Mr. Churchill expressed himself as ready to bring considerable pressure on de Gaulle to accept a solution agreeable to the United States.

Mr. King saw Mr. Hull again at 10:30 o'clock this morning and had a long general talk with him, only a part of which was devoted to St. Pierre. During the interview he sent for the French Ambassador, saying that he proposed to put up to him, for the concurrence of Vichy, an arrangement whereby the wireless station should be under proper supervision and the islands would be returned in some way or other to Vichy control. Mr. King made it clear that the reinstatement of de Bournat as Administrator was not acceptable. There was some discussion of the possibility of an elective administration — a suggestion which the President had thrown out on the previous evening. It was also made clear that there must be no reprisals in the Islands and that the plan must be acceptable to the Governments chiefly concerned. No specific or detailed scheme for "restoring the status quo" was brought forward.

M. Henri-Haye saw Mr. Hull immediately after Mr. King's departure. It is reported that, on leaving the Secretary of State's office, he informed the press that an agreement had been reached for the restoration of Vichy control, subject to regulation of the wireless station. So far as is known at the moment, this report has no foundation whatever.

Mr. Robertson and I saw Mr. Hoyer Miller and Mr. Barclay of the British Embassy later in the morning and informed them of the discussions outlined above. They were especially concerned with the effect on the Free French movement of any compromise solution and they proposed to take up the question with Lord Halifax before he saw Mr. Churchill this afternoon.

M. Tixier of the Free French headquarters called on me at about 4 p.m., his call, I think, having been inspired by the French Ambassador's statement of this morning. I gave him a general outline of the position, saying that a compromise solution was under consideration but that its terms were as yet far from explicit. So far as I knew, the French Ambassador's statement was quite unfounded and it was possible that it would have the effect of drawing a denial from Mr. Hull. He said in the most emphatic terms that he was sure that an attempt to restore Vichy control would be accompanied by bloodshed in the Islands. He also thought that if de Gaulle was asked to back down too far, he would resign and

wreck the Free French movement. He is confident that there is no alternative Free French leader in sight. I told him clearly that it was after all de Gaulle who had started the trouble by sending an expedition to the Islands after he had promised to take no action. That had to be borne in mind, no matter how much the position had been aggravated by the Department of State's press statement of December 25th. I added that while it was very desirable, in my view, that de Gaulle's face should be saved as far as possible in any solution, some face-saving had to be accomplished in other directions as well. The Department of State had committed itself to restoring the status quo, and we could not press for an outcome which would damage the relations between the United States and the British Commonwealth.

M. Tixier mentioned incidentally that a Colonel of the Free French Medical Corps had been yesterday morning in the State Department discussing the provision of certain medical supplies to the Free French forces. He had been amazed to be summoned suddenly to Mr. Hull's office and treated to a violent tirade on the defects of the Free French movement, the character of de Gaulle, and the folly of the action at St. Pierre. The Colonel, who had not even heard of the affair, explained that this was no concern of his but gave a forthright answer, referring to his pride in being a Free Frenchman and saying that Mr. Hull had referred to the Free French in terms more vehement and derogatory than those which he had employed toward the Japanese after Pearl Harbor. This incident may throw some light on the atmosphere in which the statement of December 25th was prepared. M. Tixier said that he had prevented the publication of a report of the interview and that he was refusing to make any comment to the press in the United States. He could not, however, keep silence for long. He had even sought to dissuade the *New York Post* from publishing their strong editorial entitled "Must We Betray de Gaulle?" on December 26th.

He went on to say that he found the attitude of the Administration here toward the Free French very disturbing and confusing. The movement appeared to be regarded as a nuisance, to be ignored as far as possible. They had received no invitation to be represented at the inter-Allied meeting at the White House this afternoon. He was feeling very discouraged. I told him that at least he could feel assured that the atmosphere respecting the St. Pierre incident had changed since December 25th and that the change from his point of view was certainly for the better.

H. W[ONG]

1330.

DEA/2984-40

*Mémemorandum du sous-secrétaire d'État par intérim
aux Affaires extérieures au sous-secrétaire d'État
adjoint aux Affaires extérieures²⁵*

*Memorandum from Acting Under-Secretary of State
for External Affairs to Assistant Under-Secretary
of State for External Affairs²⁵*

[Ottawa,] December 27, 1941

Mr. Robertson telephoned last night from Washington and stated that in discussions which the Prime Minister and he had had with Mr. Hull, and later with State Department officials, on the occupation of St. Pierre by the Free French, they found a much more reasonable attitude than that adopted by Mr. Moffat on Sunday.

There was now, he thought, no question of the United States suggesting that Canada should eject the Free French from the Islands. He thought that a solution would be worked out on co-operative lines, which would not result in the restoration of a Vichy administration.

L. B. P[EARSON]

1331.

DEA/2984-40

*Le consul par intérim à Saint-Pierre-et-Miquelon
au secrétaire d'État aux Affaires extérieures*

*Acting Consul in St. Pierre and Miquelon
to Secretary of State for External Affairs*

TELEGRAM 76

St. Pierre, December 27, 1941

IMMEDIATE. My telegram No. 71 of december 25th. Admiral states that effective 4:30 p.m. Eastern Standard Time today approach to Archipelago by all naval units and flights over Islands by all planes are prohibited except after prior arrangement; that lighthouses may be extinguished as from this evening; that wireless and cable services are now operated by occupying naval personnel; that Administrator and wife are to be confined to Admiral's flagship this evening.

EBERTS

²⁵H.L. Keenleyside.

1332.

DEA/2984-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

[Ottawa,] December 28, 1941

ST. PIERRE AND MIQUELON

Late on the evening of Friday, December 26, we received a message from our Acting Consul at St. Pierre saying that he wished to transmit to us a message of so confidential a nature that he did not wish to trust it to the ordinary channels. He asked for a plane to be sent to pick it up, and stated that his American colleague was making a similar request in Washington.

The R.C.A.F. sent a plane to St. Pierre on Saturday and took the message to the Headquarters of the Eastern Air Command at Halifax. There it was opened by the Air Officer Commanding, who had it cyphered and forwarded to the Chief of the Air Staff, Ottawa, who transmitted it to me early Sunday morning.

The message as received from the Chief of the Air Staff is attached hereto.

The United States authorities did not send a plane to St. Pierre, but the R.C.A.F. plane brought back the message from the United States Consul, and it was delivered to his colleague in Halifax. It was assumed that it was similar in tenor to that addressed to us by Mr. Eberts.

A copy of the original despatch¹, which has now been received, is also attached.

H. L. K[EEENLEYSIDE]

[PIÈCE JOINTE/ENCLOSURE]

*Officier commandant de l'aviation, le commandement aérien de l'Est,
au chef de l'état-major de l'Air*

Air Officer Commanding, Eastern Air Command, to Chief of Air Staff

TELEGRAM

Halifax, December 28, 1941

IMMEDIATE. MOST SECRET. Aircraft carrying dispatch from Canadian Consul St. Pierre and Miquelon addressed Secretary of State for External Affairs Ottawa arrived Halifax 1915 hours AST and in accordance your instructions I have opened envelope and give hereunder full dispatch in detail. Dispatch Begins: Sir, I have the honour to refer to my telegram No. 73 of today's date¹ and to inform you of certain facts that have been brought to my attention and which it appears important to communicate to you without delay in the present circumstances.

2. I have learned from an authoritative source that Vice-Admiral Muselier feels extremely embarrassed vis-à-vis the Canadian and United States authorities over the recent turn of events in this archipelago. I understand that, if his position as a subordinate in the Free French Forces did not prohibit him en-

tirely from doing so, he would like to explain to the Canadian and United States governments the events which led up to the occupation, in order to make it clear to them that he acted in good faith in indicating, during his recent conversations with them, that he had no intention nor desire to occupy these islands before reaching an understanding with them.

3. I have been given an account of the course of events of recent weeks which I am inclined to believe is correct. It appears that, originally when the Admiral was sent to Newfoundland and Canada by General de Gaulle, the latter gave him *carte blanche* as regards Free French policy in this region. On his arrival in St. John's Newfoundland he decided that it would not be desirable to take any action with regard to St. Pierre and Miquelon without first obtaining an understanding on the question from the Canadian and United States authorities, and he therefore informed General de Gaulle to this effect and that he was proceeding to Ottawa in the hope of reaching an agreement with these authorities.

4. After he had concluded his conversations the Admiral decided that in view of the attitude of the Canadian and United States governments, the question of an occupation should be deferred for the time being, and just before his departure from Ottawa he received instructions from General de Gaulle not to conduct negotiations (although he had been given a free hand and the General had known for some time that he had been negotiating), to continue his inspection of Free French naval units and then return to the United Kingdom.

5. About December 19th or 20th, when in Montreal, the Admiral received a further formal order from General de Gaulle instructing him to occupy the islands. As, during his Ottawa conversations, he had in good faith indicated that he did not intend to take any action without first obtaining the consent he was seeking, his first reaction was to feel that he should offer his resignation. It was only his sense of duty to his Commander-in-Chief and his belief that the Free French Movement would suffer a serious loss of unity and prestige if a split were to develop between the General and himself, that convinced him that he must carry out the order.

6. For obvious reasons, the United States Consul and I have been given this information on the understanding that we would not name its source and that it would be considered as most confidential by our respective governments. I imagine the source will be evident to you, but should appreciate it if, in view of my undertaking, the second condition could be fulfilled.

7. Related to the matter outlined above is the question of local defence plans which may be a rather serious one. The Admiral has stated to me with complete cordiality, but nevertheless with every indication of determination, that he feels that, in view of the results of the plebiscite, he must defend the islands against all possible attacks and that he would be unwilling to abandon them since a very large percentage of the population have now openly committed themselves to the Free French Movement and might be expected to suffer reprisals.

8. While he would only name the French forces as "possible attackers", the Admiral made it quite clear that he also had in mind at least those of Canada and the United States, and that he felt that I should inform you of his attitude. It may be added that he has spoken in identical terms to the United States Consul with a similar end in view.

9. You will, of course, appreciate that the majority of the population in these islands are too overjoyed with present events here to be able to understand the difficulties which they may entail for the Allies in the wider sphere of policy and that, particularly with the leadership of occupation forces, they might well put up a stubborn resistance to any attempt to reverse the results of the occupation and plebiscite, even if they knew from the outset that it was doomed to failure. It should perhaps be added that the Admiral's fear of reprisals against the de Gaullists in the event of his forces being withdrawn or overcome has already been substantiated to some extent. Yesterday evening, when Dr. Gau, the Chief of the health service was listening to the news of Mr. Cordell Hull's statement on the occupation of these islands, at the United States Consul's house, he said with obvious relish that there would certainly be reprisals if there was a further change here. Again, today, a thoroughly reliable informant who has on various occasions furnished useful information to the United States Consul and myself, tells me that he has had an identical reaction from Mr. Georges Landry, a local merchant. The attitude of these men would probably be typical of the pro-Vichy and rather anti-British elements here. I have the honour to be, Sir your obedient servant, Christopher Eberts, Acting Consul, Dispatch Ends. Dispatch resealed in envelope addressed Dr. Keenleyside.[. . .] End of message.

1333.

DEA/2984-40

Mémorandum du ministre-conseiller, la légation aux États-Unis

Memorandum by Minister-Counsellor, Legation in United States

Washington, December 29, 1941

Mr. King dined alone with Mr. Hull on the evening of December 27th. The question of St. Pierre was mentioned in the course of their conversation and Mr. King derived the impression that the next step in the discussions would await a reply from Vichy to the suggestions which he had made to M. Henri-Haye.²⁶

Mr. Robertson told me yesterday morning that he had heard that some sort of a draft proposal had been given to Mr. Churchill. I have not yet been able to confirm this from British sources. I asked Mr. King before he left yesterday morning what he understood to be the status of the negotiations. He said that certainly he had not made any agreement verbally with Mr. Hull on the terms of a possible settlement and that he felt that it was for the State Department to make the next move in approaching Canada, as the matter had been returned to their hands.

Mr. Robertson and I agreed before his departure yesterday that we should insist, if the State Department should make a proposal, that it be in writing and in explicit terms and should not contain phrases such as "in accordance with the understanding reached between the Secretary of State and the Prime Minister".

²⁶ Voir le document 1329.

²⁶ See Document 1329.

I said that if such a phrase were used, I would ask to have an extract from Mr. Hull's record of his conversations with Mr. King, so that we would know exactly what was being referred to.

Mr. Hoyer Millar telephoned to me last night to say that Lord Halifax had sent a telegram to London outlining the proposals under consideration by the State Department, including the three points of external control of the wireless station, no restoration of the Governor, and recognition of the authority of Vichy over the Islands. He had received back from London a telegram from the Foreign Office, saying that this proposal was altogether too pro-Vichy for their liking and complaining rather bitterly about its terms. This telegram is being repeated to Earnscliffe for Mr. Churchill's information, and Lord Halifax is going to show it to Mr. Hull today. He wants to discuss the position with me before he sees the Secretary of State.

M. Tixier also telephoned to me last night to say that he had received instructions to make a protest to the State Department over the position, presumably based on consultations between the Foreign Office and de Gaulle in London. He also wishes to see me in the course of the morning.

H. W[RONG]

1334.

DEA/2984-40

Mémorandum du ministre-conseiller, la légation aux États-Unis
Memorandum by Minister-Counsellor, Legation in United States

Washington, December 29, 1941

I discussed the St. Pierre situation at the British Embassy late this morning with Sir Ronald Campbell and Mr. Hoyer Millar. They showed me a telegram from Halifax to Eden dated December 27th, reporting a conversation with Hull in which he outlined a solution on lines familiar to us. The four points emphasized in the telegram as having been specially made by Hull were that the solution must be quick, that the radio station must be effectively controlled, that the Free French forces must withdraw from the Islands, and that there must be a new Governor acceptable to Vichy. This produced yesterday the attached reply from Eden.²⁷

Halifax showed this reply to Hull this morning. Hull assured him that he had never contemplated the use of force against the Free French and that he felt that a solution must include a public statement recognizing the contribution of the Free French towards meeting the problem of the radio station. Hull said that he would consult the British and Canadian Governments on receipt of a reply from Vichy to the representations which he had made to Henry-Haye. He thought that the British Government might prepare a public statement which would be acceptable to the Free French. He went on to emphasize the consequences of

²⁷ Voir le document suivant.

²⁷ See following document.

failure to reach a settlement with Vichy, which he said would involve the end of the contacts between the U.S. and Vichy and would gravely embarrass the U.S. at the Rio Conference because of the Havana Resolution. Hull also made a new point in saying that he anticipated that Admiral Robert would send a cruiser to St. Pierre to engage the Free French forces if they were not withdrawn. He asked Halifax what would happen then.

Halifax said to him that he felt that the outcome must not be such as to humiliate the Free French or make them too sour. They were after all providing valuable service to the Allied cause both by maintaining a spirit of resistance in France and by their military forces in Africa.

During this discussion it was agreed that on the whole it was desirable to leave the matter at present in the hands of the State Department and not to make a new approach at a lower level. It was suggested that, as soon as the State Department came to us, we might take up the matter jointly with them.

H. W[RONG]

1335.

DEA/2984-40

Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
Memorandum by Assistant Under-Secretary of State for External Affairs

[Ottawa,] December 29, 1941

1. Mr. Wrong phoned from Washington to the effect that he had been in touch with Lord Halifax who has telegraphed to London reporting on a conversation he had had with Mr. Hull on the 27th. In that conversation, Mr. Hull advanced a solution of the St. Pierre difficulty, which is probably already known to you, namely, that the Free French Forces should withdraw, that the wireless should be put under Canadian control, that a new Governor should be appointed, who would, however, be *persona grata* to Vichy.

2. This telegram from Lord Halifax brought a blast from the Foreign Office in reply, in which the Foreign Office asks some very pertinent questions. Were the Free French to be compelled to withdraw? If not, there was no hope of them withdrawing voluntarily. If so, there might be bloodshed which would have a deplorable effect. Furthermore, the Foreign Office wanted to know on what grounds the Free French would be asked to withdraw in the light of the plebiscite which had been held. They also added that in their opinion, control of the wireless by Canada with the Vichy Governor in occupation would not be enough.

3. After receiving this telegram from the Foreign Office, Lord Halifax saw Mr. Hull this morning. The Secretary of State assured him

(1) It was never contemplated that force should be used against the Free French.

(2) If the Free French should withdraw voluntarily a public statement should be issued recognizing that the Free French had made a real contribution to the solving of the wireless problem.

(3) The United States would consult with the Canadian and United Kingdom Governments as soon as a reply had been received from the Vichy Government to whom Henry-Haye had telegraphed a possible solution along the lines indicated above. (para.1)

4. Mr. Hull asked Lord Halifax at this morning's conference what would happen if the Vichy cruiser now at Martinique sailed north to recapture the Island. He added, however, that he agreed that nothing should be done that would humiliate the Free French. Mr. Wrong had been in touch since this morning's conference with the Embassy and they had agreed that the next move would have to be made by the State Department.

L. B. P[EARSON]

1336.

DEA/2984-40

Le ministre de France au Premier ministre

Minister of France to Prime Minister

N° 73

Ottawa, le 29 décembre 1941

Monsieur le Premier Ministre,

Pour faire suite à ma note en date du 25 de ce mois, j'ai l'honneur de faire parvenir sous ce pli à votre Excellence, conformément aux instructions de mon Gouvernement, une communication précisant son point de vue relativement au coup de main exécuté sur St. Pierre et Miquelon par des forces françaises dissidentes.

J'ajoute que cette même communication a été adressée aux Ambassadeurs de France à Washington et à Madrid pour être remise aux Gouvernements des États-Unis et de Grande-Bretagne.

Veillez agréer etc.

R. RISTELHUEBER

[PIÈCE JOINTE/ENCLOSURE]

Le gouvernement de France au gouvernement du Canada

Government of France to Government of Canada

Le Gouvernement français a pris acte avec satisfaction de la déclaration par laquelle le Gouvernement américain a désapprouvé l'action entreprise contre St-Pierre-et-Miquelon, mais il estime que l'état de dépendance politique et pécuniaire où se trouvent les dirigeants gaullistes par rapport aux Autorités impériales et l'appui dont l'ex-amiral MUSELIER a dû bénéficier en des terres anglaises ou canadiennes, lui impose l'obligation de demander au Gouvernement intéressé le rétablissement immédiat du *statu quo ante*.

Ce rétablissement comporterait au premier chef, l'évacuation du territoire par les mercenaires gaullistes et la réinstallation du Gouverneur dans ses fonctions.

Le Gouvernement français attacherait le plus grand prix à obtenir dès à présent, des précisions sur les mesures prises à cet effet par les Gouvernements intéressés.

1337.

DEA/2984-40

La légation de France au ministère des Affaires extérieures

Legation of France to Department of External Affairs

No 74

Ottawa, le 29 décembre 1941

La Légation de France présente ses compliments au Ministère des Affaires Extérieures et a l'honneur d'attirer son attention sur un entrefilet paru au bas de la première page du journal hebdomadaire *Le Jour*, daté du 27 décembre et ainsi conçu:

"Notre ami Jean Le Bret est absent de Montréal. Il n'est pas parti pour une partie de plaisir, mais afin d'accomplir son devoir."

M. Le Bret est le journaliste qui, faisant partie de l'expédition Muselier, a relaté tous les détails du coup de force.

Il en résulte qu'à Montréal on était parfaitement au courant des préparatifs de ce coup de force et on en parlait d'ailleurs si librement que le bruit en était revenu à mes propres oreilles lorsque j'ai fait un court séjour en cette ville le 17 décembre.

R. RISTELHUEBER

1338.

DEA/2984-40

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures²⁸
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs²⁸
to Under-Secretary of State for External Affairs*

Ottawa, December 29, 1941

ST. PIERRE AND MIQUELON

The French Minister called on me at 12 o'clock noon today to leave the attached Notes, Nos. 73 and 74.

Mr. Ristelhueber now informed me that his Note No. 72 should have been dated December 25th²⁹ and that it had been prepared on his own initiative and

²⁸ H. L. Kcenleyside.

²⁹ Voir le document 1322.

²⁹ See Document 1322.

not, as I understood him to indicate at the time he delivered it, on instructions from his Government. The representations which he made today, however, were based directly on instructions from Vichy.

The French Minister is very anxious to see the Prime Minister and hopes that he may have an appointment for this purpose either today or tomorrow as he is afraid that otherwise the Canadian Government may reach a decision in regard to the fate of the Islands before he has had a chance to speak to Mr. King about it. I told him that I was afraid the Prime Minister would not be able to see him so long as Mr. Churchill is in the City but that I would make his request known. Mr. Ristelhueber then said that if it should prove to be quite impossible for the Prime Minister to see him he would like to have an opportunity of speaking to the Under-Secretary of State for External Affairs. I assured him that I would make this request known to you and that I expected you would be able to arrange for him to call sometime tomorrow, Tuesday, December 30th.

Translations of the two Notes which Mr. Ristelhueber left with me today are attached hereto.[†]

1339.

DEA/2984-40

*Le chargé d'affaires en France, en Belgique et aux Pays-Bas
au secrétaire d'État aux Affaires extérieures*

*Chargé d'Affaires in France, Belgium and The Netherlands
to Secretary of State for External Affairs*

TELEGRAM 60

London, December 29, 1941

According to information gathered from French circles here, it seems that General de Gaulle's intentions in occupying St. Pierre were the following:

- (1) Prevention of an agreement between Washington and Vichy concerning St. Pierre, as in the case of La Martinique, which would consolidate the French Government's position.
- (2) Protest for not having been more closely associated with the conversations in Washington.
- (3) Provoke complications between Washington and Vichy which might lead to severance of diplomatic relations and thus facilitate recognition of his Movement as the true French Government.

The General encountered much opposition amongst his own followers, particularly from Free French navy. Much criticism is also heard concerning his dictatorial method of a *fait accompli* followed by a plebiscite as it resembles too much certain famous precedents.

Personally I consider as inopportune any move which might be used by the Germans in their endeavour to obtain the French Fleet, facilities in North Africa, or other advantages against Britain and the Allies.

1340.

DEA/2984-40

*Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs*

SECRET

Washington, December 30, 1941

Dear Mr. Robertson,

Up to the moment of writing there have been no developments of importance respecting the St. Pierre episode since you left Washington on Sunday. I am enclosing two memoranda, both dated December 29th, which give an account of developments.³⁰ Such new information as is contained in them I passed on by telephone yesterday to Mr. Pearson.

All I have heard today on the matter is that the Foreign Office have asked the British Embassy to inform the State Department of the opinion of the Chiefs of Staff that nothing short of the occupation of the Islands by British or Allied forces would really meet the case from a military point of view. This is presumably done in order to provide an additional argument against a return of the Islands to effective Vichy control, subject to some supervision of the wireless station.

I had another talk with Tixier yesterday evening. He has been instructed by General de Gaulle to make a written declaration to the Department of State, and he is to see Atherton this afternoon. He showed me the declaration. It seemed to me that it would not be embarrassing from our point of view for it to be lodged with the Department of State. With the passage of time, the State Department's statement of Christmas day³¹ grows no less unreasonable. I have just been listening to Mr. Churchill's speech in the House of Commons.³² This certainly seems to make any literal compliance with the State Department's semi-ultimatum of December 25th more impossible than ever.

Yours sincerely,

H. H. WRONG

³⁰ Documents 1333 et 1334.³⁰ Documents 1333 and 1334.³¹ Voir le document 1324.³¹ See Document 1324.³² Le discours est reproduit dans un appendice dans Canada, Chambre des Communes, *Débats*, 1942, volume 4, pp. 4576-9.³² The speech is published as an appendix to Canada, House of Commons, *Debates*, 1942, Volume 4, pp. 4479-82.

1341.

DEA/2984-40

Mémorandum du ministre-conseiller, la légation aux États-Unis
Memorandum by Minister-Counsellor, Legation in United States

Washington, January 1, 1942

While seeing Mr. Berle on another matter yesterday he brought up the question of St. Pierre. The aspect which is causing him concern is the possibility of reactions in Latin America, which he regards as much more important than the question of relations with Vichy. He said that it could not be denied that the coup constituted a change by force in the status of the Islands and that if it were allowed to stand it would be a precedent that would plague the U.S. in other connections. If they accepted the coup, they would have to stand guard and be prepared to despatch ships and troops to any point in Latin America in which Nazi agitation might lead to an outbreak. It was a violation of the long-standing policy of the United States that no change in territorial control in the Western Hemisphere should be effected by force.

As Mr. Berle seemed somewhat suspicious that some authorities in Canada had been privy to the coup, I denied this with vigour, stating that neither the Canadian Government nor the Canadian Naval authorities knew anything about it whatever. I remarked that the affair was petty and that it was a mistake to turn it into an issue on the solution of which much more vital matters seemed to depend. He answered this by saying that the reaction of the French and German radio made it impossible for the United States to refrain from vigorous counter-action. I agreed with him that General de Gaulle had certainly broken faith in authorizing the coup, but I said that public opinion in Canada and the United Kingdom would certainly not stand for any solution involving the humiliation of the Free French. I added that time seemed to me to be helping in solving the issue and that pressure for an immediate solution might make matters worse. (Later I learned that Mr. Hull had telephoned to Lord Halifax yesterday, urging on him the importance of an immediate solution but making no concrete suggestions.)

Finally, I told Mr. Berle that I appreciated the force of his observations concerning the possible effects in Latin America. Canada, however, was not party to the international arrangements reached at Havana and other Conferences and had not been consulted about their terms. He could not therefore expect the Canadian people or the Canadian Government to be impressed by these arguments to the same degree as might be the case in the United States. Mr. Berle seemed to be slightly embarrassed by these observations and apologetic over the absence of consultation with Canada. He merely answered by emphasizing the solidity of the understandings between Canada and the United States in comparison with those of a Pan American character.

H. W[rong]

1342.

DEA/2984-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 2, 1942

The French Minister called this afternoon to enquire if there were any developments with regard to the St. Pierre-Miquelon situation, and to ask if he could have an appointment with you.

He went over the ground covered in his notes of December 25th and 29th, stating his Government's case for the restoration of the *status quo ante* in the Islands. He argued that, in view of the withdrawal from St. Pierre last year of the training ship *Ville d'Ys* at the request of the Canadian Government, the Canadian Government was under a special obligation to defend the Islands against "external aggression". He thought the question put in the plebiscite was unfairly worded and tendentious, and that its results did not represent the real sentiments of the inhabitants of the Islands. The Governor had been a sympathetic and liberal-minded administrator in whom we should all have had confidence. The attitude of the Bishop of the Islands, who had opposed the Free French Movement, was also evidence of the real preference of the Islanders for attachment to Vichy. The Minister also cited the volunteered testimony of two St. Pierrais, residents of Canada, who, after the coup d'état, had come to Ottawa, got in touch with him and, on his advice, called at this Department. These men had said that the feeling of the Islanders was strongly pro-Canadian and pro-American, and that the only reason the majority of the Islanders had welcomed Muselier was because they assumed that his move must have British and American endorsement. (One of these independent witnesses has since been found trying to put in a long distance telephone call from Ottawa to the Japanese Embassy in Washington, and is now under R.C.M.P. surveillance. I did not pass this information on to the French Minister).

The Minister had with him a copy of *Le Jour* of January 3rd in which Jean Charles Harvey claimed that the whole plan for taking over the Islands had been worked out in his offices in Montreal. His special correspondent Le Bret did in fact accompany Muselier.

I told Mr. Ristelhueber that I did not think there was anything at present that you or I could say to him. His Government's special enquiries had been addressed simultaneously to London, Washington and Ottawa; we were in communication with the United Kingdom and the United States Government on the matter; and the United States Secretary of State was in touch with Mr. Henry-Haye. In the circumstances, I did not think a separate reply to his enquiries could usefully be made by Canada. The situation was complicated and presented real difficulties for all parties concerned. I recognized there was a good deal of force and logic in his representations but, under present conditions, it was rarely possible to work out practicable solutions which were entirely

logical and consistent, and I hoped that his Government would not exaggerate the importance of an awkward incident.

I did not discuss with the French Minister the shape which any compromise arrangement might take or refer to Mr. Hull's preliminary request for special safeguards for communications in the Islands.

1343.

DEA/2984-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 2, 1942

The United States Minister called this afternoon to let you know that Mr. Hull had seen Mr. Henry-Haye on Tuesday, December 30th. Mr. Hull had expected the French Ambassador to bring some concrete proposals from his Government as to the form which special security provisions relating to the St. Pierre and Miquelon wireless station might take. Mr. Hull had regarded this as a first step which presumably, if satisfactory, would lead to further steps. Mr. Henry-Haye, however, did not bring back any such proposals. Instead he started to give the Secretary of State a lecture about French sovereignty and the importance of restoring the *status quo ante* in the Islands. Mr. Hull had been rather impatient, and made it clear that this was not the answer he had been expecting. Mr. Henry-Haye said something about his Government expecting that security arrangements regarding the wireless station would be discussed direct with Admiral Robert.

The State Department did not regard the interview as marking any progress in the search for a solution of the problem. Meanwhile, Admiral Leahy had reported from Vichy that the Germans were beginning to use the St. Pierre situation as an additional leverage in pressing for enlarged control of bases.

I gave Mr. Moffat a copy of Eberts' secret despatch of December 26th containing Admiral Muselier's secret explanation of the circumstances leading up to the occupation of the Islands.³³

1344.

DEA/2984-40

Mémoire du ministre-conseiller, la légation aux États-Unis

Memorandum by Minister-Counsellor, Legation in United States

Washington, January 3, 1942

Having heard from several sources rumours that some statement regarding the St. Pierre episode had been drafted by the State Department and might be

³³ Voir la pièce jointe, document 1332.

³³ See Enclosure, Document 1332.

made public very soon, I called on Atherton yesterday afternoon to enquire about the status of the matter. He told me that a proposed next step was being placed before the Cabinet at the White House that day. I could not get from him any direct indication of what this was. He repeated more than once, however, that Mr. Churchill's references to the Free French and Vichy in his Ottawa speech had put the Secretary on the spot and that the Secretary did not propose to remain there. He, like Berle, emphasized on this occasion the U.S. obligations as expressed in the Convention of Havana as being the main reason for their violent opposition to the Free French coup. He talked about the episode as setting a possible precedent for the occupation of the Falkland Islands by the Argentine and of British Honduras by Guatemala. Berle said the same thing to Mr. McCarthy during a talk yesterday.

I told Atherton that I could list the conditions for a satisfactory solution of the matter, but they seemed to be mutually contradictory and did not add up to anything. It was necessary to avoid a solution which seemed like a rebuff to Mr. Hull, but it was also necessary to avoid an open humiliation to the Free French. Atherton, while seeming to agree with this, attacked the leadership of de Gaulle, saying that it was well known that 95% of Frenchmen opposed to the Axis were not ready to follow de Gaulle as a leader. I maintained that this was beside the point, since in fact de Gaulle was the only leader of the anti-Axis Frenchmen with an organized following and, whatever his defects, he was fighting our battles as an ally.

I mentioned to Atherton the unfairness of their approach on Christmas day to Canada with the suggestion that the Canadian Government should clean up a mess for which they were in no way responsible and should in effect enforce the Havana Convention, to which they were not a party and about which they had never been consulted. There is, I think, a good deal of contrition in the State Department on this score.

I impressed on Atherton the need for consulting us before another public move was made in the controversy. He agreed that this ought to be done.

Berle told Mr. McCarthy earlier that, while he was satisfied that no Canadian authorities had had foreknowledge of the coup, he could not help believing that someone in London must have known about it and have given an "all clear" signal to de Gaulle. I have passed this on to the British Embassy.

From other contacts in the State Department I have learned that there is a violent division inside the Department about the action taken in connection with this affair. I have also learned that Mr. Hull's patience snapped when he heard about Muselier's coup and that his statement of December 25th was issued in white heat.

H. W[RONG]

1345.

DEA/2984-40

*Mémemorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 3, 1942

Mr. Moffat telephoned shortly before lunch to pass on a report he had received of Mr. Hull's conversation with the French Ambassador yesterday. Mr. Hull let Henry-Haye know that he was not at all satisfied with the response he had received from Vichy to his efforts to arrange a satisfactory solution of the St. Pierre-Miquelon problem. He thought it should be settled quickly, and that the main lines of the settlement were as follows:

- (1) Vichy must recall de Bournat and select a new Administrator whose public record and general outlook should be such as to reassure the American, British, Canadian and French peoples that he was free from any partisan prejudice;
- (2) Vichy must shut down the wireless stations;
- (3) Canada would take such steps as were needed to see that the wireless stations were dismantled;
- (4) the United States would attach one or two naval observers to its Consulate in St. Pierre to make sure that the arrangements for security of communications were not abused;
- (5) Canada would also add one or two naval observers at its Consulate for the same purpose; and
- (6) the Free French would depart peacefully from the Islands when the new Administrator and the Canadian and United States observers were ready to take over their duties.

The foregoing plan had been discussed by Mr. Hull at the White House, and both the President and Mr. Churchill were understood to have approved of it in principle.

I received, over the telephone from Mr. Moffat, the attached draft statement^t regarding St. Pierre and Miquelon, which, it is understood, has been approved by the President and Mr. Churchill and is to be cleared with the British and Canadian Governments. The text will be communicated to us officially by the United Kingdom, presumably through the Office of the High Commissioner here. Mr. Moffat has given us this text informally and unofficially so that we might have advance notice of what was to come.

Mr. Moffat did not know just when it was proposed to release this statement or what steps the United Kingdom might be taking to acquaint the Free French of the decisions reached in Washington between Mr. Churchill and the President. He did not know whether the release of this statement depended on the answer Mr. Hull received to the communication he made to the French Ambassador yesterday morning.

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 5, 1942

Mr. Moffat telephoned this afternoon to say that the Secretary of State was expected to receive the French Ambassador later in the day, and to enquire whether you had any comments to offer on the draft formula agreed between the President and Mr. Churchill.

I told him that we had not yet received the promised communication on the subject from the United Kingdom, and that you were waiting for the receipt of the draft from them. I thought it probable you would wish to discuss the proposed arrangements with the War Committee before returning an official reply.

I checked the accuracy of the reference to the "British Government" in the third sentence of the first paragraph. Mr. Moffat said he had queried this point himself with Washington, and that was the wording he had received.

I asked him if he could throw any light on the reference to the "rights of domestic self-government" which would be guaranteed to the inhabitants of the Islands. Did this include

(a) the appointment of the unprejudiced Administrator of which Mr. Hull had spoken to Mr. Henry-Haye; or

(b) the idea of leaving the local affairs of the Islands in the hands of a locally elected municipal council — an idea that the President had put forward in the first talks in Washington.

In this connection I reminded him that you had attached a great deal of importance in your talks with Mr. Hull to assurances that there would be no reprisals against or victimization of Free French supporters in the Islands.

I told Mr. Moffat that the Berlin radio was already broadcasting what was reported to be an official statement from Vichy that the St. Pierre-Miquelon situation had been satisfactorily settled and that the United States had undertaken to evacuate the Free French. I said I thought it was important, in making the best of a bad job, that the official announcement of new arrangements should come from Washington and not from Vichy or from Vichy via Berlin. I also thought it was important that the United Kingdom should clear arrangements with the Free French to make sure that there would be a peaceful transfer of authority in the Islands before there was any official announcement given out.

1347.

DEA/2984-40

*Mémoire du ministre-conseiller, la légation aux États-Unis**Memorandum by Minister-Counsellor, Legation in United States*

Washington, January 6, 1942

Robertson telephoned at about 5:30 on January 5th to say that Moffat had just approached him on instructions from Mr. Hull to urge Canadian consent to the publication that evening of the joint statement on St. Pierre. He said that a copy of the joint statement had been handed to him by Moffat on January 3rd, but that they had received no comments from the U.K. on it. Moffat had told him that Churchill had said that he would consult Canada directly on it. No decision had been reached in Ottawa pending consultation with the U.K.

Barclay at the Embassy told me that Millar had been urgently summoned to the State Department at about 5:30 with the same request that had been addressed to us. He said the U.K. Government had not concurred in the draft statement and that there had been no consultation with the Free French. The position is further explained in the telegrams forwarded to Robertson with my letter of January 6th¹.

I passed this on to Robertson at about 6 p.m. He said that the Prime Minister had in the meantime authorized him to tell Moffat that he had not yet been consulted by the U.K. Government and was not aware of their views on the draft statement.

I then saw Millar at the Embassy and read for the first time the telegrams between Churchill and Eden incorporating the statement. Millar felt that Hull's patience had snapped again for some reason yesterday afternoon. His discussion at the State Department is reported in Halifax's Telegram No. 84 of January 5th. Dunn had told him that Hull might issue some sort of a statement on his own responsibility last night. He apparently refrained from doing this on second thoughts. He had seen Henry-Haye yesterday afternoon, and that may have contributed to his irritation.

Robertson rang me at my house at about 7:30 to say that the Prime Minister had authorized him to tell Moffat further that the Canadian Government would agree to any statement respecting St. Pierre which was fully agreed between the United Kingdom and the United States.

Today I have had two conversations with Robertson on the subject. I rang him up this morning to give him the text of the amendments to the draft proposed by the Foreign Office in Telegram TAUT 376,³⁴ all of which he regards as improvements. This afternoon, having received in the meantime a copy of Halifax's Telegram No. 84¹, I telephoned to make sure of our position with respect to the last paragraph, suggesting that we should support pressure on the U.S. for a reasonable delay. We agreed that the terms of the answer given to

³⁴ Non reproduit. Voir le document suivant pour les amendements.

³⁴ Not printed. See following document for amendments.

Moffat yesterday evening that we would consent to anything acceptable to the U.K. and U.S. precluded us from making a further approach to the State Department on this point.

H. W[rong]

1348.

DEA/2984-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 6, 1942

DEVELOPMENTS IN THE ST. PIERRE-MIQUELON SITUATION

The United States Minister telephoned yesterday afternoon, about 6:30, to say that the Secretary of State was very anxious to issue a statement on policy regarding St. Pierre that night. I told him that you had not yet received a statement from Churchill, that you wanted to be absolutely certain that the United Kingdom and the United States were in full agreement on the policy laid down in the statement, and that, if the United Kingdom and the United States were agreed as to what had to be done, the Canadian Government was ready to associate itself with the joint statement.

I have since been in touch with Mr. Malcolm MacDonald and Mr. Wrong, and learned:

(1) that Mr. Churchill agreed provisionally to the draft statement, which we received from Mr. Moffat, subject to

(a) the concurrence of his Government, particularly of the Foreign Secretary; and

(b) the concurrence of the Canadian Government. He wished to have the draft approved by the United Kingdom Government before submitting it to the Canadian Government for their observations. He felt it important that it should be firmly agreed between all three Governments before communicating it to the Free French or to Vichy.

(2) The United Kingdom Government's suggested amendments to the draft statement, all additions, are shown in brackets in the attached redraft. They seem to me all improvements, and are now being discussed between the British Embassy and the State Department.

As matters stand, it will likely be another two or three days before a statement can be released.

[PIÈCE JOINTE/ENCLOSURE]

Projet de déclaration concernant Saint-Pierre-et-Miquelon

Draft Statement regarding St. Pierre and Miquelon

The United States, British and Canadian Governments view this incident as on a very small scale compared with what is going on all over the world. The

problems involved relate to the safeguarding of British, Canadian and American shipping in the North Atlantic and existing international commitments. Nevertheless, it must be made clear that the Free French action was taken not only without their assent but in the face of the declared wishes of the British Government. (of all three Governments)

Accordingly, the three Governments have agreed that (while the Islands are French and will remain French) the principle that these Islands are to be regarded in the present phase as demilitarized and out of the war shall be maintained. All armed forces will be withdrawn, it being understood that at the same time adequate steps shall be taken to assure that no radio station situated on the Islands shall be used contrary to the interests of the United Nations.

The local inhabitants will be left in full exercise of their rights of domestic self-government (under a governor of their own choosing) arrangements being made both to continue the supplies from the United States and Canada on which they are dependent, and also to provide for the essential supply of fish to the French inhabitants of Martinique.

Meanwhile, in the light of the relevant facts, there should be no occasion for confusion or misunderstanding since there is no divergence of policy and there is complete cooperation and understanding between the United States, Great Britain and Canada in this as in other matters.

1349.

DEA/2984-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELEGRAM 7

Washington, January 7, 1942

MOST IMMEDIATE. Atherton informed Wrong last night that the Vichy Government had replied through both Leahy and Henry-Haye to solution of St. Pierre episode suggested by the Secretary of State. His solution involved withdrawal of Free French forces, closing of radio station, appointment of Canadian and United States observers, replacement of Administrator by new nominee of Vichy acceptable to inhabitants and preferably local man, and no reprisals.

2. Vichy Government have agreed to appointment of observers and control of station, which they would wish to use for administration messages. They agree to withdrawal of Administrator for consultation and to authorize Robert to name successor. They intimated that they would consult the United States concerning nominee. They wish that somewhere in the course of negotiations the Canadian Government should recognize Vichy's sovereignty over the Islands by action such as appointment of new Consul accepted by Vichy.

3. State Department are ready to accept first two amendments to draft of joint statement which were proposed by the Foreign Office. Third amendment, proposing that Governor should be chosen by inhabitants, is under consideration.

4. British Embassy have informed State Department that de Gaulle will certainly want to name new Administrator and that they would like a British observer in the islands.

5. Secretary of State is still pressing for early solution.

1350.

DEA/2984-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELEGRAM 191

Ottawa, January 9, 1942

SECRET. Your telegram No. 7 of January 7th.

United States Minister has explained that Atherton's reference in his conversation with Wrong to "appointment of new Consul accepted by Vichy" was intended only as a possible illustration of the sort of evidence of our recognition of French sovereignty over the Islands which Vichy might wish to receive. I suggested to him that inclusion in proposed tripartite draft statement of reference to St. Pierre and Miquelon as French and remaining French should take care of Vichy susceptibilities on this score and remove occasion for any separate or additional Canadian recognition of French sovereignty.

1351.

DEA/2984-40

Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures

Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs

MOST SECRET

Washington, January 10, 1942

Dear Mr. Robertson,

With regard to St. Pierre and in continuation of my letter of January 6th,[†] I enclose a memorandum dated January 9th concerning certain discussions, particularly with Berle. This does not add much to our information, but it may be of some use as indicating the attitude of mind in the State Department. You will also have received by now from Earncliffe a copy of Halifax's Telegram No. 132 of January 7th to the Foreign Office[†], which was repeated to Ottawa as his Telegram No. 7[†]. This amplifies the information given in my Telegram No. 7 of January 7th concerning the approach to Vichy and the reply which has been received from Vichy.

I had another long talk with Tixier yesterday afternoon. He feels pretty sure in his own mind that de Gaulle will not accept a compromise which could be held by Vichy as a restoration of their control over the Islands. I went into this with him at some length, pointing out that before Muselier's coup Vichy had in

fact exercised very little control, except for the local pressure applied by de Bournat, and that if de Bournat was replaced by someone not repugnant to the Free French they would in fact have won their main point. He was insistent that de Gaulle would refuse, until I asked whether he thought that from the Free French point of view the issue should be forced to a point possibly involving the Secretary of State's resignation. He at once asked me whether I thought that this was in the air and if he should so inform de Gaulle. I answered that I had no definite evidence, but it had certainly been mentioned, and I suggested that he should discuss with the British Embassy the possible despatch to de Gaulle through them (he communicates with de Gaulle via the Foreign Office) of a message saying it might come to this if a compromise could not be found.

I have been continuing to urge the press, when they have approached me on the matter, to take a moderate line and to refrain from indulging in personalities. I mentioned to you on the telephone this morning that I had had a long conversation with the Publisher of the *New York Post* yesterday, at the end of which he said that he would follow my advice as from Monday next. Possibly he has another attack on Mr. Hull already in print for his Sunday edition. His paper has gone to the length of suggesting that Mr. Hull should be impeached.

Yours sincerely,

H. H. WRONG

[PIÈCE JOINTE/ENCLOSURE]

Mémorandum du ministre-conseiller, la légation aux États-Unis

Memorandum by Minister-Counsellor, Legation in United States

Washington, January 9, 1942

Mr. Berle raised with me again the question of St. Pierre during a conversation yesterday afternoon. Our talk mainly covered ground familiar to us both, but he made one or two new points and he expressed more clearly than before his suspicion of the attitude of the British authorities. In this connection he said that de Gaulle had withdrawn his assurance to the British that he would not stage a coup in St. Pierre on December 22nd. He also was curious as to the means whereby Muselier received his orders from de Gaulle, which resulted in Muselier's breaking his own assurances given in Ottawa to us and the U.S. Minister. I said that I assumed that Muselier's ships were capable of trans-Atlantic radio communication and that certainly it should not be supposed that the orders had been transmitted via a British cypher or code without clear evidence.

He expected that a proposal would be submitted to us and to the British very soon. He had been discussing the matter that morning with Mr. Hull, who was in no mood for delay. (I learned later from Hoyer Millar that Mr. Hull had told Campbell that morning that his views on the settlement had been submitted to the President and that he could say nothing about them until he received the President's comments.) Berle indicated that the plan would propose that the Governor be removed and that the normal administrative procedure in the

absence of the Governor should be followed. Under this, the next senior official would act as Governor and he would be advised by an elective council, which would presumably be Gaullist. Berle had no doubt that the Islands would go Free French in any election.

Churchill's speech in Ottawa has undoubtedly increased the suspicion of the British in the State Department over this affair. Berle even went so far as to say that after listening to it he felt as though Churchill might himself have told the Free French to go ahead. I put the point to him that they were in such a strong position with the Vichy Government that they could make them accept practically anything which the U.S. might want. He made two main points in answer to this: First, the nature of the assurances which they had entered into shortly before the incident with Vichy and with Admiral Robert, especially the secret messages exchanged between the President and Pétain promising no alteration in the status quo in the Western Hemisphere so long as the French Fleet and French ports were not used to German military advantage. Secondly, to my comment that the line between Washington and Vichy was a lifeline for Vichy but merely a safety line for the U.S., he said that undoubtedly was true of perhaps half the Vichy Government, but the other half would like to see it severed in favour of a lifeline to Berlin.

I found an easy occasion to say that the appeal to Canada to restore the status quo had caused a good deal of irritation and was in my view unreasonable, especially since the appeal was based in large part on the need to enforce the Havana Convention, to which Canada was in no way a party. The best answer he could produce was that after all Muselier's ships had sailed from a Canadian port. I replied that this was accidental and there was no question of any governmental responsibility.

I also emphasized with him the importance of seeing that the solution had to be defensible on grounds of democratic principles, and pointed out that the Havana Declaration asserted that the desires of the inhabitants must be taken into account. If the incident ended in a way contrary to the declared will of this handful of fisher-folk, they would indeed be raising an issue of enormous proportions which would plague us in other parts of the world. He agreed with this rather more explicitly than I had expected.

I learned yesterday from an R.C.N. Summary for Senior Officers of December 29th that Muselier's forces consisted of the Free French corvettes *Mimosa*, *Aconite*, and *Alysée* and the submarine *Surcouf*, and that these ships sailed from Halifax on December 22nd for St. John's, Newfoundland, after rendering assistance to the British steamer *Macbeth* which was disabled in mid-Atlantic. Muselier must therefore have received his orders from de Gaulle to proceed to St. Pierre by the morning of the 22nd at latest, and probably a day or so before.

1352.

DEA/2984-40

*Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures**Minister in United States to Secretary of State for External Affairs*

TELEGRAM 25

Washington, January 12, 1942

MOST SECRET. The following is repetition of telegram sent by Mr. Churchill to Mr. Eden last night. Halifax is by no means sure that Eden will put desired pressure on de Gaulle and thinks that suggested withdrawal of armed forces might be disguised to soften blow to Free French. Begins:

President raised the Miquelon issue with me tonight as an urgent matter. United States relations with Vichy have strengthened since German-American war. He does not wish to break sharply with Vichy. The State Department for their part are boring along on their old lines quite oblivious of the fact that the further they go against de Gaulle the worse they will fare in American opinion. Nevertheless, I am of opinion that the following proposal should be embodied in a communiqué representing the policy of the United States, Canadian and British Governments. I understand that Mackenzie King says he will agree to whatever the President and I settle. It would have to be understood that Vichy will have to conform:

- (i) The islands are French and will remain French;
- (ii) To avoid any potential threat to the shipping and interests of the Governments concerned, the use of the wireless stations on the islands will be subject to the supervision and control by observers appointed by the American and Canadian Governments and attached to their respective consulates;
- (iii) The islands shall be neutralized and demilitarized and shall be considered out of the war;
- (iv) The present Administrator shall be withdrawn for the period of the war; the appointment of an Administrator shall be withheld for the same period, and the administration of the islands shall be left in the hands of the Consultative Council.
- (v) All armed forces will be withdrawn.
- (vi) The Canadian and American Governments agree and undertake to continue economic assistance to the inhabitants of the islands and the respective consuls of those countries will confer with the local authorities as to the nature of the assistance to be given. Arrangements are being made both to continue the supplies from the United States and Canada on which the Islands are dependent and to provide the seasonal supply of fish to the French inhabitants of Martinique. End of Part I. Part II follows.

Part II

2. I think this is a reasonable compromise, and that in the circumstances it is only prudent to accept and enforce it. This means that you should tell de Gaulle that this is our settled policy, and that he must bow to it. He has put himself entirely in the wrong by his breach of faith. If he is to retain any measure of our

recognition he must send orders to Muselier which the latter will obey. You should dwell on the many advantages gained by Free France and that many of the points agreed will be a bitter pill to Vichy, but however you dish it up he has got to take it. I cannot believe he will refuse to give Muselier orders or that Muselier will disobey. If he were to they are in a mood here to use force — i.e. the battleship *Arkansas* which the President mentioned or starvation without stint. It is intolerable that the great movement of events should be obstructed, and I shall certainly not intervene to save de Gaulle or other Free French from the consequences.

3. I hope to hear from you tomorrow that it is all fixed. Personally, I think the terms are very reasonable considering the embarrassing position in which the United States has been placed by its agreement with Admiral Robert, and the breach of faith by de Gaulle. By all means consult the Cabinet if you will, but we shall soon be fitting and I must settle this before I go. Ends.

1353.

DEA/2984-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 13, 1942

Attached is a most secret telegram (in 2 parts) from the Legation at Washington, containing the text of a message Churchill sent to Eden on Sunday night about St. Pierre and Miquelon.

Wrong told me this morning he had learned from the British Embassy that the United Kingdom Government had agreed "reluctantly" to settlement along the lines of Churchill's message. They propose, however, that the statement when issued would make it clear that the "Consultative Council", which is to be responsible for the administration of the Islands, will be newly elected by the Islanders. They attach a great deal of importance to this proviso, which seems to me probably the only effective safeguard against reprisals. London also suggests that the Free French should be allowed to take the initiative in withdrawing before the terms of the settlement are made public.

I have not sent copies of this telegram to anyone, because it makes it clear that Mr. Churchill is still in the United States.

1354.

DEA/2984-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELEGRAM 31

Washington, January 14, 1942

IMMEDIATE. MOST SECRET. My telegram No. 25. Following is extract from Eden's reply to Churchill's telegram of January 11th.

"Cabinet has considered this and, since you deem it essential, agree that I should do my best with General de Gaulle. But they doubt if it will be possible to obtain his consent and co-operation; and they would feel greatest reluctance to join in coercing him. It would be impossible to justify this to public opinion here".

2. Reply goes on to propose substitution for "Consultative Council" in point 4 "an Elected Council". It concludes by saying that de Gaulle will not be approached until Prime Minister has replied.

3. Attlee has also telegraphed to Churchill emphasizing difficulties with British public opinion of compelling Free French withdrawal.

1355.

DEA/2984-40

Mémorandum du ministre-conseiller, la légation aux États-Unis

Memorandum by Minister-Counsellor, Legation in United States

Washington, January 14, 1942

Hoyer Millar telephoned this morning to say that Mr. Churchill had replied to Eden's message TAUT 502 of January 13th.³⁵ The gist of the reply was that the Prime Minister had spoken to the President about this message and they had agreed to amend the scheme set forth in his Telegram GREY 305³⁶ by altering the reference in point (iv) to the Consultative Council to a reference to a Council freshly elected within ninety days. Mr. Churchill asked Eden to seek at once to persuade de Gaulle to agree to the plan.

Hoyer Millar went on to say that he was bothered about the machinery for consulting Canada if de Gaulle agreed. I said that while we had undertaken to accept any solution arranged between the U.S. and the U.K., we certainly had to know what we had accepted before it was made public. The arrangements outlined by Mr. Churchill clearly had to be expanded into a press statement. I thought it might be best if this were prepared in London in consultation with de Gaulle and telegraphed simultaneously to Ottawa and Washington.

Hoyer Millar and I agreed that while we had now reached a point at which a possible solution was being offered to de Gaulle, we did not yet know where we were in the event of his refusal. In this connection it will be noted that both Attlee and Eden have indicated that the British Cabinet would be most unwilling to apply any compulsion to de Gaulle if persuasion fails.

I later passed on a summary of the latest developments to Pearson in Ottawa by telephone for the information of the Prime Minister and Robertson. He strongly endorsed my view that Ottawa must have the full text of any press statement before its release.

H. W[RONG]

³⁵ Voir le document précédent.

³⁵ See preceding document.

³⁶ Voir le document 1352.

³⁶ See Document 1352.

1356.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, January 14, 1942

ST. PIERRE AND MIQUELON

4. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that Mr. Churchill and Mr. Roosevelt had agreed as to the course which should be followed with regard to the Islands, and proposed that the principles agreed to by them be made public as representing the policy of the U.S., U.K. and Canadian governments.

The main points of agreement were: U.S. and Canadian control of the wireless stations; demilitarization of the Islands; withdrawal of the Administrator, and administration, during the war, by the Consultative Council; the withdrawal of all armed forces; and the continuance of economic assistance by Canada and the United States.

Mr. Churchill had recommended this proposal to the U.K. Cabinet as a "reasonable compromise" which should be accepted. To it General de Gaulle would have to accede; otherwise the U.S. government were in a mood to use force.

The U.K. Cabinet were prepared to accept Mr. Churchill's urgent recommendation and do their best with General de Gaulle. They had made it clear, however, that, in view of the state of British opinion, they would be reluctant to have the United Kingdom join in coercing him. They had also suggested the substitution of an Elected Council for the Consultative Council, and the Embassy in Washington were urging this upon the U.S. government.

(Telegrams 25, part 1, January 12, part 2, January 13 and 31, January 14, 1942, Canadian Minister, Washington, to External Affairs).

5. MR. ROBERTSON said that the U.S. government continued to put great emphasis upon Latin-American factor in any settlement of the problem. The relationship of the question to Vichy collaboration with Germany was regarded as of major importance, particularly as the United States felt that there had been, of late, an apparent stiffening of Marshal Pétain's attitude.

The Prime Minister had indicated that, in the circumstances, Canada would consent to any settlement agreeable to the United Kingdom and the United States.

6. THE MINISTERS OF NATIONAL DEFENCE FOR AIR AND NAVAL SERVICES expressed the view that any attempt to compel the withdrawal of the Free French from the Islands would be received very critically by the Canadian public; any such action would have an unsettling effect upon popular opinion, particularly in Quebec where it would be exploited by that element which was inclined to favour Vichy and was less active in its support of the war effort.

7. The War Committee discussed the position at some length, it being agreed:

(a) that public opinion in Canada would be exceedingly critical of a resort to force to compel Admiral Muselier to withdraw his forces from the Islands, and that Canada should not participate in any coercive measures against the Free French; and

(b) that, if the U.K. and U.S. governments continued to regard intervention to effect a change in the present situation as absolutely essential, the administration of the Islands should be committed to a newly elected council, and not to the present Consultative Council, also that opportunity be given for the withdrawal of Admiral Muselier and his forces before any announcement were made of the decision taken.

1357.

DEA/2984-40

*Mé morandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 15, 1942

Mr. Wrong reported this morning that he had just seen a further telegram about the St. Pierre situation sent by Churchill to Eden on Tuesday night. The United Kingdom and the United States are now agreed that the draft statement will make it clear that the Consultative Council, which will be charged with the administration of St. Pierre and Miquelon, will be newly elected within 90 days.

2. The settlement agreed upon by the United States, the United Kingdom and Canada will be "imposed" on Vichy and the Free French alike.

3. Eden has been instructed to inform General de Gaulle of the arrangements which have been agreed upon. He has been told that if the General does not accept them the United States will at once issue a statement which has been prepared, and will enforce the arrangements outlined therein with whatever force is necessary for the purpose.

Wrong is trying to get, for your information, a copy of the text of the statement as finally agreed upon, but reports that he is having some difficulty in doing so as the negotiations in Washington are being conducted at the highest level, and neither the State Department nor the British Embassy have copies of all the correspondence.

1358.

DEA/2984-40

*Mémorandum du ministre-conseiller, la légation aux États-Unis,
au ministre aux États-Unis*

*Memorandum from Minister-Counsellor, Legation in United States,
to Minister in United States*

Washington, January 15, 1942

Mr. Robertson telephoned at 11:20 this morning to say that he had just been discussing with the Prime Minister, who has not been able to attend Council meetings this week, the position which has developed respecting St. Pierre. The matter was apparently debated at some length in Council yesterday and the Legation Telegrams Nos. 25 and 31³⁷ especially formed the subject of discussion. The Ministers all felt very strongly that they could not approve the use of force, and in particular they were gravely concerned over the repercussion of the use of force on Canadian opinion, especially in the Province of Quebec. The Minister of Justice remarked that if the Free French were compelled to leave the Islands against their will, he would not face a public meeting in the city of Quebec. The general opinion was that all that has been accomplished in solidifying opinion towards the war in French Canada would be undone if the Free French were constrained to leave the Islands. The French Canadian press, with the perennial exceptions of *Le Devoir* and *Le Droit*, had welcomed the Free French coup even more enthusiastically than the English press in Canada. This is true of *L'Action catholique* and other clerical organs. Mr. Robertson commented that dealing with Vichy at home gave rise to an entirely different set of considerations to those involved in dealing with Vichy in Europe.

The Prime Minister had authorized Robertson to inform the Legation that he wished a message to be conveyed immediately to the President and Mr. Churchill, or to one of them, the gist of which was that there could be no question of the Canadian Government associating itself in any way in a solution involving the coercion of the Free French in St. Pierre and that he earnestly hoped that any such solution would be avoided.

Since receiving this message I have talked to Mr. Hoyer Millar, and I gather from him that the immediate urgency of action is past. I have arranged to discuss the situation at the British Embassy in the early afternoon. I think it probably desirable, in any case, that some message should be transmitted to the State Department or directly to the President conveying the gist of this note.

H. W[RONG]

³⁷ Documents 1352 et 1354.

³⁷ Documents 1352 and 1354.

1359.

DEA/2984-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELEGRAM 32

Washington, January 15, 1942

IMMEDIATE. MOST SECRET. My telegram No. 31. de Gaulle, in lengthy discussion with Eden, refused to accept points (iii) and (v) in my Telegram No. 25. A draft communiqué which he would accept was prepared in London and communicated to President last night. He required, however, certain unpublished reservations which are likely to cause difficulty here.

2. President has told Churchill that he thought the matter might stand until Churchill has talked position over with de Gaulle on his return to London. I am forwarding copies of latest exchanges¹ by mail today.

3. I suggest that message given by Robertson this morning by telephone concerning Canadian objection to use of force against Free French should be repeated to London for their information.³⁸ It has not been given to Mr. Churchill.

1360.

DEA/2984-40

Le haut commissaire de Grande-Bretagne au
sous-secrétaire d'État aux Affaires extérieures
High Commissioner of Great Britain to
Under-Secretary of State for External Affairs

1001/97

Ottawa, January 24, 1942

SECRET. IMMEDIATE.

Dear Mr. Robertson,

As you are aware, the future of the islands of St. Pierre and Miquelon was discussed by Mr. Winston Churchill with the President of the United States during his visit to Washington. I have now received a telegram from the Secretary of State for Dominion Affairs informing me that the Prime Minister has now discussed this matter with General de Gaulle.

The Prime Minister has secured the agreement of General de Gaulle to the issue of the communiqué enclosed herein, subject to consultation with Admiral Muselier and to the final assent of the Free French National Committee which it is hoped will be obtained today.

General de Gaulle originally wished that in addition to the communiqué there should be a private agreement, not for publication, on the following matters,

(1) That a small number of Free French marines should be retained in the islands:

³⁸ Non trouvé.

³⁸ Not located.

(2) That the Consultative Council would take orders from the Free French National Committee:

(3) That the Free French administration should remain but should be merged in the Consultative Council.

General de Gaulle has, however, now agreed to abandon these conditions.

I understand that the Prime Minister telegraphed yesterday to the President of the United States, seeking his concurrence in the above solution, and adding that it was important that no statement should be made public until the definite agreement of the Canadian Government had been received.

I have therefore been asked, in communicating the above to you, to enquire whether the Canadian Government concur in the proposed communiqué; and also to suggest that, if the Canadian Government agree, they should arrange for their concurrence to be communicated to the United States Government direct.

Yours sincerely,

MALCOLM MACDONALD

[PIÈCE JOINTE/ENCLOSURE]

Projet de communiqué

Draft Communiqué

ST. PIERRE AND MIQUELON

1. The islands are French and will remain French.
2. The present administrator shall be withdrawn; the administration of the islands shall be exercised by the consultative council.
3. The above-mentioned consultative council will agree to appoint Canadian and United States officials to assist them in the operation of the wireless stations on the islands in the common interests of the Allies.
4. The Free French National Committee have informed His Majesty's Government in the United Kingdom that they never intended that ships of the Free French naval forces should remain in the islands and that these ships will shortly resume their normal duties of attacking the enemy wherever they may find him.
5. The Canadian and American Governments agree and undertake to continue economic assistance to the inhabitants of the islands and the respective Consuls of those countries will confer with the local authorities as to the nature of the assistance to be given. Arrangements are being made both to continue the supplies from the United States and Canada on which the islands are dependent, and to provide a seasonal supply of fish to the French inhabitants of Martinique.

1361.

DEA/2984-40

*Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs*

SECRET AND PERSONAL

Washington, January 24, 1942

My dear Norman [Robertson],

Berle dined at my house last night, and I had rather an alarming talk with him about St. Pierre. I do not know how accurately he represents the views of Mr. Hull, but certainly the issue is very much alive in his own mind.

He said most emphatically that matters could not be left as they were and that, in his view, there were only two courses; either the Free French must leave the islands and a regime acceptable to Vichy must be established there, or the Government of the United States must break with Vichy completely and recognize the Free French movement. He told me that he had gone recently (presumably with Mr. Hull's approval) to see Field Marshal Dill, who had told him that the second alternative would be most unwelcome to the British Government. Berle said that he felt so strongly on the matter that he had more than once offered to resign as Assistant Secretary of State unless the policy which he advocated was accepted.

The fact which seems to be sticking most in his throat is the occurrence of the coup at St. Pierre a few days after the secret exchange of assurances between Roosevelt and Pétain in which the United States undertook that the status quo of the French possessions in the Western Hemisphere would not be disturbed. When I remarked that excitement over the affair seemed to be quieting down, he said that it was certainly not quieting down in France, as their reports from Vichy showed. I pointed out that their other preoccupation — with the possible consequences at the Rio Conference — seemed not to have been fulfilled, but he replied that there had also been repercussions there, though they had not appeared in the press. (I remain dubious whether the matter in fact has caused any real trouble at Rio.)

I think the background of Berle's agitation arises from his deep-set distrust of the British Government. He again said to me that he thought it very probable that Mr. Churchill knew in advance of Muselier's expedition. I said that I had not discovered a shred of evidence that anyone in authority in the United Kingdom was privy to the coup, to which he merely replied that he believed this evidence would be revealed some day.

I took the opportunity of telling him about the serious effects on Canadian opinion, especially in the Province of Quebec, if compulsion were used to enforce a Free French withdrawal from the islands. He seemed to have been made aware of this already, probably from Moffat's reports.

Earlier in the day I had had a talk with Hickerson on the matter, which was in an entirely different key. Hickerson said definitely that he was sure that the use

of force was not contemplated by anyone in Washington, but he was positive that there would have to be some solution equivalent to a Free French withdrawal by agreement.

Yours sincerely,

H. H. WRONG

1362.

DEA/2984-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELEGRAM 48

Ottawa, January 24, 1942

SECRET. With reference to Robertson's conversation with Wrong this afternoon regarding St. Pierre, you are authorized to inform the United States Government that the Canadian Government concurs in the publication of the communiqué as and when agreed between the United States and the United Kingdom Governments. Please concert arrangements regarding notification of State Department and timing of release of communiqué with the British Embassy.

1363.

DEA/2984-40

*Le ministre-conseiller, la légation aux États-Unis,
au sous-secrétaire d'État aux Affaires extérieures*

*Minister-Counsellor, Legation in United States,
to Under-Secretary of State for External Affairs*

SECRET

Washington, January 27, 1942

Dear Mr. Robertson,

With reference to your Telegram No. 48 of January 24th and our later telephone conversations concerning St. Pierre, we have not yet informed the State Department that the Canadian Government concurs in the publication of the proposed communiqué whenever it has been agreed to between the United States and the United Kingdom Governments. The British Ambassador received a telegram from Mr. Churchill at about 1 p.m. on January 24th instructing him to tell the President that after "a severe conversation" between General de Gaulle and himself the latter agreed to the communiqué being published in the form enclosed with my letter of January 15th^t by the United States, Canadian, and British Governments without "our acquiescence" in the reservations or interpretations for which the General had originally stipulated. The telegram also said that the General's consent was subject to a final clearance from Admiral Muselier and the French National Committee in London, which it was hoped to secure immediately. Lord Halifax was asked to inform Mr. Hull of the instructions which he had received from London.

Lord Halifax wrote to the President in accordance with these instructions on January 24th, and sent a copy of his letter to Mr. Hull under a covering note. He has not received a reply, and he has also not yet received a telegram from London saying that Admiral Muselier and the French National Committee have given their final consent.

I enclose a memorandum dealing mainly with a talk with Mr. Tixier yesterday afternoon, which gives some further background information. Since writing this I have heard from the British Embassy that they have been asked by telephone from the State Department, first, to furnish the text of General de Gaulle's reservations which he now seems ready to abandon, and later to furnish also the text of the communiqué which is under discussion. The second request in particular seems to show that there has been a serious lack of liaison between the White House and the State Department. It had hitherto been assumed that the President had informed Mr. Hull of the discussions with Mr. Churchill on January 14th, the eve of his departure from Washington, and had given the State Department copies of the documents which were then under examination.

In my letter of January 24th, reporting a conversation with Mr. Berle on this subject, I mentioned that he had told me that he had discussed with Sir John Dill the question of the severance of relations between the United States and Vichy. I mentioned this to Sir John Dill this morning, and at first he could not recall any such discussion. After searching his memory he remembered exchanging a few remarks at a luncheon on this question with some official of the State Department whose name he did not know. The conversation, contrary to the impression given me by Mr. Berle, was both casual and brief.

I think that we should sit tight for the moment and take no further action. There ought to be further developments in the very near future, and then we can speak, if it seems desirable, in the sense of your Telegram No. 48.³⁹

Yours sincerely,

H. H. WRONG

[PIÈCE JOINTE/ENCLOSURE]

Mémoire du ministre-conseiller, la légation aux États-Unis

Memorandum by Minister-Counselor, Legation in United States

Washington, January 27, 1942

Mr. Tixier of the Free French Delegation called on me yesterday afternoon to discuss the current situation respecting St. Pierre. He gave me three or four items of information which are of some interest.

1. He has heard reports of an impending public statement along the lines of the communiqué now under consideration. While at the State Department yes-

³⁹ La note suivante était écrite sur cette copie de la lettre:

³⁹ The following note was written on this copy of the letter:

terday on another matter, he mentioned to Reber that he understood that a settlement had been nearly reached. Reber vigorously denied this and left him with the impression that the State Department would not agree to the publication of the communiqué.

2. Three citizens of St. Pierre have just arrived in New York, where they are being fêted by the *New York Post*. The Publisher of the *Post* wants Tixier to present them to the President or Mr. Hull, and says that if they are not received he will make a great fuss in his paper. This is slightly comic, but the incident may serve to revive the personal attacks on Mr. Hull.

3. General Decoux yesterday broadcast from Indo-China with the approval of the Japanese authorities an appeal to the inhabitants of the Free French islands in the Pacific (especially New Caledonia, Tahiti, and the New Hebrides) to throw out the Free French and revert to their allegiance to Vichy.

4. Some days ago Tixier was received by Mr. Hull. Atherton was present at the interview and had told him before that it would be limited to fifteen minutes and that no contentious subjects were to be discussed. After about ten minutes' general talk, Tixier asked Mr. Hull whether he would like him to expound the principles of the Free French Movement. Hull answered in the affirmative, and this began discussion which went on in all for an hour and a quarter. He says that Hull expressed warm admiration for de Gaulle and strong condemnation for the men of Vichy. He explained in detail to Tixier the reasons for U.S. policy towards Vichy, and they debated the pros and cons. Tixier found an opportunity of expressing to him his own hurt resentment over the wording of the St. Pierre communiqué of December 25th.⁴⁰ Hull repeated the lame explanation that the word "so-called" referred to the ships and not to the Free French Movement. Tixier told me that Hull twice apologized in explicit terms for the wording of the communiqué. They parted on friendly terms. He says that Atherton apparently was not at all happy over the course which the interview had taken.

5. Tixier has received no word from the French National Committee in London about the discussions between Churchill and de Gaulle which led to the acceptance by de Gaulle of the revised communiqué without the attachment of the unpublished reservations. I gave him a general outline of these developments in so far as they were known to me.

6. Tixier feels certain that there will be a renewed outburst in the U.S. press on the whole question. From some source or other there has been a leak to the effect that a settlement acceptable to the State Department is impending, and his office has been deluged with telephone calls from friendly journalists. He agreed that we should do all that we can to hold press comment in check. He expects that he himself will soon be subject to attack on the ground that he is not defending properly the Free French cause.

I have given Sir Ronald Campbell the chief points in this conversation. From talk with certain friends on January 25th I have gathered that the bitterness inside the State Department has not been allayed. I think that Berle, Dunn, Atherton, and Reber, who have all had a lot to do with the formulation of U.S.

⁴⁰ Voir le document 1324.

⁴⁰ See Document 1324.

policy towards Vichy, are continuing to advise Mr. Hull that the affair must be settled in some way readily acceptable to the Vichy Government. This constant pressure on Mr. Hull tends to prevent him from getting the matter into better proportions. There appears to be a running argument over the matter inside the State Department which has had the effect of forcing those who advised Mr. Hull over the issue of the communiqué of December 25th to maintain their position, even with increasing bitterness. To judge from Berle's tone in talking to me on January 23rd, he is now more worked up than he was several weeks ago.

Even if the draft communiqué is published, I feel — and Tixier agrees with this — that it will certainly not end the issue. It is a face-saving and therefore a question-begging document which is far from definite on all the main points at issue. I do not therefore see much prospect of the matter being closed for some time, except by some extraneous development such as the severance of diplomatic relations between the United States and Vichy.

H. W[rong]

1364.

DEA/2984-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELEGRAM 71

Washington, January 28, 1942

Your telegram No. 48, St. Pierre. State Department was informed of concurrence of Canadian Government in publication of communiqué at meeting this afternoon between Dunn, Atherton, Wrong and Counsellor of British Embassy. It developed that Secretary of State has not yet seen communiqué in question, text of which had not been given to him by the President after Mr. Churchill's departure. Pending notification of Mr. Hull's views, no arrangements for publication will be completed.

1365.

DEA/2984-40

Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre

Memorandum from Under-Secretary of State for External Affairs
to Prime Minister

[Ottawa,] February 4, 1942

The French Minister called this morning to enquire whether there was anything we could tell him about the status of the St. Pierre-Miquelon situation. I told him there had been no new developments since you had answered Mr.

Coldwell's question in the House of Commons,⁴¹ and you would not have anything to say on the subject until settlement was fully and finally agreed between the United Kingdom and the United States Governments.

Mr. Ristelhueber had seen Mr. Henry-Haye, the French Ambassador, in New York on Saturday last (January 3 1st). Mr. Henry-Haye told him that he had last discussed the St. Pierre-Miquelon situation with Mr. Cordell Hull on January 8th and 10th. At that time Mr. Hull had insisted that arrangements for settlement of the dispute would have to include the withdrawal of de Bournat as Administrator, and the establishment of observers in the Islands who could watch over the radio station. The French Ambassador said his Government would object to recalling de Bournat because this would look like an act of censure for his conduct. He agreed, however, that de Bournat would be called from St. Pierre and Miquelon to Martinique for consultation with Admiral Robert. These consultations could last indefinitely. In this way there would be a *de facto* withdrawal of the Administrator from the Islands, though his formal appointment would still stand. While de Bournat was in Martinique he would be replaced by an Acting Administrator of the Islands, seconded by Admiral Robert from his staff in the Antilles. Mr. Ristelhueber thought that the man sent to St. Pierre might be a naval officer.

The second point on which Mr. Hull had insisted, viz., the appointment of observers to watch over the operation of the radio station, had been agreed to by the French Ambassador, who told Mr. Ristelhueber that there were to be three observers appointed — two American and one Canadian.

I told the French Minister that he had given us some new information on both these points, that we knew nothing about plans for the replacement of Mr. de Bournat by an Acting Administrator from Admiral Robert's staff in Martinique nor that the radio observers were to be three in number, and two of them Americans. He was obviously very surprised that I did not know these particulars of Mr. Hull's conversation with Mr. Henry-Haye. I did not feel I could tell him how I believed matters to stand and, therefore, could not indicate precisely in what particulars the information he had given me represented an addition to the information we already had.

Before leaving the subject of St. Pierre and Miquelon, he returned again to the question of French sovereignty over the Islands. I said that I thought everybody was agreed that the Islands were French and would remain France, and that neither he nor his Government need worry on that score. I suggested that, even in the present confused situation, the Islands were "French" in a sense in which this could not be said of Paris or French Indo-China.

⁴¹ Voir Canada, Chambre des Communes, *Débats*, 1942, volume 1, p. 114.

⁴¹ See Canada, House of Commons, *Debates*, 1942, Volume 1, p. 108.

1366.

DEA/2984-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] February 4, 1942

Since dictating the attached note on my conversation this morning about St. Pierre with the French Minister, I have had a talk with Mr. Pierrepont Moffat, whom Mr. Ristelhueber had called on immediately after his talk with me. Mr. Ristelhueber told Mr. Moffat of his conversation in New York with Mr. Henry-Haye in much the same words as he had used in talking to me. Mr. Moffat told him, as I did, that Mr. Henry-Haye's report of the agreement he had reached with Mr. Cordell Hull contained certain elements which were new to us. Mr. Moffat had never heard that it was agreed that there were to be three radio observers — two American and one Canadian. Mr. Moffat agreed that this was a minor difference in detail which only concerned the Canadian and American Governments, and should therefore be susceptible of easy arrangement. The other point, however, about the temporary replacement of M. de Bournat by an Acting Administrator from Martinique was of a good deal more consequence.

After his talk with the French Minister, Mr. Moffat checked the record he had received from Washington of Mr. Hull's conversation with Mr. Henry-Haye on January 8th. The formula which Mr. Hull had discussed with the French Ambassador provided for the withdrawal of the Administrator from St. Pierre, but said nothing about the designation of a successor.

Mr. Moffat told me that he had told the French Minister that he did not think anything would be gained by trying to clear up in Ottawa misunderstandings which might have originated in Washington; that piecemeal negotiations here would only further confuse the issue. He is reporting his conversation with Mr. Ristelhueber to the Secretary of State, who will be in a better position than anybody else to correct any misunderstanding which may have been left in the French Ambassador's mind following his interview with Mr. Hull.

1367.

DEA/2984-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELEGRAM 119

Washington, February 11, 1942

MOST SECRET. I. Welles informed Halifax February 9th that the United States Government had convincing evidence that Vichy authorities had assisted in provisioning Rommel's forces. They intended to take a much firmer line with Vichy while maintaining diplomatic and consular representation. Leahy is being sent stiff instructions. This accords completely with suggestions of Foreign Office.

2. Hull is leaving for long rest in Florida. His absence, together with new tone towards Vichy, should make it easier to leave Free French in St. Pierre.

1368.

DEA/2984-40

*Mé morandum du sous-secrétaire d'Etat aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] April 13, 1942

MEMORANDUM FOR THE PRIME MINISTER CONCERNING
ST. PIERRE AND MIQUELON

I. *Background*

1. Little or nothing has been heard of the tripartite communiqué since the report of the interview between Lord Halifax and Mr. Hull on February 5th. Hull then said that the Vichy Government could not possibly accept the communiqué and that it would destroy the United States bargaining position if the communiqué were pressed upon Vichy. Mr. Hull agreed to take no precipitate action.

2. On February 13th Mr. Sumner Welles indicated at a press conference that the action of the Free French could not be regarded as a violation of the Act of Havana. This was described by Mr. Wrong as "a complete reversal of the attitude hitherto adopted in the State Department."

3. There have been occasional references in telegrams from the Dominions Office to negotiations between the United States and Vichy concerning the use of the French fleet, cessation of French supplies to the Axis in North Africa, and the exclusion of enemy submarines and aviation from French ports in the Western Hemisphere. In these negotiations the French have consistently advanced as a counter-demand that the United States should maintain French sovereignty in the Western Hemisphere and reestablish it in St. Pierre. The last mention of this point was on March 23rd.

4. We have no authoritative record of the relations between the United States and the Free French but we understand that the latter have been recognized as regards their territorial control in Africa and in the Southwestern Pacific. We do not know what bearing, if any, this recognition by the United States will have on the situation in St. Pierre.

5. The former Administrator of St. Pierre, de Bournat, and his wife were recently sent to Northern Ireland by the Free French and have, we understand, since proceeded to Vichy. The Canadian Government was consulted with regard to transportation for the de Bournats but made its replies contingent on approval by Great Britain. The actual movement took place without our immediate knowledge.

II. *Immediate Problems*

6. While fully recognizing that a definitive settlement of the political status of St. Pierre must depend upon the general *modus vivendi* between the United States and Vichy, Canada is faced with certain practical problems which have to be settled from day to day.

(a) St. Pierre is dependent on Canada for a number of necessary supplies. Under the Vichy regime these were doled out with a very sparing hand for obvious reasons. To apply a similar policy to the Free French would create constant irritation. To make an abrupt change might force a showdown with Vichy. We are trying to follow the middle course.

(b) We communicate with the present Administration through our Acting Consul at St. Pierre and of necessity deal with both civil and military questions. There are obvious difficulties in doing this while stopping short of political recognition.

7. Awkward as this position is we appreciate that Vichy could never expressly recognize the adherence of the Island to de Gaulle. To do so would injure Vichy's prestige and would expose Vichy to retaliation by the Germans. On the other hand the Free French cannot relinquish the Islands nor can we apply pressure to them. The only possible policy seems to be to leave the situation as it is until events in the other parts of the world bring about its clarification. It seems inevitable that this should happen in the course of the next few months.

PARTIE 2/PART 2 AFRIQUE DU NORD NORTH AFRICA

1369.

DEA/1-As

Le secrétaire aux Dominions au secrétaire d'Etat aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 465

London, November 16, 1942

IMPORTANT. MOST SECRET. My telegram Circular D. 460.[†] Following for the Prime Minister, Begins: French North Africa.

You will have seen text of Proclamations by Darlan and Giraud which have been published.

Allied military authorities in North Africa have reported as follows:

Foremost fact is that name of Pétain is something to conjure with in North Africa. Everyone from the highest to lowest attempts to create impression that he lives and acts under shadow of Marshal's figure. Civil Governments, military leaders and naval commanders will agree on only one man, namely Darlan, as having right to assume Marshal's authority in North Africa. Esteva⁴² in Tunis

⁴² Général résident en Tunisie.

⁴² Resident General in Tunisia.

says he will obey Darlan, while Nogues stopped fighting in Morocco by Darlan's order. Recognition of Darlan's position cannot be avoided. Arrangement now reached with Darlan includes assistance in taking Tunisia, organisation of French North Africa for effective co-operation and of military forces for active participation in the war. Giraud is fully in agreement and has, as announced, accepted position of Military Commander under Darlan. Acceptance of position is therefore strongly urged on military grounds, it being pointed out that otherwise:

- (a) Hope of securing organised co-operation in this region will be gone at great cost to us, in additional troops and in stagnation of operations.
- (b) All French armed forces will resist tacitly and in certain cases actively.
- (c) Hope of getting Tunisia quickly will not be obtainable.
- (d) Opportunity for gaining military assistance from remaining French naval, air and military units in North Africa will disappear.
- (e) Possibility of bringing over French West Africa (including Dakar) will be lost.
- (f) Last glimmer of hope with respect to Toulon fleet will be gone. Ends.

1370.

W.L.M.K./Vol. 334

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 466

London, November 17, 1942

IMPORTANT. MOST SECRET AND PERSONAL. My telegram Circular D. 465. Following for the most secret and personal information of the Prime Minister. Begins: Following is substance of most secret and personal message which the Prime Minister has sent to President Roosevelt with regard to political arrangements in French North Africa as described in that telegram. Substance Begins:

We cannot say that our doubts or anxieties are removed by what is proposed, or that the solution will be permanent or healthy. But in view of the dominating importance of speed and of the fact that the opinion of the Allied Commanders, which includes that of our own officers, is so strongly expressed, we feel we have no choice but to accept the arrangements proposed for maintaining local and interim equilibrium and for securing the vital positions in Tunis. No doubt there will be further consultation as to the long-term steps. The aim always is that of uniting all Frenchmen who will fight Hitler. Meanwhile great care must be taken that we are not double-crossed. We have these men in our power and should be vigilant lest they escape from us. Substance ends.

The Prime Minister and Foreign Secretary have been in touch with de Gaulle and have told him that his position is unassailable and that he need not be alarmed at the course which events are taking. It was suggested that he would be well advised not to make any strong public protest against what had been done. He

felt bound, however, to issue a communiqué (now published) dissociating himself from negotiations in North Africa, the terms of which we do not regard as objectionable.

If the question is raised in Parliament it would be difficult to deal with the matter adequately without reference to the military needs which clearly could not be emphasised at the present time. We propose therefore to answer to the effect that it is not practicable to discuss this matter at the present juncture. Ends.

1371.

DEA/1-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 254

Ottawa, November 17, 1942

IMPORTANT. MOST SECRET AND PERSONAL. Reference your telegram Circular D. 466. Following from Prime Minister for your Prime Minister. Begins: I agree with the views and the misgivings expressed in your message to the President. In the circumstances there is clearly no choice but to accept the arrangements proposed by the Allied Commanders for maintaining local and interim equilibrium in North Africa. I also agree that there should be further consultations between all parties concerned before any decisions of long-run implications are taken. Any further steps which tend to confuse and obscure still further the whole complicated French position can hardly fail to make matters more difficult everywhere. Ends.

1372.

W.L.M.K./Vol. 347

Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre

Memorandum from Under-Secretary of State for External Affairs
to Prime Minister

[Ottawa,] November 27, 1942

Mr. Ristelhueber came to see me this afternoon about replying to a telegram he had received from Algeria, suggesting that he might get in touch with the civil administration there. Since our Censorship had permitted the message from Algiers to reach him, he assumed that he would be allowed to reply, and wanted to know whether his answer could be transmitted through our Department in cypher. I said I thought it better that any reply he wished to send should go en clair, through ordinary commercial channels. If it was transmitted by the Department, it might look as if the Government had some sympathy with the suggestion that Admiral Darlan's regime in North Africa might be recognized as a provisional French government. This was an impression which we did not wish to give.

Mr. Ristelhueber referred to today's reports on the scuttling of the French fleet at Toulon, which he regarded as final confirmation of his faith that French politics in the last two years had been an elaborate "comedy", in which all the actors had been playing their parts in preparation for the day when France would re-enter the war against Germany. In support of this view he recounted a conversation he had had a few weeks ago with a Monsieur de Saint-Phalle, who had come out from Vichy during the summer. M. de Saint-Phalle had explained to Mr. Ristelhueber that the Vichy administration was divided into two parts — the civil government under Laval and the military under Pétain and Darlan. When the opportunity arose for France to resume active resistance, the military leaders, Pétain and Darlan, would fly to North Africa to organize military opposition and Laval, to whom the most difficult and ungrateful role had been assigned, would remain in occupied France to maintain a continuing government under the enemy occupation. Mr. Ristelhueber had made a memorandum of his conversation with M. de Saint-Phalle. At the time he had no particular reason to believe that his visitor had any special authorization for what he was saying. Now he was inclined to believe that de Saint-Phalle might have been a special emissary of the Marshal, assigned to give French representatives abroad a more secret explanation of the government's policy than could be communicated through diplomatic channels.

When Mr. Ristelhueber asked me if I did not agree that events had elucidated this explanation of Vichy policy, I told him that I took a less charitable view of the motives of the men who had made up his government. I thought that they had entered on a policy of collaboration with the Nazis with varying degrees of personal reluctance, that this policy had been based on the mistaken premise that Germany had won the war in June, 1940, and that it was just a question of time until our opposition would be overcome, and that the first country to compromise and make a deal with the victor would benefit by it. Now that the military situation was changing and the prospects of an Axis victory were receding, the same kind of calculation of interest that had justified collaboration with the Axis now argued for collaboration with the United Nations. I could see nothing in the pre-Armistice political records of Pétain or Laval to make me believe that they really cared about freedom or democracy. We knew that millions of French men and women had cared about these things and were ready to fight for them, but I did not think that these Frenchmen could be represented by Darlan and Pétain. Apart altogether from their enforced collaboration with the Nazis in the field of external policy, they were identified with a policy of domestic legislation that had gone far to make France a fascist nation. The internal measures taken by Vichy for the suppression of free institutions, persecution of Jews and political refugees, and abolition of trades unions bore all the hallmarks of fascist policy, and were commended to the French people by the Marshal, Darlan and Laval as a "national revolution".

With these memories fresh in everybody's minds, we would all wish to be very sure that before any new French provisional government were recognized it really stood in the great French tradition and was really representative of the true wishes and feelings of the French people. This seemed to me a much more important test of the validity and legitimacy of a government than the fact that

Admiral Darlan might or might not have been acting in agreement with Marshal Pétain when he decided to support the United Nations.

N. A. R[OBERTSON]

1373.

DEA/1-As

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-3183

Ottawa, December 9, 1942

PERSONAL AND SECRET. Following for Pearson from Wrong, Begins: With reference to our message No. EX-3182 of December 9th¹, we have been giving some consideration inside the Department to the question whether it would be wise and timely to propose the publication of a general statement of the attitude of the Canadian Government towards the Darlan regime. Such a statement might not be aimed directly at the present position in North Africa but could nevertheless make it clear by implication that we would not recognize Darlan, even as the head of a provisional French Government. Some of us think that there are strong domestic reasons for the immediate clarification of our position. Have you any views as to whether such a declaration would be helpful especially in view of the discussions between the British Ambassador and the State Department referred to in Dominions Office Circular D. 516¹?

We should be glad to know promptly whether it is likely that the Mission to Algiers mentioned in paragraph 1(3) of this telegram is likely to be despatched. There may be suggestions that in the event of its despatch a Canadian representative, possibly Dupuy, should go with them.

I am puzzled over what we ought to do about the whole question and would welcome your personal views. Ends.

1374.

DEA/1-As

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-3225

Ottawa, December 12, 1942

PERSONAL AND SECRET. Following for Pearson from Wrong, Begins: My personal and secret message EX-3183 of December 9th. After further discussion we feel it unlikely that a general statement of the Canadian attitude towards the Darlan regime can be made at present unless there are new developments supporting this course. There will probably be an opportunity of restating our attitude towards the Fighting French when Commandant Bonneau arrives about December 22nd to succeed Colonel Pierrené; we might make something of his arrival and of Vanier's appointment as representative to French National Committee which has already been announced. There might also be opportunity of indicating our policy towards the Darlan regime when steps are taken to

settle the disposition of Ristelhueber and other Vichy officials in Canada. We are communicating separately with the Legation on some points in this connection.

We are repeating text of Dominions Office Circular 535 of December 11th reporting an interview between Halifax and Hull and giving other information on United States and United Kingdom attitude towards Darlan. Do you wish us to continue these repetitions of Dominions Office telegrams or are you receiving this information from the British Embassy?

1375.

DEA/1-Es

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 12, 1942

On December 1st Mr. Massey reported by telegram (No. 2978)¹, copy attached, that the French National Committee had approached him on the basis of a press report with the object of finding out informally whether the Canadian Government would invite General de Gaulle to visit Ottawa when he comes to this continent next January. The visit, I believe, is now expected to take place soon after January 8th. The President has been rather careful to underline publicly that if de Gaulle chooses to come to Washington on his own initiative he will willingly receive him. I think that there is no strong reason why we should go further than the President. On the other hand there seem to me to be very good reasons why de Gaulle should come to Ottawa in the course of his trip. I attach a draft telegram to Mr. Massey explaining the position and saying that you will be happy to receive the General if he desires to visit Ottawa.⁴³

1376.

DEA/1-As

*Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs*

TELETYPE WA-3848

Washington, December 14, 1942

SECRET AND PERSONAL. Following for Wrong from Pearson, Begins: Your Personal and Secret teletype EX-3225, December 12th. I think you are right in your

⁴³ Les notes suivantes étaient écrites sur ce mémorandum:

⁴³ The following notes were written on the memorandum:

P[ri]me M[in]ister approved 19/12/42 R[OBERTSON]

Note on file copy: The Legation in Washington should be informed of text of telegram sent to London after its despatch. H. W[RONG]

done 19/12/42 R[OBERTSON]

view that no general statement of the Canadian attitude toward the Darlan regime would be helpful at the present time. You will have gathered by now from messages from London and Washington that it would be extremely difficult to prevent such a statement, no matter how carefully drafted, being misinterpreted. If such misinterpretation made it appear that we were prejudicing American policy on the spot, which is still apparently in a difficult and delicate stage, considerable harm might be done. Similarly, if it were construed as support for the policy which had been found necessary by those conducting the campaign in North Africa, we would undoubtedly offend a large body of opinion on this continent and in the United Kingdom. There may be, as you suggest, an occasion to indicate our policy toward the Darlan regime later, but my own view is that nothing useful can be said at the present time. At the moment, there is an extreme sensitiveness here in certain official quarters as to criticism of present United States policy on this matter, both as to its wisdom and the suggestion that the United States authorities do not appreciate the dangers inherent in it. The line taken here towards such criticism is that, while the United States Government is just as aware of the dangerous implications of this policy as anyone else, the critics themselves do not appreciate the immediate material and military advantages that have been gained by dealing with Darlan.

2. I would be grateful if you would continue to send us repetitions of Dominions Office telegrams on this matter. Embassy information is not always available or complete, and, in any case, it is useful for us to compare it with what we receive from London through the Department. Ends.

1377.

DEA/1-Es

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 2361

Ottawa, December 19, 1942

MOST SECRET. Your telegram No. 2978 of December 1st¹.

Although the press report referred to had no authority, if de Gaulle carries out his intention to visit Washington in January it would be unfortunate if he did not also come to Ottawa. In view, however, of position adopted by President Roosevelt regarding his visit it would be inappropriate for him to be officially invited in name of Canadian Government. You may verbally inform the French National Committee that when General de Gaulle comes to this continent I shall be happy to receive him in Ottawa.

1378.

DEA/1-Es

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 3175

London, December 24, 1942

MOST SECRET. Your telegram No. 2361. General de Gaulle much appreciates suggestion regarding his visit to Ottawa. He expects to be in United States from about January 10th to approximately January 20th and would then like to go to Ottawa and see the Prime Minister. He has it in mind that he might go from Ottawa to Montreal to see the Fighting French supporters there but he would not do this unless the Canadian Government approved. General de Gaulle's proposed plans are at present most secret. The General is taking a number of officers with him including General Catroux⁴⁴ who is returning from Syria for the purpose.

MASSEY

1379.

DEA/1-As

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM CIRCULAR D. 5

London, January 4, 1943

MOST SECRET. Following for the Prime Minister, Begins:

1. In view of proposals from both sides for a *rapprochement* between Giraud and de Gaulle, though these have not as yet gone very far, we have suggested to United States Government that we should consider together what should be our future relations with the French Empire.

2. We assume that both United States Government and we wish to see the French Empire united as soon as possible under a single authority making its maximum contribution to the war effort of the United Nations, and that, while this result can only be achieved by agreement reached by Frenchmen with Frenchmen, both Governments will promote the desired agreement so far as they can.

3. Our experience in dealing with Free French authorities since June 1940 suggests the following conclusions, which His Majesty's Ambassador at Washington has been instructed to put to United States authorities as our tentative ideas.

4. The best solution would be the establishment in Algeria on the soil of a Department of France of a single authority in place of the French National

⁴⁴ Commandant en chef au Levant.

⁴⁴ Commander-in-Chief in the Levant.

Committee in London and Giraud's administration in Algiers. This authority would be recognized merely as a *de facto* administration provisionally exercising French sovereignty over certain Departments of France and over the whole French Empire (except Indo-China) pending the establishment of a Government chosen by the French people themselves. It would not be recognized as the Government or even as the provisional Government of France. It would, however, maintain relations with foreign Governments by the informal exchange of representatives. It would be treated as an Allied Power and be formally admitted to the ranks of the United Nations. Agreements relating to the various parts of the French Empire would normally be made with the central authority and not with the local Colonial administration. Economic agreements might be made on a tripartite basis like the agreements in respect of French Equatorial Africa and the Cameroons at present under negotiation between our two Governments and the French National Committee.

5. So far as French North Africa is concerned, the special powers exercised by the Allied Commander-in-Chief in virtue of his command of military operations would be redefined in a formal agreement concluded between the United States Government and the central authority, possibly on lines similar to arrangement in Madagascar. In that agreement French sovereignty provisionally exercised by the National Committee is expressly recognized and the special powers enjoyed by the Commander-in-Chief are conferred upon him by the National Committee. General Giraud has recently raised the question of respect for French sovereignty with the Commander-in-Chief and it may be taken as certain that the Fighting French element in any new administration would be no less sensitive on this point. French North Africa would therefore be regarded as Allied territory in which the Allied Commander-in-Chief is vested with extensive powers, rather than as quasi-occupied territory where he possesses administrative authority. It would be essential to require as a counterpart that the central authority should conduct itself in all respects both internally and externally, as an Allied administration.

6. It would be desirable that all links with Vichy should be severed or at any rate that any claim to unbroken succession through Darlan from Pétain should not be revived and also that a return should be made to the laws of the Republic. Ends

1380.

DEA/1-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 2

Ottawa, January 8, 1943

MOST SECRET. Your telegram Circular D.5 of January 4th.

We feel it to be of the highest importance that all Frenchmen actively resisting the Axis should be united under one authority and we are in full agreement with the tentative conclusions which you have instructed the British Ambassa-

dor at Washington to place before the United States authorities. We are instructing the Canadian Minister in Washington, after consultation with the British Ambassador, to inform the Secretary of State that we share the views of the Government of the United Kingdom concerning the form of the provisional administration of the French Empire outside Axis control, the establishment of which it should be the aim of the United Nations to encourage in the interests of the most effective prosecution of the war.

1381.

DEA/1-As

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 8, 1943

Mr. McCarthy telephoned this afternoon, after he had received our teletype message No. EX-61¹, in which he was asked, after consultation with the British Embassy, to let the United States Department of State know that we wished to support the United Kingdom's suggestion for bringing the various French groups together. He had not been able to get in touch with Lord Halifax, who was out of town, but he thought that before any action was taken on his instructions, it would be advisable for us to have a talk with Pearson, who is arriving in Ottawa on Sunday afternoon. Pearson will have been in touch with both the Embassy and the Department of State before he leaves Washington, and will be able to give us a first-hand report of how the North African situation is seen in Washington.⁴⁵

[N. A.] R[OBERTSON]

1382.

DEA/1-As

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM CIRCULAR D. 13

London, January 8, 1943

MOST SECRET. Following for the Prime Minister, Begins: My telegram Circular D.5. His Majesty's Ambassador at Washington reports that he discussed with Mr. Hull on January 5th position with regard to de Gaulle and Giraud. Mr. Hull's view was that de Gaulle, while paying lip service to unity was making

⁴⁵ Les notes suivantes étaient écrites sur ce mémorandum:

⁴⁵ The following notes were written on the memorandum:

I am glad of this. You knew I was doubtful. K[ING]

Please let me know outcome. I assume messages will be held meanwhile. K[ING]

demands for his own civil headship in North Africa and claiming that anything with Vichy influence must be liquidated before he could whole-heartedly cooperate. This attitude seemed to Mr. Hull unreasonable when the only thing that mattered was helping a critical military situation. He thought also that the impression was gaining ground that the United Kingdom Government were not dissociating themselves from what was considered in the United States to be the very intransigent attitude of de Gaulle.

2. His Majesty's Ambassador told Mr. Hull that

(a) de Gaulle appreciated the importance of the military side but that rightly or wrongly he did not think full military effect could be made without political unity;

(b) That the United Kingdom Government were certainly not tied to de Gaulle and did not want to do anything that would prejudice future liberty of French choice.

3. Mr. Hull, who was genuinely concerned to avoid any divergence, suggested that it would be of the greatest value if we could ourselves take steps to avoid any misinterpretation of our position.

4. In telegram of January 6th to His Majesty's Ambassador (which was prepared before receipt of the foregoing), we referred to our views on French policy as summarised in my telegram under reference and to importance of avoiding any divergence of policy between the United States and ourselves and said that we should value State Department's considered comments on these views. We indicated that we do not think that agreement on military collaboration between de Gaulle and Giraud can be reached without some form of political agreement. Each of the parties is at present head of a political organisation of a kind to which numerous Frenchmen owe allegiance and which is in provisional control of certain French territories held in trust for France. In our view discussions between them are bound to turn on the question of political union. His Majesty's Ambassador was requested to discuss the matter with State Department and to report their views.

5. On January 1st Mr. Hull had drawn Lord Halifax's attention to certain public criticisms in the United Kingdom of United States Government's French policy and had expressed the hope that we could take some action in this connection. Lord Halifax was requested by telegram on January 6th to reply to Mr. Hull on this subject on following lines:

(a) To check such criticism entirely would involve us in a direct attack on the freedom of Parliament and the press and that there is deep feeling in this country on what are thought to be intrigues with Darlan and Vichy;

(b) We have done our very best to help in the matter but that the Prime Minister here can no more stop such criticism than can the State Department stop Willkie, Luce, etc., when they say things which give offence here;

(c) The remedy is to agree on a policy in French affairs.

6. These instructions crossed a telegram from His Majesty's Ambassador reporting that on January 6th Elmer Davis⁴⁶ invited His Majesty's Minister (Mr. Butler) to discuss the African situation. Davis had apparently been commissioned to convey United States views reached at a meeting attended by Hull, Stimson and others. These were to the effect that:

(a) Our public apparently believe complacently that disappearance of Darlan had solved all difficulties and that de Gaulle-Giraud reconciliation was imminent;

(b) United States Government's information suggests that this is far from being the case; they foresee great difficulties in clearing up the political situation though they are determined to do so at earliest possible moment;

(c) Giraud is, however, proving less amenable than Darlan because he feels he has support of bulk of army. Eisenhower is therefore reluctant to precipitate a crisis by insisting on removal of pro-Vichy elements whilst military situation is difficult;

(d) United States therefore hoped that we would do our best to restrain press comment.

7. His Majesty's Minister undertook to report these views but drew attention to our difficulties (see paragraph 5 above). Ends.

1383.

DEA/I-As

*Mémoire du ministre-conseiller, la légation aux États-Unis,
au ministre aux États-Unis*

*Memorandum from Minister-Counsellor, Legation in United States,
to Minister in United States*

SECRET

Washington, January 9, 1943

I had a long talk last evening with Sir Ronald Campbell on North African matters. He informed me that the Embassy had carried out the instructions embodied in Circular D.5 of January 4th from the Dominions Office. Mr. Hull was given a memorandum based on this telegram, but he had made no comment on it.

The day before this interview, Mr. Hull had himself sent for Sir Ronald Campbell (in the absence of the Ambassador) and had complained to him of the tone of press comment in the United Kingdom on North African policy. The State Department had been receiving reports from their representatives in London which had disturbed and distressed him. The Secretary then launched into a long exposition of United States policy in North Africa, which he said was based simply on the necessity of concentrating all possible military force against the aggressor and putting into the background political questions. Mr. Hull felt

⁴⁶ Directeur, Bureau d'information en temps de guerre des États-Unis.

⁴⁶ Director, Office of War Information of United States.

that United Kingdom policy — and even more, that of de Gaulle — seemed to emphasize political matters, and therefore might hinder the prosecution of the war. He argued that at all costs nothing must be done to hamper military operations by stirring up political controversy.

Sir Ronald Campbell took note of Mr. Hull's remarks and assured him that the British Government was just as anxious as the American Government to do nothing that would hinder the joint military effort in North Africa. Sir Ronald then asked for evidence of British expressions of opinion, either official or journalistic, which were having the effect that Mr. Hull complained about. He pointed out that freedom of the press existed in Great Britain as it did in the United States and that it was impossible to stifle the expression of opinion. Mr. Hull said he appreciated this, but he thought that something might be done to guide it. Mr. Hull made no complaint of the attitude and statements of British Government leaders; he had great confidence in Mr. Eden, but he thought that some of the officials of the Foreign Office had been unhelpful in their talk in London.

After his interview with Mr. Hull, Sir Ronald Campbell also saw Mr. Atherton, who took the same line but ended on a note which is sometimes heard here and which is, I think, fraught with danger — namely, that the United States would take any action in North Africa, no matter what French interests might be affected, if it saved the lives of American soldiers.

Mr. Barclay of the Embassy also saw Mr. Reber on the same subject the next day. Mr. Reber, as you know, has considerable influence in the formulation of United States policy on French affairs. He was more conciliatory than his chiefs and concentrated on the necessity of Anglo-American unity on these matters.

The Embassy later received from the Foreign Office a telegraphed reply to Sir Ronald Campbell's report of his interview with Mr. Hull. Sir Ronald took this reply to Mr. Hull yesterday, but did not get very far. London again agreed with Mr. Hull that military considerations were paramount and argued that they were guided primarily by them. It was because of the beneficial effects it would have on the military effort that they were anxious to bring de Gaulle and Giraud together. Mr. Hull still thought, however, that de Gaulle was too interested in establishing his political position, and the United States did not wish to recognize him or anyone else as the leader of a provisional government in North Africa. Sir Ronald pointed out that the British proposal also took this line. No provisional government of any kind was to be recognized, merely a centre of French authority.

On the complaint about the unfriendly United Kingdom press, the Foreign Office took a firm line. They explained the difficulties that Mr. Churchill and Mr. Eden had had in damping down public opinion on North African political developments, about which they felt very strongly indeed. They had done what they could, but there was no possibility of preventing expressions of opinion on a matter on which the British public felt so strongly. Mr. Hull ought to appreciate this, as most offensive articles had appeared in the United States press attacking the British and de Gaulle on their North African policy. (The Foreign Office is undoubtedly on solid ground here, as nothing that has appeared in the

United Kingdom press could have been more unfriendly than certain press articles that have been published recently in this country.)

Sir Ronald Campbell feels that the exchange of views that has taken place has not brought the two Governments much closer together, but has been useful in bringing differences into the open. Mr. Hull's statements that he is anxious to bring de Gaulle and Giraud together for military purposes and that he has no feeling against the former undoubtedly represent his honest and sincere view, but Sir Ronald feels that there are others in the State Department who have no liking for de Gaulle and are suspicious that the British may use him to establish their own influence in North Africa and later in France. I have no doubt myself that this exists in certain quarters and may be one reason why there is disagreement.

I asked Sir Ronald whether he thought there was any divergence between the White House and the State Department on this matter. He did not think so, though the Ambassador has been apparently impressed by Mr. Roosevelt's recent remarks on the French.

Apart from the suspicion of the motives of de Gaulle and the British, it seems to me that the fundamental divergence of view now is the reluctance of the United States Government to embark on any policy of encouraging centralization of all French authority, because of their feeling that this would introduce political questions which would distract attention from military operations and might create unrest behind the lines. The Americans therefore prefer to localize French problems and deal with them separately. The British, on the other hand, feel that steps should be taken to establish a centre of French political as well as military resistance, and argue that the latter will be more effective if the former can be achieved.

1384.

DEA/1-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 5

Ottawa, January 11, 1943

MOST SECRET. My telegram No. 2 of January 8th.

In light of information contained in your Circular D. 13 of January 8th and in view of report submitted by Canadian Minister in Washington⁴⁷, we are instructing the Canadian Minister not to approach the Secretary of State for the present since we gather that an immediate approach may not in fact be helpful towards reaching an agreed policy for the union of Frenchmen resisting the Axis.

⁴⁷ Voir le document précédent.

⁴⁷ See preceding document.

1385.

DEA/1-As

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 109

London, January 14, 1943

SECRET. Mr. Eden has expressed his appreciation of your telegram No. 2 to the Dominions Office of January 8 on the subject of the French situation and feels that Canadian representations in Washington would be most helpful.

MASSEY

1386.

DEA/1-Es

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

[Ottawa,] January 15, 1943

Miss Gladys Arnold of the Fighting French Delegation came in the absence of Colonel Pierrené and Mlle. de Miribel to see me today about the proposed visit of General de Gaulle. She said that word had just been received from Tixier that it was almost certain that the General would arrive on this continent about January 25th. I told her that this did not accord with the impression that I had formed from press reports and other sources. It seemed likely that a meeting between de Gaulle and Giraud would take place towards the end of the month and it would clearly be inadvisable for de Gaulle to visit Washington before the meeting. Colonel Gounouilhou and Miss de Miribel had both expressed themselves strongly to me on this point and I am sure that they are right. I promised Miss Arnold that we would let the Fighting French Delegation have any information we might receive on the visit.

I thought it advisable to express the personal opinion to her that it might be best for the General when he came to Canada to make no public appearance outside Ottawa adding, however, that I might modify this opinion if he came after a successful visit to Giraud which had resulted in the reunion of Frenchmen opposed to the Axis.⁴⁸

Miss Arnold referred to the passage in Mr. Harold Macmillan's interview with the press reported this morning in which he mentioned that the greatest need of North Africa was food supplies. She made the suggestion that an offer by the Canadian Government to furnish relief supplies for North Africa at this

⁴⁸ La visite du général de Gaulle en Amérique du Nord fut différée et n'a eu lieu qu'en 1944.

⁴⁸ General de Gaulle's visit to North America was postponed and did not take place until 1944.

moment might have a very beneficial effect in North Africa, in France and perhaps also inside Canada. I said to her that there seemed to be grave practical difficulties in the way of implementing any such offer as I understood that what was needed most in North Africa were commodities of which we were ourselves in short supply, especially sugar and fats and oils. They did not need cereals which we could easily furnish but we might perhaps be able to provide some salted codfish although I did not know whether that was a staple article of consumption in that territory. She suggested that we might send some condensed milk for the children there. She also said that even if little could go forward in the way of actual supplies, both because of our own shortages and because of shipping difficulties, an offer of supplies would in her view be a gesture of substantial political value. I think that there is something in this idea and that we should give further consideration to it.⁴⁹

H. W[rong]

1387.

W.L.M.K./Vol. 343

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-1043

Ottawa, March 25, 1943

Following for Pearson from Wrong, Begins; Your WA-1295 of March 19th. General Béthouart was in Ottawa from Sunday afternoon until Monday afternoon. He was accompanied by Georges Dumont⁵⁰, but the latter was not present during his discussions with Ministers and officials. Béthouart saw Minister of Justice, Minister of National Defence, Minister of National War Services and myself, and had a short talk with the Prime Minister just before he left. He also had a long and cordial conversation with Bonneau and this was mentioned in a brief statement in the press.

The first question he raised with me was the reception here of a representative of the North African administration. I said that we had hoped there would be a single mission, covering all Frenchmen fighting the Axis, but if union between Giraud and de Gaulle was delayed, I thought that the Government would agree to receive a Giraud representative; it would be most important that everything should be done to avoid an appearance of rivalry with the Fighting French Delegation. Béthouart raised with the Prime Minister the possibility of our despatching a mission to North Africa; it was made clear to him that we would give no undertaking on reciprocity at present.

If the Giraud mission discusses this matter with you, you might emphasize the point already made to Béthouart here, that we are not ready to do anything

⁴⁹ La note suivante était écrite sur ce mémorandum:

I have passed on this suggestion to the P[ri]me M[in]ister as our own. N. A. R[OBERTSON]

⁵⁰ Voir le document 1390.

⁴⁹ The following note was written on the memorandum:

⁵⁰ See Document 1390.

which could be regarded as provisional recognition of Giraud's administration as a government. In talk with me, he mentioned, as a remote prospect, the opening of Consulates in Canada and this of course could not be allowed. The description of any mission opened in Ottawa will have to be carefully weighed. What is the exact description of Bethouart's mission in Washington?⁵¹

Béthouart also enquired about the use of the former Vichy officials in Canada, saying that they were short of men and would be glad to employ them. He was told that it would not be desirable to employ any of them in Canada and he seemed readily to appreciate the force of this. He asked for a list of these officials and I undertook to send him one through you, but said I could not comply with his request for comments on their careers and opinions. He particularly enquired concerning the employment at once of Treuil⁵² under Hoppenot in Washington and I assured him that we should have no objection to this. As Ristelhueber was in Montreal, he did not see Béthouart personally and I believe they hope to meet shortly in Washington. I told him that the junior French officials who are now working on the payment of French pensions in Canada would continue this employment unless they themselves desired to leave.

It would be a considerable advantage if all the former French officials in Canada, except those working on pension payments, were given employment elsewhere and I hope, therefore, that Béthouart will pursue the matter promptly. The list of them will follow by teletype¹ today or tomorrow. Ends.

1388.

DEA/4923-40

*Le chef, la mission militaire française aux États-Unis,
au Premier ministre*

*Chief, French Military Mission in United States,
to Prime Minister*

Washington, le 26 mars 1943

Monsieur le Premier Ministre,

Au cours des entretiens que j'ai eu récemment l'honneur d'avoir avec Votre Excellence à Ottawa, vous avez bien voulu me donner l'assurance que le Gouvernement canadien envisagerait favorablement d'accueillir au Canada une Mission française envoyée par le Général Giraud.

⁵¹ Le ministre répondit le 27 mars que la mission avait comme nom "mission militaire d'Afrique du Nord" mais que ceci serait bientôt changé à "mission militaire française."

⁵² Ancien attaché commercial de France à Montréal.

⁵¹ The Minister replied on March 27 that the designation was "North African Military Mission" but was to become "French Military Mission."

⁵² Former Commercial Attaché of France in Montreal.

J'ai été heureux de prendre acte de cette déclaration qui répondait au désir personnel du Général Giraud de voir reprendre et se développer entre les territoires français ralliés à son autorité et le Canada les traditions d'amitié et de collaboration qui sont de tradition entre nos deux pays. Je l'ai portée immédiatement à la connaissance du Général Giraud et je ne manquerai pas de soumettre à votre agrément, aussitôt qu'ils m'auront été communiqués, les noms du Chef et du personnel de cette Mission.

Je saisis avec empressement cette occasion pour exprimer à Votre Excellence mes remerciements pour l'accueil si bienveillant qu'Elle a bien voulu me réserver et qui compte parmi les meilleurs souvenirs que je remporte de mon passage au Canada.

Veuillez agréer etc.

E. BÉTHOUART

1389.

W.L.M.K./Vol. 275

Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
Memorandum by Assistant Under-Secretary of State for External Affairs

[Ottawa], March 29, 1943

Mr. Georges Dumont called to see me this afternoon. He said he was calling informally on behalf of General Béthouart who was very grateful for the arrangements made during his visit to Ottawa on March 21st and 22nd. I asked him what his own position was. He said that he was a friend of General Béthouart's who was unofficially assisting him as he knew Canada well and was married to a Canadian. He had offered to arrange the General's visit through General LaFlèche with whom he was acquainted. It was all private and unofficial and General Béthouart had not expected to see all those whom he did see.

Mr. Dumont then said he wanted to ask my views on the proposal for a Giraud Mission here. I was guarded in speaking to him, but I thought that nevertheless it might be possible to use him so that the arrangements would be shaped in a form satisfactory to us. He first asked me whether I thought that the representative of General Giraud should be an officer or civilian implying strongly that he favoured a military man. I answered that I had no definite views but as Giraud bore the title of Commander-in-Chief of the French in North Africa, there was some appropriateness in a military appointment. We would, however, rather have a good civilian representative than an indifferent military one. He then came to what I think was the object of his visit — the suggestion that General Béthouart himself might be appointed to represent Giraud in Canada as well as in the United States. I told him that I thought that this would probably not be acceptable and that we had refused to agree to the accrediting to Canada of Ambassadors or Ministers accredited to the United States. He suggested that for the present matters might be arranged through visits to Ottawa from time to time by General Béthouart or members of his staff without opening a Mission here. I told him that we would not have any objection to such

visits and that the question of whether they needed a mission was mainly one for themselves to decide.

I added that if a Mission were opened there would have to be prior consultation on its title. Two questions had to be borne in mind: First, that a title was proposed which would not imply the recognition of the North African administration as a provisional Government and, secondly, that the title selected did not imply that the Mission represented any French authority or group other than those in North Africa. He agreed with both these suggestions.

He went on to say that the main function of the Béthouart Mission in Washington was to secure equipment for Giraud's troops. There was no similar function to be performed at present in Canada and there seemed no necessity, therefore, for having a Giraud Mission here on practical grounds. I told him that doubtless matters would arise from time to time which the North African administration would wish to take up with us or we would wish to take up with them but that these could probably be handled via the Béthouart Mission in Washington if they did not care to proceed with the suggestion for an office here. I took the opportunity of saying that there seemed to be no occasion for them undertaking publicity or propaganda work in Canada at present and with this Dumont agreed. He also agreed that it was most desirable that there should be close cooperation with the Fighting French and spoke very warmly of Bonneau and of Béthouart's opinion of him.⁵³

H. W[RONG]

1390.

W.L.M.K./Vol. 275

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] March 31, 1943

I attach a translation of a letter addressed to you by General Béthouart from Washington on his return from Ottawa, and a draft reply for your signature. I also attach a note of a conversation between Wrong and Georges Dumont, an unofficial Frenchman who accompanied Béthouart to Ottawa. Dumont's standing is a matter of some doubt; he is a French lawyer in New York who has a Canadian wife and has spent a good deal of time in Canada during the last twenty years. He seems to have insinuated himself into the picture with General Béthouart but he is believed not to be in the General's confidence.

I think on the whole that it would be desirable to stall the establishment of a Giraud mission in Ottawa for a while if we can do so without giving offence, in the hope that before long there will be a close enough affiliation between Giraud and de Gaulle to permit a unified representation here.

N. A. R[OBERTSON]

⁵³ La note suivante était écrite sur ce mémorandum:

⁵³ The following note was written on the memorandum:

Approved. W. L. M[ACKENZIE] K[ING]

1391. DEA/4923-40

*Le Premier ministre au chef, la mission militaire française
aux États-Unis*

Prime Minister to Chief, French Military Mission in United States

Ottawa, March 31, 1943

My dear General Béthouart,

I am obliged to you for your letter of March 26th in which you express your thanks for your reception during your recent visit to Ottawa and state that you will approach me again concerning the appointment of a mission to represent General Giraud when you have received instructions from him. The Canadian Government will be glad to give consideration to the proposals that you expect to advance in this connection. It is, I think, understood between us that these proposals will not be in such a form as to imply the recognition of General Giraud's administration as a provisional Government.

Believe me my dear General Béthouart,

Yours sincerely,

W. L. MACKENZIE KING

1392. DEA/5385-40

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures

Minister in United States to Secretary of State for External Affairs

TELETYPE WA-1781

Washington, April 14, 1943

Following communication addressed to the Minister, dated April 13th, 1943, has been received from the Mission Militaire Française, Direction des Services Civils, No. 377/AC:

“Monsieur le Ministre, j'ai l'honneur de vous faire savoir que le Général Giraud, ayant appris par la presse la récente arrivée à Londres de M. Dupuy, ancien Chargé d'Affaires du Canada en France, serait heureux de le voir venir à Alger pour une courte visite.

“Le Général Giraud m'a demandé de prier Votre Excellence de bien vouloir transmettre au Gouvernement canadien l'expression de son désir et de me faire connaître si Son Excellence, M. Mackenzie King, autorise M. Dupuy à répondre à son invitation.

“En vous remerciant d'avance pour votre obligeante entremise, je saisis avec empressement cette occasion pour vous prier, Monsieur le Ministre, de bien vouloir agréer les assurances de ma haute considération. Sgd: Henri Hoppenot.”

2. Mr. Hoppenot was called on the telephone and asked whether there was a mistake in the names, as Mr. Dupuy has been in London continuously for the last seven or eight months. Mr. Hoppenot replied that they were transmitting a

message from General Giraud as they had received it and asked us whether we would be good enough to bring it to the attention of the competent Canadian authorities. Mr. Hoppenot's communication is acknowledged with a statement that it has been brought to your attention. Ends.

1393.

DEA/5385-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] April 20, 1943

General Béthouart, the head of the French North African Military Mission in Washington, whom you met here some weeks ago, has enquired through our Legation in Washington whether you could receive him if he came to Ottawa on Thursday. I understand he wishes to discuss with you the question of North African representation in Canada and to enquire whether the Government would see any objection to his accepting an invitation from the City of Montreal on the occasion of his next visit to Canada.

He may also wish to refer to the invitation which he transmitted from General Giraud (attached teletype) for Mr. Dupuy to visit North Africa. I am not very happy about this invitation coming at this particular moment and do not intend to inform Dupuy of it until I have had a word with you on the subject.

I would see no objection to receiving a representative of the North African Administration in Canada. Technically, his position would be comparable to that of the representative of the French National Committee; Commander Bonneau. I hope, however, that they can defer the question of representation until some degree of unity between Giraud and de Gaulle has been achieved, so that there would be a single representative of Fighting France in Canada. I am afraid the establishment of two missions, representing different elements of French resistance, would recreate the confusion in French opinion which has been clearing up since the closing of the French Legation.

1394.

DEA/4923-40

*Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis
Secretary of State for External Affairs to Minister in United States*

TELETYPE EX-1439

Ottawa, April 21, 1943

IMMEDIATE. Following for Allard from Robertson, Begins: Regret Prime Minister would not be able to see General Béthouart if he came to Ottawa tomorrow. Pressure of business plus a heavy cold make it impossible for him to make any engagements for the next week or ten days. Please advise General Béthouart accordingly.

1395.

DEA/5385-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 855

London, April 22, 1943

Following for the Prime Minister from Dupuy, Begins: Unnumbered. I have received through Monsieur Gentil, former French Minister in Lisbon, who arrived here from Algiers with the French Liaison Mission, a letter from Monsieur de Saint Hardouin, Head of the Secretariat for External Affairs, Algiers, saying: "Combien le Général Giraud serait heureux de vous voir venir passer quelques jours à Alger".

I should be grateful to have your approval to my accepting General Giraud's invitation which is, of course, of a purely non-official character. Subject to your agreement I would fly to North Africa in the first week of May, depending on accommodation and weather conditions. Text of letter^t sent by air mail. Ends.

1396.

DEA/5385-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 650

Ottawa, April 23, 1943

SECRET. Following for Vanier, Begins: French No. 2. Prime Minister approves Dupuy accepting General Giraud's invitation to spend a few days in Algiers and thinks this could be fitted in as a stage in Dupuy's return to Ottawa from London by way of North Africa and the southern air route. We shall cable instructions for Dupuy's guidance during his visit to North Africa within the next two or three days. Ends.

1397.

DEA/5385-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 665

Ottawa, April 27, 1943

SECRET. Following for Vanier, Begins: French No. 3.

My telegram French No. 2 of April 23rd and your French No. 4 of April 26th^t. The following is for Dupuy's guidance on his projected unofficial visit to Algiers:

(1) General Béthouart, when visiting Ottawa last month, raised the question of establishing a Giraud Mission in Canada. He will probably return to Ottawa within three weeks for further discussion on this and other matters. Our attitude is that while we do not object to the opening of such a mission, with the same status as the Fighting French Delegation, we hope that action may be deferred until a greater degree of unity has been achieved between Giraud and de Gaulle. This view was prompted not only by our desire, on general grounds, for a union between the forces of French resistance to the Axis but also by purely Canadian considerations. The establishment of two missions here, both representing French resistance, would tend to revive the confusion of minds towards French affairs, especially in Quebec, which has abated since the closing of the French Legation.

(2) It will be desirable, therefore, for you to stress the advantages of early union without, of course, supporting any particular plan as that is a matter which Frenchmen must decide. You should point out the difficulties and disadvantages of establishing a separate Giraud mission here, especially while the negotiations for union are still proceeding. If these negotiations succeed, the new French authority will, presumably, at once set up its representation, absorbing the Fighting French Delegation.

(3) If the question is raised with you (and you should not raise it yourself) of the despatch of a Canadian Mission to Algiers, you should avoid any commitment. Probably no resident Canadian representative will be despatched there until some provisional civil authority has been set up, to which other United Nations are attaching civil representatives. The present type of regime limits the political representation of other governments to those whose forces are engaged in North Africa. If the Giraud-de Gaulle negotiations result in union, we shall be glad to consider the appointment of a Canadian representative.

(4) While your visit will be private and unofficial, you should call on the British Resident Minister on arrival and keep him informed on the course of your discussions. You should also call on Mr. Murphy. Sometime before your departure from London, you should ask Mr. Massey to notify the Foreign Office of your plans.

(5) It should not be necessary to give any statement to the press, either here or in London, about your forthcoming visit. If your presence is noted in Algiers you could simply say that you are returning from your post with the Legation in London to take up duties with the Department in Ottawa and are spending a few days in Algiers while en route on an unofficial visit. The same explanation might be communicated in courtesy and confidence to the French National Committee before you leave London. Ends.

1398. DEA/1-As

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures⁵⁴
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs⁵⁴
to Under-Secretary of State for External Affairs*

[Ottawa,] May 13, 1943

General Béthouart and Mr. Bédard paid a final visit to me this morning to thank the Department for the courtesies that they had received. They brought up one point as a footnote to yesterday's discussions. The General is rather worried that if he continues to refuse invitations to go to the Province of Quebec misunderstandings will arise there as to his own position. I should think there might be some possibility of dissentient elements in Quebec playing up his lack of direct contact with Quebec as evidence that the Canadian Government was cold-shouldering General Giraud. I said that the time factor was clearly important and that if the de Gaulle-Giraud negotiations had got nowhere in the next month, I felt that we should look at the position once more. I also suggested that in his refusal of invitations he should ascribe his inability to accept to heavy military pressure on his time. He said that he had been careful to avoid any suggestion that he was influenced by advice given him here over domestic-political problems although in fact it was this advice which guided him in refusing invitations.

General Béthouart discussed with Stone the question of arranging for the enlistment of six or seven Frenchmen in Canada who have written him offering their services to Giraud. Stone told Bethouart that it would be satisfactory if he would send an officer to Ottawa who could be put in touch with Major Bonneau. He advised the General to arrange the date of this officer's visit through the Legation in Washington.

The General also indicated to Stone that he would keep us informed of any plans for the disposition of former Vichy officials in Canada.

1399.

W.L.M.K./Vol. 358

Le chargé d'affaires des États-Unis au Premier ministre
Chargé d'Affaires of United States to Prime Minister

Ottawa, May 29, 1943

My dear Prime Minister,

The Secretary of State has asked me to inform you that a telegram dated May 26th from Mr. Robert Murphy contained the following message, which Mr. Dupuy requested be communicated to you:

⁵⁴H. Wrong.

"(1) I called Friday last on Mr. Macmillan who had just left for London with General Catroux.

(2) I spent two hours with General Giraud and lunched with him on Saturday.

(3) General Giraud told me that his reply which General Catroux was carrying to General de Gaulle was his final proposal.

(4) General Giraud told me he had insisted on the creation of a Central Executive Committee with collective responsibility. General Giraud [de Gaulle] and he would preside in turn, but each would have only one vote.

(5) The Committee would be composed of two members to be appointed by General de Gaulle, two by General Giraud, and three by the first six members of the Committee.

(6) The Committee would be temporary and would act only until the liberation of some part of continental France when the law of 15 March, 1870, regarding the *conseils généraux*, would be made applicable.

(7) General Giraud maintains that a Central Executive Committee cannot and will not be the Government of France.

(8) I was informed by General Giraud that a written reply only would be acceptable to him and it must not be accompanied by broadcasts or speeches of General de Gaulle.

(9) In the event that General de Gaulle replied in the negative, General Giraud said that negotiations for union with the Fighting French movement would terminate.

(10) I have gathered the impression that the National Committee in London will reply that the Central Executive Committee proposed by General Giraud be enlarged so as to permit the transfer to Algiers, either in part or in whole, of the National Committee, and that in Algiers General Giraud and a few of his collaborators would be included.

(11) I believe that reasonable elements like Catroux and Massigli will insist on accepting General Giraud's proposal. As a matter of fact, Catroux, before leaving Algiers, told me that if they were rejected he would resign.

(12) It appears likely that in London opposition will come from diehards like Diethelm⁵⁵ and Philip, who will not willingly agree to the disappearance of their authority and that of General de Gaulle into the Central Executive Committee.

(13) It is my impression that a continuation of the present system in London would be preferable to them, as it favors preparation of a pro-de Gaulle plebiscite in France through BBC [BSC?] agents who have been sent to continental France, and through advances made by the Government of the United Kingdom.

(14) I found General Giraud unprepared to play any political role but the ideal type of simple, honest, patriotic and non-ambitious Frenchman."

I am etc.

LEWIS CLARK

⁵⁵ Commissaire pour les finances, l'économie et la marine marchande.

⁵⁵ Commissioner for Finance, Economy and Mercantile Marine.

1400.

DEA/1-As

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

SECRET

[Ottawa,] May 29, 1943

I am enclosing copy of a message from Dupuy in Algiers, received this morning through the United States Legation here. Events seem to be moving very rapidly towards a union between the French National Committee and the Administration in North Africa. The announcement may come any day. It should, I think, be very warmly welcomed in Canada, perhaps above all other places. I have suggested to Mr. Pickersgill that he might usefully get a draft statement ready for you to issue as soon as present hopes of union are realized.

1401.

DEA/53-UW-40

Le chargé d'affaires des États-Unis au Premier ministre

Chargé d'Affaires of United States to Prime Minister

Ottawa, June 9, 1943

My dear Mr. Prime Minister,

I have been directed by the Secretary of State to transmit the following additional message to you from Mr. Dupuy which was received from Algiers and was dated June 1, 1 a.m.:

"(1) The arrival of de Gaulle was peaceful. Although a few of his adherents paraded Sunday afternoon the population did not appear greatly interested.

(2) There took place this morning the first official meeting with a view to the creation of the Central Executive Committee. De Gaulle's assistants were Philip and Massigli; Giraud's assistants were Jean Monnet, formerly of the British Purchasing Commission at Washington, and General Georges.⁵⁶

(3) Catroux was likewise chosen as the Committee's seventh member. The last two members of the Committee have not yet been chosen. It is possible that seats on the Committee will be kept open for prominent citizens from the Continent.

(4) News of Georges' escape from the Continent and arrival in Africa to place himself at the orders of Giraud have greatly strengthened the latter's position.

(5) Notwithstanding the collapse of 1940, General Georges still has the confidence of French forces. In two conversations with him lasting about four hours I found him as brilliant as ever. Under existing circumstances his experience and political sense should be important assets.

⁵⁶ Commissaire d'État.⁵⁶ Commissioner of State.

(6) The presence in Algiers of Mr. Churchill, although kept secret, has been excellent in its effect upon the negotiations between de Gaulle and Giraud.

(7) Giraud has accepted President Roosevelt's invitation to go to Washington some time after June 10. In case you would like him to pay a brief visit to Ottawa I suggest that you advise me before next Thursday as I am ready to leave on Friday."

I am etc.

LEWIS CLARK

1402.

DEA/53-UW-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 100

Ottawa, June 9, 1943

IMMEDIATE. SECRET. Would you be good enough to transmit following message as matter of urgency to Pierre Dupuy care of Macmillan United Kingdom Resident Minister Algiers, Begins: Following for Dupuy from Robertson, Begins: Your message of June 1st received in Ottawa today. You may say to Giraud that the Canadian Government on learning that he was planning to visit the United States at the invitation of President Roosevelt has asked you to let him know that a visit from him would be very welcome in Ottawa. Ends.

1403.

DEA/1-As

Le délégué du Comité national français au sous-secrétaire d'État
aux Affaires extérieures

Delegate of French National Committee to Under-Secretary of State
for External Affairs

Ottawa, le 11 juin 1943

Monsieur le Sous-Secrétaire d'État,

D'ordre du Comité Français de la Libération Nationale, j'ai l'honneur de vous communiquer ci-joint le texte de la déclaration adoptée le 3 juin¹ et par laquelle le dit Comité se trouve constitué à Alger.

En vous transmettant le texte de ce message, je vous exprime au nom du Comité Français de la Libération Nationale l'espoir qu'à celui-ci que le Gouvernement Canadien le reconnaîtra comme l'organisme qualifié pour assurer la conduite de l'effort français dans la guerre et la coopération de la France avec ses alliés ainsi que la gestion et la défense de tous les intérêts français.

Veuillez agréer etc.

G. BONNEAU

1404.

DEA/1-As

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-2840

Washington, June 11, 1943

IMMEDIATE. Your EX-2185 of June 10, 1943¹, recognition of French Committee of National Liberation.

Secretary Hull's statement quoted in my WA-2784 of June 9th¹ cannot be regarded as the U.S. reply to a request for recognition by the new Committee. The statement is interpreted as the blessing of Mr. Hull on the work of the Committee and the acknowledgment of the fact that both French factions in the U.S. had got together in presenting the note.

Mr. Dunn⁵⁷ told the British Embassy that this statement was to be considered as an interim one which would give them time to consider their attitude. This might be interpreted as the kind of recognition which is to be given and the type of representation to the new Committee after it is recognized.

One thing is certain; in view of the internal struggle which appears to have developed in Algiers in the last few days no hurried decision will be taken.

A further report will be sent on Monday after consultation with the British Embassy. Ends.

1405.

DEA/1-As

Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre

Memorandum from Under-Secretary of State for External Affairs
to Prime Minister

[Ottawa,] June 12, 1943

Attached is a copy of a letter received yesterday from Commandant Bonneau, representative in Canada of the French National Committee, transmitting the text of the declaration establishing the French Committee of National Liberation and requesting the recognition of it "as the body qualified to ensure direction of France's war effort together with the care and defence of all French interests".

Similar communications are being addressed to all the United Nations. In Washington and London the message was delivered jointly by the representatives of the French National Committee and of the North African Administration. Most of the Allied Governments established in the United Kingdom have

⁵⁷ Conseiller sur les relations politiques, département d'État des États-Unis.

⁵⁷ Adviser on Political Relations, Department of State of United States.

accorded formal recognition to the new Committee and have indicated their intention of accrediting diplomatic representatives to it. The United Kingdom, in a telegram of June 9th¹, said they hoped to telegraph their views regarding recognition after consultation with the United States Government. In the meantime, they hoped we would agree to defer our reply.

Mr. Hull has replied to this communication to the effect that the United States Government "had continuously hoped for the unification of all French resistance in a common effort against aggression, wherever it may be found throughout the world. He warmly welcomed the spirit in which the French National Council of Liberation had been formed." The press statement containing the United States reply and the French request for recognition does not make it clear what form or degree of recognition the United States Government proposes to give the Committee. We have asked the Legation in Washington to try to secure further particulars about the American attitude.⁵⁸

1406.

DEA/1-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 106

Ottawa, June 17, 1943

SECRET. Reference Circulars D. 342 of June 9th¹ and D. 358 of June 16th¹. We received on June 11th communication from Fighting French representative here concerning French Committee of Liberation requesting recognition as "the body qualified to ensure the conduct of the French war effort and the cooperation of France with her allies, together with the administration and defence of all French interests." This request is not phrased exactly in the form cited in your telegrams under reference.

2. We have deferred our reply pending clarification of the situation in the Committee of Liberation. We are anxious, however, that the Canadian answer should be given and made public simultaneously with the replies of the United States and the United Kingdom Governments.⁵⁹

⁵⁸ La note suivante était écrite sur ce mémorandum:

⁵⁸ The following note was written on the memorandum:

reply just rec[eive]d WA-2840

⁵⁹ Voir aussi le document 363.

⁵⁹ See also Document 363.

1407.

DEA/4929-G-40

*Le premier secrétaire, la légation auprès des gouvernements alliés,⁶⁰
Londres, au secrétaire d'État aux Affaires extérieures*
*First Secretary, Legation to the Allied Governments, London,⁶⁰
to Secretary of State for External Affairs*

Ottawa, June 30, 1943

Sir,

ALGIERS NO. 2

I have the honour of forwarding you herewith the original and two copies of a letter which I received in Algiers from the Chief of Staff of the French Air Force in North Africa on the possibility of sending their cadets to Canada for training purposes.

Since I received this letter, I had several conversations with a friend of mine, General Bouscat, after he had been promoted Commander-in-Chief of the French Air Force in North and West Africa. He asked me to insist on the importance of this question. Several thousand young Frenchmen, all eager to fight, are ready to start or complete their training, but conditions do not permit it in Africa. An arrangement has already been reached with the United States authorities, who are now receiving fifty French cadets a month, but this solution is far from meeting the needs of the French Air Force. If Canada could also accept a certain number of these cadets, this valuable help to the French war effort would be greatly appreciated by the Committee, as General Bouscat was appointed by both General de Gaulle and General Giraud.

Personally, I think that such a decision would be an excellent preface to the resumption of our relations with the French people, and the repercussions in Canada might also be interesting. I have etc.

PIERRE DUPUY

[PIÈCE JOINTE/ENCLOSURE]

*Le chef d'état-major du général commandant l'Aviation française
en Afrique au premier secrétaire, la légation auprès des
gouvernements alliés, Londres*

*Chief of Staff of General Commanding French Air Force in Africa
to First Secretary, Legation to the Allied Governments, London*

Algier, le 4 juin 1943

Excellence,

La rentrée de l'Aviation Française dans la guerre, exige — en dehors du réarmement proprement dit de nos unités — la formation de jeunes pilotes, en nombre hors de proportion avec les moyens dont nous disposons. Malgré l'aide généreuse que nous apportent les États-Unis d'Amérique dans ce domaine,

⁶⁰ Pierre Dupuy était alors à Ottawa.⁶⁰ Pierre Dupuy was then in Ottawa.

nous sommes encore loin du but à atteindre. De nombreux candidats élèves-pilotes sont à l'heure actuelle incorporés mais ne peuvent espérer voir commencer leur entraînement véritable que dans un avenir lointain: leur impatience, dans la période d'inaction préliminaire où ils sont, n'est que trop compréhensible.

Étant donnés les liens d'amitié traditionnels qui unissent le Canada et la France, liens qui ne pourraient qu'être renforcés si certains de nos jeunes gens allaient dans votre pays se préparer au combat pour la cause que nous défendons en commun, nous aurions été particulièrement heureux de voir les écoles d'aviation canadiennes recevoir et entraîner une partie des élèves-pilotes d'Afrique française.

Je me permets, à l'occasion de votre prochain voyage au Canada, de vous demander, si vous le jugez possible, de soumettre la question à votre Gouvernement de façon à nous faire connaître si une telle proposition recevrait un accueil favorable et si les disponibilités en moyens d'entraînement en permettraient la réalisation immédiate.

Veuillez agréer etc.

MONTRELAY

1408.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 2, 1943

FRENCH COMMITTEE OF NATIONAL LIBERATION —
AIR TRAINING IN CANADA

40. THE PRIME MINISTER raised the question of offering Canadian flying training facilities to French trainees sponsored by the French Committee. If this were feasible it would be a helpful gesture in present circumstances.

41. THE WAR COMMITTEE, after discussion agreed in principle, subject to concurrence of the Minister of National Defence for Air, to the extension of Canadian Air training facilities to French military personnel.

1409.

DEA/53-UW-40

Le secrétaire d'État aux Affaires extérieures au ministre aux États-Unis

Secretary of State for External Affairs to Minister in United States

TELETYPE EX-2549

Ottawa, July 3, 1943

SECRET. Following for Pearson from Robertson, Begins: I have just learned from London that Giraud left Algiers for the United States on July 2nd. On

learning from Dupuy, who was then in Algiers, that General Giraud had already accepted an invitation from the President to visit the United States, we asked the United Kingdom Resident Minister there to assure him that he would be a very welcome visitor in Ottawa if he came to this continent. General Giraud replied that he was very grateful for the invitation and hoped to be able to go to Ottawa after his visit to the United States. He said that as soon as he was in a position to make definite plans, the French Military Mission in Washington would get in touch with the Canadian Legation. Ends.

1410.

DEA/I-As

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures⁶¹
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs⁶¹
to Under-Secretary of State for External Affairs*

MOST SECRET

[Ottawa,] July 14, 1943

With regard to our discussions this afternoon on Canadian representation in Algiers a decision on this is presumably closely related to a decision on the question of recognition of the Committee. It looks as though Washington may be intending to stall indefinitely on recognition. London telegraphed a few days ago that they were pressing Washington for immediate action and thought that it could appropriately be taken while Giraud was on this side. We have heard no more of this approach. Circular telegrams D. 421^t and D. 423^t of July 13th, however, relate to the matter and the information in them is in accord with various intimations dropped by Roosevelt and Hull at press conferences.

According to telegram D. 421 the U.S. is informing the Argentine Government in writing (presumably in response to an enquiry) that their policy is "to refrain from recognition of Committee as even a Provisional Government of France" until the liberation of France. It has not, however, been suggested by the Committee that it should be recognized as a Provisional Government of France. The note to the Argentine Government goes on to say that it is too early "to define our relationship" with the Committee and that this will depend on the acceptance by the Committee of certain considerations to be presented to them.

Telegram D. 423 shows that the State Department at first would only agree to Hoppenot's taking over from Robert on the understanding that he would be "the ultimate authority" in the French colonies. They have, however, rather backed down from this point of view and have apparently recognized that Hoppenot is responsible to the Committee. Until these matters are cleared up it might be difficult for us to appoint a civil representative in Algiers. We should either have to give recognition independently of the U.S. attitude on the lines adopted by most of the Allied Governments in London or we should have at this

⁶¹ Apparently H. Wrong.

⁶¹ Apparently H. Wrong.

late date to appoint someone in a capacity similar to that of Murphy and Macmillan. The case for sending a representative is, of course, strengthened by the presence of substantial forces in the Mediterranean but this would not justify our demanding the right to appoint a civilian adviser to General Eisenhower.

Thus a complicated matter seems to be becoming even more complex.

1411.

DEA/1-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 432

London, July 16, 1943

SECRET. Following for the Prime Minister, Begins: My telegrams Circular D. 342 of June 9th^t and Circular D. 358 of June 16th^t.

1. Question of recognition of French Committee of Liberation is still in suspense. As indicated by my telegram Circular D. 421^t the United States Government appear reluctant to take any action at present. In the meanwhile, however, it seems appropriate to consider the procedure to be employed in case recognition should at any time appear desirable at short notice.

2. With reference to paragraph 3 of my telegram Circular D. 358, precise wording of recognition formula which we should employ cannot be settled now as it would depend on prevailing circumstances and views of the United States Government. We would, however, communicate final text of our formula to you if question of recognition becomes immediate.

3. As regards channels of communication, we contemplate that our recognition would be conveyed by our Resident Minister in Algiers to the French National Committee on behalf of His Majesty's Government in the United Kingdom. As regards recognition by His Majesty's Governments in the Dominions, alternative methods would be:

- (a) That Resident Minister should deliver separate notes on their behalf, or
- (b) That they should reply to requests for recognition (see my telegram Circular D. 342) which have been or will be addressed to them on behalf of French Committee of National Liberation in Algiers.

4. Should be glad to learn which procedure would be preferred by your Government. In either event, we hope that you will consider question of attaching reservations to your recognition similar to those which we finally decide to employ. Ends.

1412.

DEA/53-UW-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1236

Ottawa, July 17, 1943

Please pass copy to Vanier. General Giraud will return to Algiers via United Kingdom leaving Montreal probably Sunday and spending about two days in London.

He arrived Ottawa from Detroit July 15th and went to Montreal for dinner July 16th. Prime Minister of Quebec gave dinner in his honour last night. This morning he is visiting war industries at Sorel. After luncheon given by City of Montreal he will inspect officer cadets this afternoon and attend a reception by the French community.

On arrival in Ottawa he attended reception by Canadian Army followed by Government dinner. Chief features of yesterday's programme were Press Conference, inspection of Uplands Air Station and reception by Commandant Bonneau. He has been received primarily as a distinguished French General and the military character of his visit has been emphasized both in his reception and in his public and private statements.

The visit has gone well with emphasis in press on attainment of unity among Frenchmen. Bonneau acted as French representative in Canada. Ristelheuber was present at Government dinner and other functions. Giraud undoubtedly has made a fine personal impression and his speeches have been helpful. He did not, however, mention de Gaulle in any public statement.

His main theme has been the necessity of building up the French Army and in discussion and private conversations he has expressed his strong desire for training of French pilots in Canada and despatch of Canadian equipment to North Africa. Just before leaving Ottawa he had long talk with Prime Minister about which I shall inform you separately if other matters of importance were raised.

1413.

G.P.V./Vol. 13

*Le représentant auprès du Comité national français
au secrétaire d'État aux Affaires extérieures*

*Representative to French National Committee
to Secretary of State for External Affairs*

DESPATCH FRENCH NO. 24

London, July 19, 1943

CONFIDENTIAL

Sir,

I beg to refer you to my telegram, French No. 36 dated 17th July[†], in which I informed you that an imposing and representative body of public and official

opinion in this country favours recognition of the French Committee of National Liberation.

2. The Press is almost unanimous in its request for recognition. I thought you would be interested in reading some of the press comments and views, in addition to the quotation from the *Manchester Guardian Weekly* of the 16th July which I telegraphed. I am enclosing, therefore, leading articles[†] from *The Times*, *The Economist*, *The Spectator* and another one from the *Manchester Guardian Weekly*. I might have collected similar news cuttings from a dozen other papers favouring recognition but these, to a large extent, would be variations on the same theme and arguments.

3. Personally, I remain of the opinion expressed in my telegram, French No. 22 dated 9th June, 1943,[†] that recognition is the only solution to an already confused situation.

4. If we do not wish to develop in the French people generally a feeling of deep resentment against us, which may be lasting and which may eventually throw France into the arms of the Soviet Union, it is essential that such recognition be no longer delayed.

5. I am passing a copy of this despatch to the High Commissioner.

I have etc.

GEORGE P. VANIER

1414.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, July 21, 1943

FRENCH COMMITTEE OF NATIONAL LIBERATION

8. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reviewed developments since the establishment of the French Committee of National Liberation and reported upon the present position.

The U.K. government favoured a policy of qualified recognition of the Committee by the United Nations but wished to act in concert with the United States. The U.S. government, on the other hand, were not prepared to grant even limited recognition at this time.

A report from the British Resident Minister at Algiers expressed the fear that if recognition were long delayed the Committee would not survive; if this were to happen it could only give place to a purely Gaullist administration, since de Gaulle had the support of an overwhelming majority of Frenchmen. Both Mr. Macmillan and Mr. Murphy were concerned at the lack of progress in regard to recognition. The U.K. government were raising again with the United States the desirability of immediate interim recognition of the Committee.

(Dominions Office telegrams, Circulars D. 432, 436¹ and 437¹, July 16 and 17, 1943).

9. MR. ROBERTSON said that this was a question in which Canada had an important interest and responsibility. The argument was strong for early action to assist in strengthening the French Committee by at least qualified recognition, and representations to this effect might be made to the U.S. government urging common action by Britain, the United States and Canada.

10. THE PRIME MINISTER said that General Giraud, when in Ottawa, had suggested that it would be helpful if Canada were to appoint a representative in North Africa accredited to the Commander-in-Chief, as was the case with Mr. Macmillan and Mr. Murphy.

11. MR. ROBERTSON felt that while this might have been helpful some months ago, it would now be construed as an alternative to recognition of the Committee, which would have an adverse effect.

12. THE SECRETARY referred to requests which had been made by General Giraud to the Prime Minister and other members of the government, for supplies from Canada to French forces in Africa; mechanical transport, aircraft, small naval ships and clothing; also the training in Canada of French airmen.

In accordance with a decision of the War Committee at a meeting held on July 2nd,⁶² a submission to Council was being prepared for the designation of the French Committee as an authority associated with Canada in the prosecution of the war and as such available for Mutual Aid under the Statute.

13. THE WAR COMMITTEE, after further discussion, agreed that an approach should be made to the U.S. government urging that early concerted action should be taken to strengthen the French Committee of National Liberation by some form of at least interim recognition on the part of the United Nations.

With regard to French requests for Mutual Aid, it was agreed that such should be formally submitted to the Canadian Mutual Aid Board as from the French Committee.

1415.

DEA/1-As

Le secrétaire d'Etat aux Affaires extérieures au ministre aux Etats-Unis
Secretary of State for External Affairs to Minister in United States

TELETYPE EX-2862

Ottawa, July 21, 1943

IMPORTANT. MOST SECRET. Addressed Washington No. EX-2862. Repeated London (copy to go to Minister to Allied European Governments) No. 1278.

We are concerned over delay in replying to request of French Committee of National Liberation for recognition by Allied Governments. European Governments in London, Mexico and Uruguay have already accorded recognition but United States, the U.S.S.R., the United Kingdom, Canada and other Commonwealth Governments have not done so because of apparent reluctance of United

⁶² Voir le document 362.

⁶² See Document 362.

States Government to take this step. We feel it important that recognition along the general lines suggested by the United Kingdom Government⁶³ should be granted as soon as possible. Will you please, therefore, explain the views of the Canadian Government to the Department of State as follows:

"The Canadian Government has delayed its reply to the request of the French Committee of National Liberation for recognition⁶⁴ because it was considered desirable that recognition should be extended by Governments of the United Nations as far as possible at the same time and in agreed terms. The Canadian Government which is deeply interested in the early return of France to her high place among the nations, is becoming increasingly concerned at the delay in extending recognition of the Committee. In its view it is likely that the effect of further delay will be to diminish the authority and usefulness of the Committee, inside which at last the forces of French resistance have come together and are beginning to exert a collective responsibility. Delay too must discourage Frenchmen both inside and outside France who saw in the union within the Committee of the forces of active resistance the best hope and essential condition of an important French contribution to the liberation and restoration of France. Furthermore delay in recognition tends to emphasize the personal issues and disputes inside the Committee at a time when the common interest demands that they should be played down. In the long run failure to extend recognition may compromise the relations of the United Nations with France during and after the period of liberation and may add to the difficulties of effecting an enduring settlement.

There are in addition of course practical reasons for regularizing relations with the Committee, in order to facilitate the conduct of business with it on questions such as the provision of war supplies, the legal position of members of the French Forces within other jurisdictions and similar matters.

The Canadian Government thinks that recognition of the Committee should be accompanied by suitable reservations which would make it clear that the Committee was not being recognized as a Government. It is felt, however, that in addition it might be advisable to include expressly in any communication to the Committee a direct reference to certain passages of the declaration of June 3rd¹ constituting the Committee which is the basis of its request for recognition. In particular, it might be useful to note the Committee's intention of handing over its authority to a provisional government to be set up in accordance with the laws of the Republic as soon as the liberation of French territory from the enemy has been effected. Similarly, it might be well to note the Committee's solemn undertaking to re-establish all French liberties, the laws of the Republic and the Republican form of government, and to destroy entirely the regime of autocratic personal authority to which France is now subject.

⁶³ Voir États-Unis, *Foreign Relations of the United States, 1943*. Washington, D.C.: U.S. Government Printing Office, 1964, volume 2, pp. 171-2.

⁶⁴ Voir le document 1403.

⁶³ See United States, *Foreign Relations of the United States, 1943*. Washington, D.C.: U.S. Government Printing Office, 1964, Volume 2, pp. 171-2.

⁶⁴ See Document 1403.

The inclusion of these provisions in the formal instrument recognizing the Committee would, it might be hoped, make it clear that recognition of the Committee's trusteeship for French interests was linked with the explicit undertaking of the Committee to surrender its authority to a legally constituted democratic government in France. This should strengthen the position of all those within the Committee and among its supporters who can be relied on to do everything in their power to establish a liberal and democratic regime in France and to resist effectively any efforts which might be made to impose a personal or military regime."

In presenting the views expressed in the preceding paragraphs in an aide-mémoire to the Department of State, you may find an opportunity of supplementing your representations orally along the following lines:

It seems to us quite probable that the reluctance of the United States to take earlier action on this question has been due to misgivings, for which we agree some grounds exist, that General de Gaulle may be hoping to impose his personal authority in France after the war. In our view the best assurance against such an unwelcome development lies in strengthening the position of the Committee, which already contains a group of able, patriotic and disinterested Frenchmen. We feel that it is very important to strengthen and support the prestige and collective responsibility of the Committee and to stress its symbolic importance as the outward sign of the union of French forces of resistance.

Another consideration which has, we think, a very definite bearing on the present issue, is the effect which delay may have on the Soviet Union's influence within France and perhaps within other countries now under enemy occupation. Even if the possibility of the Soviet Union extending recognition to the Committee in advance of agreement with the United Kingdom and United States is excluded, the fact that it is becoming known that the Soviet Union has been ready for some little time to recognize the Committee and has been restrained by representations from other countries, may of itself have an unwelcome effect on French opinion.

While we have not wished to emphasize in the aide-mémoire to be left with the Department of State the particular domestic interest of Canada in French questions, you will not be unmindful of the paramount importance to Canada of the consolidation and unity of the French forces resisting the enemy and of the maintenance of cordial and confident relations between the French people and their Allies.

1416.

DEA/I-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 444

London, July 21, 1943

MOST SECRET. Following for the Prime Minister, Begins: My telegram Circular D. 432 of July 16th. Following is draft formula for recognition of the French

Committee of Liberation which has been put to the United States Government for consideration, Begins:

His Majesty's Government in the United Kingdom are happy to recognize the French Committee of National Liberation as administering those parts of the French Overseas Empire which acknowledge their authority, and as having assumed the functions of the former French National Committee in respect of territories in the Levant. They also recognize it as the body qualified to ensure conduct of French effort in the war within the framework of inter-Allied cooperation as well as, in principle, administration and defence of French interests. The practical application of this principle to different categories of French interests must be reserved for consideration in each case as it arises.

His Majesty's Government have taken note of Committee's determination to continue common struggle in close cooperation with all Allies until the French and Allied territories are completely liberated and until victory is complete over all enemy Powers. They count upon the Committee to afford such facilities in military and economic sphere in territories under their administration as may be required by the Governments of the United Nations for prosecution of the war. In respect of certain of these territories, Agreements already exist between the French authorities and British or United States authorities. The creation of the French Committee of National Liberation may make it necessary to revise these Agreements, and pending their revision all such Agreements concluded since June 1940, except in so far as these have been automatically made inapplicable by the formation of the French Committee of National Liberation, will remain in force. Ends.

1417.

DEA/1-As

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1277

Ottawa, July 21, 1943

IMPORTANT. MOST SECRET. Please pass copy to Vanier. There are repeated in my immediately following telegram¹ instructions sent to the Canadian Minister in Washington to approach United States Government on the question of recognition of the French Committee of National Liberation. Please inform the United Kingdom Government of the terms of this approach.

At the same time you should inform them that when recognition is extended by Canada we shall do so through a note addressed to Commandant Bonneau in Ottawa, following the second alternative suggested in Dominions Office Circular Telegram D. 432 of July 16th.

1418.

O.D.S.-N.A.R./Vol. 800

Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-3687

Washington, July 22, 1943

MOST SECRET. Your EX-2862 of July 21st. French National Committee.

Pearson saw Mathews, the new Chief of the European Division of the State Department, who arrived only today from London, Hickerson and Bonbright⁶⁵ this afternoon, and left with them a memorandum in the terms of the relevant paragraphs of your telegram, and which will be passed on to the Secretary of State. Unfortunately, Dunn, who is concerned with these matters could not be present this afternoon, but Pearson said he would be glad to discuss the memorandum with him tomorrow. Pearson also made supplementary oral representations along the lines of the last three paragraphs of your telegram. He emphasized that the Canadian memorandum had not yet been shown to or discussed with any other Government; that the Canadian Government was most anxious to continue to coordinate their French policy with that of the United Kingdom and the United States, and had, indeed, given ample evidence to this effect. They were, therefore, the more anxious that they should be informed in advance of any change in policy regarding recognition that might take place in Washington so that they would not be placed in the position of having to follow later with recognition from Ottawa. If there were no disposition here to grant some form of provisional and qualified recognition, the Canadian Government might be faced with the necessity of independent action, but this, of course, they were anxious to avoid. The State Department officials concerned professed to appreciate our position in the matter but were not forthcoming about their own. Pearson was unable to secure from them any definite information as to whether they were contemplating recognition, and, in turn, did not indicate to them that we knew anything about recent exchanges of telegrams between Algiers, London and Washington on this matter.

1419.

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Le ministre aux États-Unis au secrétaire d'État aux Affaires extérieures
Minister in United States to Secretary of State for External Affairs

TELETYPE WA-3709

Washington, July 23, 1943

IMMEDIATE SECRET. Following for Robertson from Pearson, Begins: Further to your teletype EX-2862 of July 21st, French National Committee.

The Secretary of State has asked me to tell the Prime Minister that he has read our memorandum and the note made by his officials of my observations

⁶⁵ Direction des affaires de l'Europe de l'Ouest, département d'État des États-Unis.

⁶⁵ Division of Western European Affairs, Department of State of United States.

thereon, with much interest, and has asked me to express to Mr. King his appreciation of the courtesy of the Canadian Government in keeping the United States informed of the development of their views in this matter. He mentioned the exchange of views which had taken place within the last few days between the President and the Prime Minister⁶⁶ and assured us that they will keep us in touch at the Legation with developments.

The above message was conveyed to me on Mr. Hull's behalf by Hickerson. I asked Hickerson if he could give me the contents of the President's reply to Mr. Churchill. He said he was trying to secure permission to do this and hoped to be able to very shortly. Meanwhile, he could tell me that United States policy in this matter was moving in the same direction as ours. Ends.

1420.

DEA/1-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 122

Ottawa, July 26, 1943

IMPORTANT. MOST SECRET. Your telegram Circular D. 444 of July 21st.

1. We are not altogether happy about certain passages in the draft formula for recognition of the French Committee of Liberation, particularly the last sentence of the first paragraph. While some such reservation is necessary the suggested form of words may cause difficulties in Algiers and may also give rise to controversy over its application to "different categories of French interests" both with the Committee and between Allied Governments. Could not this passage be changed to read somewhat as follows: "From time to time as occasion may arise it will be necessary to consider in consultation with the Committee the practical application of this principle in relation to particular interests".

2. The opening sentence makes no reference to the special position of mandated territories except indirectly by mention of the arrangements in effect in the Levant. Is it not desirable to refer to all French mandated territories? Presumably we regard the Committee as having inherited temporarily the obligations and rights of France as the mandatory power in Syria, the Lebanon and French Cameroons and Togoland.

3. We consider that the formula of recognition should be extended so as to take note of the references to the Declaration of June 3rd[†] constituting the Committee, which were included in our representations to the United States Government of July 22nd, the terms of which have been communicated to you by the Canadian High Commissioner. There is uneasiness over the possibility that elements within the Committee might use their power to establish an au-

⁶⁶ Voir États-Unis, *Foreign Relations of the United States, 1943*. Washington, D.C.: U.S. Government Printing Office, 1964, volume 2, pp. 173-7.

⁶⁶ See United States, *Foreign Relations of the United States, 1943*. Washington, D.C.: U.S. Government Printing Office, 1964, Volume 2, pp. 173-7.

thoritarian regime in France. We feel that the incorporation in the instrument of recognition of the Committee's own statement of purposes would have both a good immediate effect on opinion and perhaps a restraining influence on any Frenchman who may be inclined to place personal loyalties and ambitions above the establishment of a liberal and democratic government in France.

4. The reference in the second paragraph of the draft formula to agreements with the British or United States authorities should, in our view, be extended to read "agreements . . . between the French authorities and the authorities of the United Kingdom, United States and other United Nations", so as to cover all such arrangements effected with the French authorities now merged in the Committee.

5. The references in the first two sentences of paragraph 2 of the draft formula to military cooperation between the Committee and the Allies in our view give all the safeguards which it is wise to seek and we should welcome their retention without alteration.

6. We have been glad to learn from your telegram Circular D.454 of July 23^d and from reports of the Canadian Minister in Washington (to whom this telegram is being repeated) that the reluctance of the United States to recognizing the Committee seems to be disappearing. Please bear in mind the importance of the Canadian announcement of recognition being made simultaneously with the announcement in London and Washington.

1421.

DEA/1-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 459

London, July 26, 1943

Following for the Prime Minister, Begins: My telegram Circular D. 444 of July 21st. Draft Formula of recognition of French Committee of National Liberation. As a result of further consideration it has been decided that the references to French interests in the second and third sentences of the first paragraph of the Formula might give the Committee grounds for maintaining that we had in effect recognised its claim to administer and defend all French interests which are the prerogatives of a legally constituted French Government. Paragraph 1 of our draft Formula has accordingly been revised to meet this objection and safeguard our position and now reads as follows:

2. "His Majesty's Government in the United Kingdom are happy to recognise the French Committee of National Liberation as administering those French Overseas Territories which acknowledge its authority and as having assumed the functions of the former French National Committee in respect of territories in the Levant. They also recognise it as the body qualified to ensure the conduct of the French effort in the war within the framework of inter-Allied co-operation. His Majesty's Government take note, with sympathy, of the desire of the Committee to be recognised as the body qualified to ensure the adminis-

tration and defence of all French interests. The question of the extent to which it may be possible to give effect to this request in respect of the different categories of such interests must, however, be reserved for consideration in each case as it arises".

3. We have also made the following other amendments:—

(a) In the first sentence the words "French Overseas Territories" have been substituted for "parts of the French Overseas Empire" in order to cover Algeria which is part of Metropolitan France.

(b) In the last sentence of the second paragraph

(1) Between words "these Agreements and" and words "that pending" insert the words "His Majesty's Government assume"

(2) At end of sentence add the words "as between His Majesty's Government in the United Kingdom and the French Committee of National Liberation". Ends.

1422.

DEA/53-UW-40

*Le premier secrétaire, la légation auprès des gouvernements alliés,⁶⁷
Londres, au Premier ministre*

*First Secretary, Legation to the Allied Governments, London,⁶⁷
to Prime Minister*

Ottawa, July 28, 1943

Dear Prime Minister,

I thought you might be interested in receiving a memorandum on your conversation with General Giraud on Friday, 16th July, at your office. I hope I did not forget any of the important points.

With regard to the question of Canadian representation in Algiers, I consider that General Giraud's suggestion of appointing someone at General Eisenhower's Headquarters should not be retained. Although such an appointment would now appear fully justified from a military point of view, as Canadian troops are now fighting under General Eisenhower's command, there exists an objection from the diplomatic point of view. Diplomatic Advisers were attached to General Eisenhower by the United Kingdom and United States Governments before the creation of the French Committee of National Liberation, but the latter is now applying for recognition by foreign governments. Therefore, if at this stage the Canadian Government were to accept General Giraud's suggestion the French Committee would certainly interpret that as a lack of confidence in their ability to represent French interests.

In my opinion, the best solution would be an early recognition of the Committee by all the United Nations. Otherwise, any further delay might result in a deep and justified resentment inside and outside the Committee. If, however,

⁶⁷ Pierre Dupuy était alors à Ottawa.

⁶⁷ Pierre Dupuy was then in Ottawa.

the decision were to be postponed for a certain period, I would suggest that Canada adopt a "de facto" solution. Commandant Bonneau has been appointed by M. Massigli as Delegate of the French Committee in Ottawa, although the Canadian Government does not recognize the French Committee. Along the same lines, the Canadian Government could well send someone on a mission to Algiers without asking for his "de jure" recognition by the French Committee. Relations would thus be re-established without any commitment, between Canada and North Africa, while the door would be left open for any decision the Canadian Government might wish to make at a later stage.

Yours faithfully,

PIERRE DUPUY

[PIÈCE JOINTE/ENCLOSURE]

*Mémorandum du premier secrétaire, la légation
auprès des gouvernements alliés, Londres*

*Memorandum by First Secretary, Legation
to the Allied Governments, London*

Ottawa, July 28, 1943

MEMORANDUM ON A CONVERSATION BETWEEN THE RIGHT HONOURABLE
W. L. MACKENZIE KING AND GENERAL HENRI GIRAUD.
PARLIAMENT BUILDINGS, 4:00 P.M. 16TH JULY, 1943

General Giraud started by expressing his gratitude for the cordial reception he had had in Ottawa on the part of the Prime Minister and other members of the Cabinet. He had been particularly touched by the favourable manner in which the questions of French air cadets and war supplies for the French Army had been examined by the Canadian Government.

Mr. King said that he and his colleagues had been happy to welcome General Giraud and that his visit was an inspiration to everyone.

General Giraud continued by saying he was glad of this opportunity for a confidential conversation with the Prime Minister, because there were subjects which could hardly be treated in public. He immediately referred to the French Committee in Algiers and affirmed he had made almost every concession in order to reach unity with General de Gaulle and his followers. He had even conceded to them the majority within the Committee and given General de Gaulle practical control over civilian affairs. Nevertheless, circumstances had since shown that unfortunately some Frenchmen were putting their own personal interests above their country's future. (In French: "Néanmoins ce qui

s'est passé depuis a montré que des Français font passer leurs intérêts personnels avant l'avenir de leur pays").

General Giraud went on to say that at this stage the problem for France was a military one above all. Everything depended on the liberation of French continental territory: Therefore, he considered that the main duty for any patriotic Frenchman now in a position to fight was to do so without selfishness. The French Forces would not, or course, be strong enough to play the leading roles on the battlefield. They would have to co-operate with the British and United States Armies, but the larger their share, the better for France from a domestic as well as an international point of view. "When our country is liberated", added General Giraud, "then, and then only, will the French population decide freely on the political regime they wish to adopt".

General Giraud gave as the reason for his crossing to this continent the necessity of obtaining more and more equipment for his troops. He had been successful in Washington since 230,000 tons of war material would reach North Africa in August. He was also most grateful for the Canadian Government's proposals.

Mr. King explained that Canada's contribution could only be made subject to the approval of the authorities appointed by the United Nations for the distribution of war supplies. General Giraud said he understood it the same way. The Prime Minister then asked what series of equipment General Giraud would be mostly interested in. The latter replied by mentioning a) aircraft, b) military lorries, c) corvettes. The Prime Minister said that the question of aircraft might be a difficult one, since our whole production appeared already promised. With regard to military trucks and corvettes, he said he would enquire with Mr. Howe and the War Production Services.

General Giraud expressed the wish that relations between Canada and North Africa be established in the near future, because Canada was in an excellent position to render services to all concerned. When asked whether the French Committee would soon be recognized by Washington, he answered that his impression was to the contrary. For this reason, he suggested in order not to lose too much time that a Canadian representative be appointed to General Eisenhower's Headquarters, according to the British and United States precedent. Now that Canadian troops were fighting under General Eisenhower, the above solution appeared to General Giraud much more advisable than heretofore.

The Prime Minister then enquired about General Giraud's views concerning the progress of the war, and more particularly concerning the possibility of an Allied landing on the western coast of Europe. General Giraud replied that the enterprise would be a risky and costly one, if launched separately. The Todt Services had built strong fortifications from Holland down to the south of Brittany. Even in case of success, it would be paying a very high price for a bridgehead without being certain to develop it against massive German reserves. There is no doubt that the enemy will fight well. He is seasoned, hard and still disciplined. At the same time, General Giraud said he had to think of the French people's present ordeal. Although Madame Giraud is now under the Gestapo's constant surveillance, she had managed to send news of the family.

As far as they were concerned, they had enough to eat. Their morale was excellent, but she wrote it was vital that the French population be delivered before next winter. Otherwise they would all be in mortal danger.

The Prime Minister asked General Giraud how such liberation could be achieved within the above mentioned delay. General Giraud replied that in his opinion the whole of Sicily would likely be occupied by the Allied Forces early in August. Italy would then have to be dealt with, and he considered a few weeks would be sufficient to conquer the peninsula, as the military campaign would be greatly facilitated by developments on the Italian domestic field. General Giraud hoped that major operations would become possible against the Germans in the second fortnight of September. Then a strong French Army would be available to join the Allies in Northern Italy for an attack against German Forces in France. This would coincide with events in the Eastern Mediterranean and a Russian offensive in the East. German reserves would have to be rushed in every direction and the time would soon be opportune for an Allied landing on the Channel coast.

Mr. King made the remark that this plan was in harmony with what he had heard in the course of his recent conversation with Mr. Churchill and President Roosevelt in Washington.

General Giraud concluded that he had good reasons to believe that a fair part of France would be liberated this year, but he considered it safer to expect the final blow on Germany to be struck some time in 1944, although pleasant surprises had from now on become possible.

The Prime Minister then presented General Giraud with two volumes of his works with dedications, and the General was deeply touched by this further proof of sympathy. Mr. King said: "We will pray for your success and safety during the coming months", and he asked General Giraud to present his respects and wishes to Madame Giraud whenever possible. It was with emotion that General Giraud repeatedly thanked the Prime Minister for all his kindnesses and expressed his happiness in seeing that France was so well understood by her Canadian friends.

General Giraud, accompanied by the Prime Minister, stopped for a few moments at the Memorial Room of the Tower. On the door-steps of Parliament Buildings, the Prime Minister and General Giraud shook hands cordially for a last time. "À Paris", said General Giraud. "I shall remember the invitation", added the Prime Minister.

1423.

O.D.S.-N.A.R./Vol. 800

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures**Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM 128

London, July 29, 1943

MOST SECRET. Your telegram No. 122 of July 26th, question of recognition of French Committee of National Liberation.

1. We are most grateful to Canadian Government for suggestions contained in your telegram. Position as regards particular points raised therein is as follows:—

(a) Paragraph 1 of your telegram No. 122. Please see amendment in paragraph 2 of my telegram Circular D. 459 of July 26th. It is hoped that this will meet the point which the Canadian Government have in mind.

(b) Paragraph 2 of your telegram No. 122. We had this point in mind but considered that mandated territories other than Syria and the Lebanon were adequately covered by the phrase "French Overseas Territories" for the purpose of the general statement contemplated. The Cameroons and Togoland are for all practical purposes French territories.

(c) Paragraph 3. We understand and share the Canadian Government's views on this matter, but fear that the adopting of the particular suggestion made would imply that it was our intention to agree that the Committee should function in France during the stage between the landing of Allied forces and the establishment of a Provisional Government to which it would hand over its authority. We feel therefore that it would be better to avoid at present saying anything which would lead the Committee to claim that we had admitted this. Does not the fact that we should recognise the Committee as administering only "French Overseas Territories" adequately safeguard the position as regards the French mainland?

(d) Paragraph 4. We agree that "United Kingdom" should be substituted for "British". We specifically referred to the "United States authorities" in order to cover our rights in North and West Africa under the Clark-Darlan and Eisenhower-Boisson arrangements. We are not aware of any comparable Agreements between the French authorities and other members of the United Nations, and in any case we think it preferable that each United Nation should itself deal with any Agreements it may have with the French authorities.

(e) Paragraph 5. We note view of Canadian Government with which we are in agreement.

2. We note importance attached by Canadian Government to simultaneous announcement in Washington, Ottawa and London of recognition when decided upon.

1424.

DEA/1-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 490

London, August 3, 1943

MOST SECRET. Following for the Prime Minister, Begins: My telegram Circular D. 459 of July 26th. Draft formula of recognition of the French Committee of

National Liberation has been further reviewed in the light of certain suggestions made by President Roosevelt. The revised Draft is contained in my immediately following telegram. Certain additions have been made which will be found in the first three paragraphs.

2. Prime Minister has telegraphed revised formula to President Roosevelt and urged his acceptance. Formula is also being communicated to M. Molotov. Ends.

1425.

DEA/1-As

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures
Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 491

London, August 3, 1943

MOST SECRET. Following for your Prime Minister, Begins: My immediately preceding telegram. Following is revised draft formula.

The Government of the United States and His Majesty's Government in the United Kingdom desire again to make clear their purpose of co-operating with all patriotic Frenchmen looking to the liberation of the French people and French territories from oppression of the enemy.

2. The two Governments accordingly welcome the establishment of the French Committee of National Liberation. It is their understanding that the Committee has been conceived and will function on the principle of collective responsibility of all its members for the prosecution of the war. It is also, they are assured, common ground between themselves and the Committee that it will be for the French people themselves to settle their own Constitution and to establish their own Government after they have had an opportunity to express themselves freely.

3. On this understanding, the Government of the United States and His Majesty's Government in the United Kingdom wish to make the following statement:

The Government of the United States and His Majesty's Government in the United Kingdom recognize the French Committee of National Liberation as administering the French Overseas Territories which acknowledge its authority and as having assumed the functions of the former French National Committee in respect of territories in the Levant. The two Governments also recognize the Committee as the body qualified to ensure the conduct of the French effort in the war, within the framework of inter-Allied co-operation. They take note, with sympathy, of the desire of the Committee to be recognized as the body qualified to ensure the administration and defence of all French interests. The question of the extent to which it may be possible to give effect to this request in respect of the different categories of such interests must, however, be reserved for consideration in each case as it arises.

The Government of the United States and His Majesty's Government in the United Kingdom welcome the Committee's determination to continue the common struggle, in close co-operation with all the Allies, until French and Allied territories are completely liberated and until victory is complete over all enemy Powers. The Committee will, of course, afford whatever military and economic facilities and securities, in territories under its administration, as are required by the Governments of the United States and the United Kingdom for prosecution of the war.

In respect of certain of these territories, Agreements already exist between the French authorities and the United States or United Kingdom authorities. The creation of French Committee of National Liberation may make it necessary to revise these Agreements; and the Government of the United States and His Majesty's Government in the United Kingdom assume, pending their revision, all such Agreements concluded since June 1940, except in so far as these have been automatically made inapplicable by the formation of the French Committee of National Liberation, will remain in force as between the respective Governments and the French Committee of National Liberation. Ends.

1426.

DÉA/I-As

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 134

Ottawa, August 5, 1943

IMPORTANT. MOST SECRET. 1. Your telegrams Circulars D. 490 and 491 of August 3rd. We note that an important change in the new draft formula for recognition of the French Committee of National Liberation is that it provides for recognition by the Governments of the United States and the United Kingdom by means of a joint declaration which contains no provision for the participation of other Governments. We had assumed that when recognition was accorded the procedure would be for each Government to convey through an appropriate channel to the Committee a notification of its recognition expressed in identical or similar terms. In view of the change now proposed in the draft formula we have decided to regularize the Canadian relationship with the Committee and we, therefore, propose to address a note to the French Delegate in Ottawa probably on August 7th. The substance of this note will not be in conflict with the ideas expressed in your telegram D. 491 and we shall transmit to you its exact text in a later telegram.

2. We have been anxious to grant limited recognition to the Committee of Liberation from the time of its inception and we have only delayed through our desire to pursue a common policy with the Governments of the United Kingdom and the United States. This change in the draft formula appears to us to remove any remaining reason for further delay with a view to concerting action.

1427.

DEA/1-As

Le haut commissaire de Grande-Bretagne au Premier ministre
High Commissioner of Great Britain to Prime Minister

MOST SECRET AND PERSONAL

Ottawa, August 6, 1943

My dear Prime Minister,

I have received a telegram from the Secretary of State for Dominion Affairs, containing a most secret and personal message for you from Mr. Attlee on the subject of the recognition of the French Committee of National Liberation.

Yours sincerely,

MALCOLM MACDONALD

[PIÈCE JOINTE/ENCLOSURE]

Message du secrétaire aux Dominions au Premier ministre
Message from Dominions Secretary to Prime Minister

MOST SECRET AND PERSONAL

August 6, 1943

Your telegram No. 134.

I most earnestly beg that you will not proceed with your proposal to recognise the French Committee of National Liberation until you can discuss the matter with the Prime Minister. He is proposing to explore the whole situation with the President and hopes to reach an agreement with him for the recognition of the Committee. What we are aiming at is simultaneous recognition of the Committee by ourselves, the Dominions, the U.S. Government and the Soviet Government. China and Brazil are also waiting for us. The fact that our revised formula of recognition was cast for convenience in an Anglo-American form does not mean that the recognition itself was to be an exclusive Anglo-American act. Unilateral action by the Canadian Government in these circumstances would certainly not be understood by the Soviet Government with whom we are also in consultation; and it would obviously make agreement between the Prime Minister and the President much more difficult.

I do hope that you will suspend action until after you meet the Prime Minister.

1428.

DEA/1-As

Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire de Grande-Bretagne
Under-Secretary of State for External Affairs
to High Commissioner of Great Britain

MOST SECRET AND PERSONAL

Ottawa, August 6, 1943

Dear Mr. MacDonald,

The Prime Minister has asked me to acknowledge your letter of August 6th containing the most secret and personal message for him from Mr. Attlee on the

subject of the recognition of the French Committee of National Liberation. He would be grateful if you would convey the following message from him to Mr. Attlee, Begins:

In view of your urgent representations we agree to postpone our recognition of the Committee of Liberation until the question has been discussed with your Prime Minister. Ends.

Yours sincerely,

N. A. ROBERTSON

1429.

PCO

Extrait du procès-verbal d'une réunion conjointe du Cabinet de guerre de Grande-Bretagne et du Comité de guerre du Cabinet

Extract from Minutes of Joint Meeting of War Cabinet of Great Britain and Cabinet War Committee

SECRET

Quebec, August 11, 1943

...
FRENCH COMMITTEE OF NATIONAL LIBERATION

32. THE UNITED KINGDOM PRIME MINISTER explained the difficulties that had been experienced in finding a common basis for agreement in regard to recognition of the Committee.

Despite the difficulties encountered in regard to de Gaulle, there was no gainsaying his identification with the forces of French resistance. In the circumstances, there was no object in delaying the clarification of our relations with the Committee, and he intended to urge the President to agree to prompt action. If agreeable to the Canadian government, he would tell Mr. Roosevelt that Canada was anxious for early settlement of the French position. If definitive agreement was not reached at Hyde Park, the question would be taken up during the coming week, with Mr. Roosevelt and Mr. King at Quebec.

33. MR. CHURCHILL said that he had thought of suggesting to the President that de Gaulle be invited to join them at Quebec. Would this be helpful from the Canadian point of view?

It was hoped that Canada would take no action with regard to recognition of the Committee until agreement on common policy had been reached with the United States, and that recognition would then be simultaneous and couched on similar terms.

34. THE CANADIAN WAR COMMITTEE were of the opinion that a visit by General de Gaulle, at this time, might have a disturbing effect.

35. IT WAS AGREED that no action be taken with regard to recognition of the Committee, pending discussions between Mr. Churchill, Mr. Roosevelt and Mr.

King, and that recognition, when agreed upon, should be simultaneous and on similar terms.

1430.

DEA/I-As

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Quebec,] August 22, 1943

Malcolm MacDonald told me last night that Eden had tried to see you yesterday afternoon to report the conversation which he and Cadogan had been having with Hull, Atherton and Dunn regarding the recognition of the French Committee. Discussion had been difficult and has made no progress. As Mr. Hull told you, he could not agree to the use of the word "recognition," however qualified.

Eden felt that the United Kingdom could not accord the United French Committee of National Liberation a lesser status than that which the United Kingdom had in fact conceded to the former French National Committee in London. Eden and Hull are reporting this deadlock back to Mr. Churchill and the President.

Eden feels that, if agreement is not reached (and Cadogan told me he thought the odds were 100 to 1 against Mr. Hull modifying the position he had taken) then the United Kingdom will have to go ahead with a separate statement, extending to the French Committee on behalf of the United Kingdom the measure of recognition to which they had been trying to get the United States to agree. If his recommendation is accepted by Mr. Churchill, then the United Kingdom will notify all the other governments which it had asked to defer recognition, pending the conclusion of an understanding with the United States, that it proposes to recognize the Committee and send a note to the French Committee on the 25th or 26th of August, though to keep the contents of this note confidential for two or three days longer so that the other dominions and other governments, including the U.S.S.R. will be able to take simultaneous action.

I expect to receive this morning from Malcolm MacDonald the text of the United Kingdom formula, which is the counterpart of the United States formula,¹ which Mr. Hull gave you yesterday.

1431.

DEA/1-As

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Quebec,] August 22, 1943

POSITION OF FRENCH COMMITTEE OF NATIONAL LIBERATION

If the declaration defining our prospective relations with the French Committee of National Liberation is to be a narrowly drawn legal document, studded with safeguards and qualifying clauses, then it seems to me that you must put in a positive statement of recognition — if only to have something to subtract from.

As far as I can see, the only way in which the word "recognition" can be omitted is to couch the whole statement in more general and more generous terms, leaving it to the individual countries to insert the specific safeguarding reservations which they think necessary in separate and subsequent exchanges of letters with the Committee, e.g., the United Kingdom could make its reservations respecting the position of French territories in the Levant and anterior arrangements made with the French National Committee, and the Canadian Government could make its reservations regarding its position as trustee for French gold in Canada in separate and appropriate instruments.

I doubt the wisdom or necessity of attempting to define precisely the status and responsibilities of the French Committee. In recognizing the Czechoslovak Government and in continuing to recognize, for instance, the Greek and Polish Governments, we did not think it advisable or politic to spell out the very real *de facto* reservations which we all regard as limiting the powers of those Governments to make commitments on behalf of their peoples. These real reservations are continuously operative and recognized by the Governments-in-Exile themselves, just as much as by their Allies. The character of their relationship with us, and their dependence on their Allies for their equipment, supplies, finance and communications facilities mean that, in practice, they are unlikely to kick over the traces and do foolish things. They are not deterred from unwise or unfriendly policies by any formal limitations on their status or recognition, but by the facts of their association with their greater Allies in the common struggle, in which their own most vital interests are involved. If it should be decided not to grant recognition in terms and not to define expressly the conditions under which we are prepared to cooperate with the French Committee, then I think the more general and more generously worded declaration, which seems to be the only alternative, should be completed at once by the announcement, preferably simultaneous, that the Governments which have thus far taken no action to accredit representatives to the French Committee intend immediately to appoint representatives in Algiers and are prepared to receive representatives of the Committee so that they can collaborate more effectively with the Committee in working toward common ends.

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

SECRET

[Quebec,] August 24, 1943

After the conversation with Mr. Hull about general questions of commercial policy which I have reported in another memorandum,¹ I asked the Secretary of State whether he thought it was going to be possible to clear up the position of the French Committee before the conferees left Quebec. He said nobody was more anxious than he was to get this question settled because nobody had suffered more misrepresentations than he had over French questions during the past two years and a half. The settled policy of the United States which the President and he had made public on many occasions since the fall of Paris was the reconstruction of a strong and free France. From this goal they had not wavered but their efforts to achieve it had been persistently misrepresented and misunderstood. He complained that the task of all American policies toward France had been made more difficult by the propaganda of the French National Committee which ultimately had been financed out of funds advanced to the Committee by the United Kingdom Government. He had gone to a good deal of trouble to discourage attacks in the United States on British policy in India, Burma and Palestine. The United Kingdom had not made any similar efforts to silence criticism of American policy with respect to France. On this theme he spoke with a good deal of feeling, referring to the "slime" with which he had been smeared.

He did not say anything about the present status of his discussions with the United Kingdom about the drafting of a joint declaration defining their relations with the French Committee. He did say that he had been very glad to receive from you a copy of the draft Canadian note² on this subject and did not take any exception to the language we had thought of using.

I said I thought it would be very unfortunate if the present meetings were to come to a close without regularizing in some way our several relations with the Committee. We hoped that it would be possible for the countries which had thus far deferred their recognition to take similar and simultaneous action. In this connection I pointed out that it would be rather difficult for the Canadian Government to tag along behind a joint U.K.-U.S. declaration and much more satisfactory from the Canadian point of view if each of the countries would make its own separate and similar communication to the Committee.

I mentioned again the special Canadian interest in the position and future of France reminding him that you had pursued a policy exactly parallel to his own, often under a good deal of savage political criticism, but that that policy had played its part in uniting French Canada in support of general Canadian war effort. The American landings in North Africa and the collapse of the Vichy

regime and its representation abroad had undoubtedly cleared the air in French Canada. People here were not much interested in the personalities or the doctrinal differences which divided the French movement of resistance. They did, however, regard the new Committee in North Africa as in some way a trustee for French interests which they were anxious should not be neglected. They were not much exercised about the niceties of recognition or with the formal style which we might give our representatives to the Committee, but they hoped that we would work with it and give it enough recognition to enable it to mobilize French interests and resources overseas so that Frenchmen could feel they were making some direct contribution to the liberation of France.

1433.

DEA/I-As

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

IMMEDIATE

[Quebec,] August 24, 1943

Mr. Atherton telephoned this morning to say that the United States had now settled on the text of the statement they were going to issue about their relations with the French Committee of National Liberation. The text of this message is being communicated today by United States missions abroad to other countries which have been deferring any action of their own with regard to the Committee until learning the views of the United States. This American declaration, the text of which I hope to receive very shortly, is not a document agreed with the United Kingdom. The latter are planning to issue themselves, presumably at the same time as the United States, the formula of recognition of the French Committee which Mr. Eden sent you last night.

1434.

DEA/3618-A-40

*Le sous-secrétaire d'État aux Affaires extérieures au
sous-secrétaire d'État par intérim aux Affaires extérieures*

*Under-Secretary of State for External Affairs to
Acting Under-Secretary of State for External Affairs*

TELEGRAM H-94

Quebec, August 24, 1943

IMMEDIATE. SECRET. Following for Read from Robertson, Begins:

1. My immediately preceding telegram.[†] Please address following telegram to Canadian Ministers in Washington, Moscow, Chungking and Rio de Janeiro and also to High Commissioners in London (prefixed "pass copy to Vanier for action with respect to Allied Governments"), Canberra, Wellington and Pretoria. Similar telegram should be sent to Ministers in Buenos Aires and Santiago omitting instruction to inform the Government concerned of terms of Canadian notification.

2. Begins: United States and United Kingdom Governments have agreed at Quebec Conference to define their relationship to French Committee of National Liberation in separate notifications (not in identical terms) to be communicated to French Committee in Algiers on August 26th and made available for publication on morning of August 27th. Canadian notification of recognition will be made simultaneously to French Delegate in Ottawa and similarly released for publication. Its text is given in my immediately following telegram. Please inform the (here insert appropriate name) Government of terms of Canadian notification. Ends.

3. The telegrams addressed to Canadian Ministers in Moscow, Chungking, Rio de Janeiro, Santiago and Buenos Aires should contain additional paragraph as follows: "Please transmit copy of Canadian notification to your United Kingdom and United States colleagues." The telegram addressed to Mr. Massey should ask him similarly to inform the United States Ambassador in London and those addressed to other High Commissioners should ask them to inform the United Kingdom High Commissioners and the United States Ministers. Ends.

HALL

1435.

DEA/3618-A-40

*Le sous-secrétaire d'État aux Affaires extérieures au
sous-secrétaire d'État par intérim aux Affaires extérieures*

*Under-Secretary of State for External Affairs to
Acting Under-Secretary of State for External Affairs*

TELEGRAM H-95

Quebec, August 24, 1943

IMMEDIATE SECRET. Following is text of notification to be addressed to Bonneau on August 26th, Begins:

The Government of Canada has welcomed the establishment of the Committee of National Liberation. It has been and remains the intention of the Government of Canada to co-operate with all patriotic Frenchmen in freeing France and the French people from the oppression of the enemy. This Government is deeply interested in the early return of France to her high place among the nations and regards the institution of the Committee as an important contribution to that end. Early in July the Committee was informed that Canada was prepared to consider promptly and sympathetically any requests which the Committee might care to present for assistance in the equipment and training of the French forces under its control.⁶⁸ It is understood that the Committee will operate on the principle of the collective responsibility of all its members for the prosecution of the war. It is also understood that the Committee is in accord with the view of the Canadian Government that the French people themselves,

⁶⁸ Voir le document 363.

⁶⁸ See Document 363.

as soon as they have an opportunity of freely expressing their wishes, should establish in France the Government of their choice.

On this basis the Government of Canada recognizes the French Committee of National Liberation as administering the French overseas territories which acknowledge its authority and as the body qualified to ensure the conduct of the French effort in the war within the framework of inter-Allied co-operation. It notes with sympathy the desire of the Committee to be recognized as the body qualified to ensure the administration and defence of all French interests. It is the intention of the Canadian Government to give effect to this request as far as possible while reserving the right to consider in consultation with the Committee the practical application of this principle in particular cases as they arise.

The Government of Canada warmly welcomes the Committee's determination to carry on the common struggle in close co-operation with all the Allies until French and Allied territories are entirely liberated and complete victory over all enemy powers has been achieved. It is understood that the Committee will afford in territories under its administration whatever military and economic facilities are required by the Governments of the United Nations for the prosecution of the war. Ends.

HALL

1436.

DEA/3618-A-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] August 26, 1943

I asked Commandant Bonneau, the representative in Canada of the French Comité of National Liberation, to call this afternoon to receive the note recognizing the Committee, which you signed this morning. I also gave him a French translation of the note, which had been prepared for the use of the press. The text of the Canadian Government's statement is being released for press and radio at 8 o'clock tonight, the same time as the United States and British statements.

Commandant Bonneau was very happy to receive your statement, which he is cabling at once to Algiers. In the meantime, he wished to say again how much the French Committee appreciated the sympathy and cooperation which their efforts for the restoration of France had received in Canada and from the Canadian Government. We told Bonneau that the United States and United Kingdom statements, defining their respective relationships with the Committee, would also be made public this evening. There would be some differences in form and content; although their release was synchronized, their substance was not identical. I thought the French Committee would be well advised not to dwell too much upon these differences or ponder over their possible signifi-

cance. I thought they related more to the recent past than to the future. Given the tolerance and mutual respect which must exist between Allies, we hoped that the new arrangements between the Committee and our countries, which these declarations signalized, would lead to more cordial and harmonious cooperation than there had been in the last few months.

1437.

DEA/2874-40

*Procès-verbal d'une réunion**Minutes of a Meeting*

Ottawa, September 1, 1943

INCLUSION OF FRENCH IN FOREIGN FORCES ORDER
RECRUITING FOR FRENCH FORCES IN CANADA

Record of meeting held in Room 123 of East Block on August 31st, attended by:

Major Leal, National Defence
C. Henry, National Selective Service
G. de T. Glazebrook, External Affairs
S. F. Rae, External Affairs
K. B. Bingay, External Affairs

to discuss the general questions raised by the recognition of the French Committee of National Liberation by Canada.

1. FOREIGN FORCES ORDER

It was agreed that the Foreign Forces Order should be amended to include the French. It is not clear whether the French will actually train a force in Canada or whether they will continue simply to recruit and send the men directly overseas. (We have agreed to train French aircrew in Canada, which means that the French should come under the Order for this purpose). In any case, it is desirable to include them in order to regularize their present position. (They have in practice been treated very much on the same basis as the Foreign Forces). Inclusion in the Order will mean, *inter alia*, that we can legally assist the French in picking up deserters.

It was decided to recommend that the Foreign Forces Order (1941) should be amended by an Order in Council, designating the French Committee of National Liberation as a foreign Power under the Foreign Forces Order, rather than use the more complicated method adopted by the United Kingdom, and suggested last year for Canada, of designating the French Committee as a foreign Authority, and amending the Order throughout. This latter method was the only one which could be used at that time without giving the French a form of recognition by implication which we were not willing to grant in fact. As the Canadian Government has now officially recognized the French Committee, its status, *vis-à-vis* the Canadian Government, is clear, and there is no question that our designation of the Committee as a "foreign Power" will be interpreted

as recognition of it as a Government. There is only one clause in the Foreign Forces Order which refers to "the Government of the foreign Power". This is Clause 8, which provides that the Minister of National Defence, if requested by "the officer commanding a foreign force or by the *Government* of the foreign Power" may direct members of the home force to arrest members of a foreign force.

2. POSITION OF FRENCH NATIONALS UNDER NATIONAL SELECTIVE SERVICE REGULATIONS

Technically, French nationals have been in the same position as neutral aliens under the Selective Service Regulations, with no right to opt. (In practice, some have been allowed to leave the country in order to enlist with the French recruiting mission in Washington). If the French Committee is designated as a foreign Power under the Foreign Forces Order, there will be no necessity to amend the Selective Service Regulations, as the French will automatically come under Section 3(2)(i) which gives them the right to opt for their own forces.

3. RECRUITING FOR FOREIGN FORCES

The conditions under which Foreign Forces may recruit are not set out in an Order in Council. They have been laid down in Notes from External Affairs to the heads of the foreign missions concerned.⁶⁹ It was agreed that External Affairs should draft a Note to the appropriate French authority outlining the conditions under which the French may recruit, and that this Note be considered by the Canadian Service Departments concerned before despatch. This Note will also cover the question of transfers from the Canadian forces. It was felt that correspondence on French military questions should, so far as possible, be channelled through the official representative in Canada of the French Committee of National Liberation.

4. ENLISTMENT OF CANADIAN NATIONALS AND BRITISH SUBJECTS IN FOREIGN FORCES

The policy established at an interdepartmental meeting held on October 1st, 1941, was that Canadian nationals and British subjects could not be enlisted in a Foreign Force unless (a) they were naturalized Canadians whose former nationality was that of the Foreign Force, or (b) they were persons of dual nationality — that is, possessing both Canadian nationality and the nationality of the Foreign Force. It was pointed out that Canadian Army Routine Order 3120 is not strictly in accordance with this policy, for it provides that Canadian nationals and British subjects are permitted to enlist if by reason of their racial origin or defective knowledge of English or French, they would make more efficient soldiers in the Foreign Force. It was agreed that External Affairs should draft a suggested amendment to Routine Order 3120, for consideration by Major Leal.

⁶⁹ Voir le volume 8, documents 700, 716, 815 et 856.

⁶⁹ See Volume 8, Documents 700, 716, 815 and 856.

5. AMENDMENT OF ORDERS IN COUNCIL
REFERRING TO FOREIGN FORCES

If the French are included in the Foreign Forces Order by designating the Committee as a "foreign Power", the French will automatically come within the provisions of P.C. 10959 of December 1, 1942,[†] which provides for the administration of estates of members of the Foreign Forces.

P.C. 2/3869 of May 10, 1943,[†] which made provision for National Defence to act as agent in providing transportation, supplies, stores, etc., to the French National Committee, covers also any other French organization which has Forces operating against His Majesty's enemies. There is, therefore, no need to amend this Order in Council.

6. REHABILITATION OF MEMBERS OF THE FOREIGN FORCES

It was pointed out that no action had yet been taken to apply the Reinstatement in Civil Employment Act and other rehabilitation legislation to the Foreign Forces. After an interdepartmental meeting in January of this year, Pensions and National Health had agreed to do a survey of the question on the understanding that the problem would be submitted to War Committee. The question has been submitted to the Minister of Pensions and National Health.

1438.

DEA/1-As

*Mémorandum du cabinet du Premier ministre au
sous-secrétaire d'État aux Affaires extérieures*
*Memorandum from Office of the Prime Minister to
Under-Secretary of State for External Affairs*

SECRET

[Ottawa,] September 9, 1943

I think it worth reporting Mr. King's comment on reading the attached memorandum.⁷⁰

You will notice a question mark opposite the last two sentences of the first paragraph. On this point, said Mr. King: "Mr. Hull is quite wrong".

Mr. King read this "very helpful" note in conjunction with others on the French Committee of National Liberation, last Saturday.

J. A. G[IBSON]

⁷⁰ Note marginal:⁷⁰ Marginal note:

of Aug[ust] 24 re French Committee [Document 1432]

1439.

DEA/4929-G-40

*Mé morandum du troisième secrétaire**Memorandum by Third Secretary*

[Ottawa,] September 17, 1943

TRAINING OF FRENCH AIR CREW

1. This matter was first raised by the Chief of the Air Staff of the French Air Force in North Africa, who suggested it might be possible to send French cadets to Canada for air training (see Mr. Dupuy's letter of June 30th to the Prime Minister).

2. On July 2nd, War Committee agreed, in principle, subject to concurrence of the Minister of National Defence for Air, that Canadian air training facilities should be extended to French military personnel.

3. On July 2nd, we cabled Macmillan in Algiers, through the Dominions Office,[†] suggesting that there was a possibility that facilities for training could be provided to a number of air crew. The Canadian authorities were prepared to discuss this promptly and sympathetically, subject to requirements of strategic needs.

4. On July 9th we consulted, by cable,[†] the other Commonwealth Governments concerned. If suitable arrangements could be completed, it was expected that they would provide for a monthly quota of French cadets, who would be trained under the B.C.A.T.P.⁷¹ as members of the French forces, and who would return to North Africa for service on completion of their training. French cadets should be chargeable to the Canadian quota.

5. On July 10th, the Dominions Office advised[†] that Macmillan had reported that the French Committee were grateful and hoped to be able to take up the question as soon as possible. It was agreed that no publicity should be given to the Canadian offer until preliminary discussions with Commonwealth Governments were completed.

On July 12th the New Zealand Government sent their approval[†] and on July 27th the Australian Government concurred.[†] On August 5th the Dominions Office replied[†] as follows:

(a) R.A.F. programme includes 7 French squadrons already formed or being formed;

(b) training arrangements already made cover training in Canada of French personnel for these squadrons. To man these squadrons, about 3,800 French air crew personnel will be needed, (over 2,000 of whom must be basically trained over the next 12 months). These must come from French sources outside the United Kingdom, as French manpower resources in the United Kingdom will soon be exhausted. In addition to air crew, between 1,000 and 1,500 French aircraft maintenance and administrative personnel will be needed;

⁷¹ British Commonwealth Air Training Plan.

(c) insofar as French air crews are available in excess of these requirements, the United Kingdom authorities suggest they might be absorbed in any units of the old French Air Force which still exist, or in the Allied air forces. The United Kingdom authorities expressed the hope that the 7 R.A.F. (French) squadrons would have first claim on French air crews trained here.

6. On September 14th, the Department of National Defence for Air reported⁷¹ that the Chiefs of the Air Staffs of Canada and the United Kingdom had discussed this question in Quebec. Sir Charles Portal said it was planned that Free French Air Force personnel should be trained in sufficient numbers to fill the 7 Free French squadrons serving with the R.A.F. and that some of these would be trained in Canada. No further commitments for training additional French air crew personnel should be made against Canadian training facilities, as all training capacity in Canada is needed to meet R.A.F. requirements (including therein training for the French squadrons serving with the R.A.F.).

7. The United Kingdom authorities appear to agree to the training of French personnel in Canada provided that allocation of trained pilots is made in accordance with requirements stated above. It should be noted that we have received no formal or detailed request from the French authorities in North Africa.⁷²

S. F. R[AE]

1440.

DEA/4929-G-40

*Mémoire du sous-secrétaire d'État adjoint aux Affaires extérieures
au sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Assistant Under-Secretary of State for External Affairs to
Under-Secretary of State for External Affairs*

[Ottawa,] September 28, 1943

I asked Major Bonneau this morning whether he was aware of any developments over the proposal made early in July that French aircrew should be trained in Canada under the Mutual Aid Plan. I made it clear to him that I did not want him to take the matter up with Algiers. He told me that Commandant Letu⁷³ had recently completed an elaborate report on the whole matter which he had submitted to General Béthouart with the suggestion that arrangements would be facilitated if he were to go to Algiers himself to discuss it. General Béthouart had agreed with this but Letu has not yet left. I added that we had not

⁷¹ La note suivante était écrite sur ce mémorandum: ⁷² The following note was written on the memorandum: M. Dupuy.

Has French Committee agreed to supply air trainees from North Africa for maintenance of French squadrons in R.A.F.?

⁷³ Attaché militaire et de l'Air, délégation du Comité français de libération nationale.

⁷³ Military and Air Attaché, Delegation of French Committee of National Liberation.

received much information about the arrangements for air training made with the United States and the United Kingdom. If these were of such a character as to look after the French supply of pilots and aircrew we would not feel in the least put out because our offer had not been acted upon. The offer, however, had been warmly welcomed when it was first made and indeed had been prompted by General Bouscat, the Chief of the French Air Force, and this was the reason why I was enquiring on the present status of the matter.⁷⁴

H. W[RONG]

1441.

DEA/2874-40

*Le secrétaire d'État aux Affaires extérieures au
délégué du Comité français de libération nationale*
*Secretary of State for External Affairs to Delegate
of French Committee of National Liberation*

Ottawa, November 2, 1943

Sir,

I have the honour to refer to the subject of recruitment in Canada for the forces of the French Committee of National Liberation, and to state that the Canadian Government is pleased to approve recruitment for and training of these forces in Canada subject to the following conditions:

- (1) All enlistments will be on a voluntary basis, and no person, whether of Canadian or foreign nationality, may be compelled to join the French forces.
- (2) Notices of liability for military service may be sent to French nationals, but as indicated in (1) above, no compulsive measures may be taken to enforce enlistment.
- (3) Canadian nationals and British subjects will be permitted to enlist in the French forces only if (a) they are naturalized British subjects whose former nationality was French, or (b) they are persons of dual nationality, possessing Canadian and French or British and French nationality.
- (4) No propaganda may be conducted by the French authorities to induce Canadians of former French nationality or persons of Canadian and French or British and French nationality to join the French forces. No notices may be sent to such persons, who may be enlisted only if they apply or appear personally before a Recruiting Officer of the French forces. The Canadian Government will, however, announce through the press that such persons may, if they so desire, enlist in the French Forces.
- (5) In no case may a Canadian national under nineteen years of age be enlisted in the French forces.

⁷⁴ La note suivante était écrite sur ce mémorandum:

⁷⁴ The following note was written on the memorandum:

Note. When seeing Bonneau I had not read Mr. de Carteret's letter of September 14th.† Perhaps we had better let the matter rest, as the Board have not followed it up. H. W[RONG]

(6) Transfers of Canadian naturalized ex-Frenchmen, and persons possessing Canadian and French nationality or British and French nationality, from the Canadian forces to the French forces, may be permitted, providing such individuals themselves desire to be so transferred, and providing the Commanding Officer of the applicant for transfer is prepared to agree that such action would not be detrimental to the Canadian war effort.

(7) Applicants for enlistment into the Canadian Army and Air Force who are French nationals (and not also Canadian nationals) will not be accepted for such enlistment until their cases have been referred to the French authorities.

(8) Although the Canadian Government will accept no responsibility, financial or otherwise, for the recruiting, training, organizing and equipping of the men enlisted in the French forces, the Canadian Government will, within the limits set down in Order in Council P.C.2/3869 of May 10, 1943, do all in its power to provide transportation, supplies, stores, equipment and services, it being understood that any expenditures thereby incurred shall be recoverable from the French Committee of National Liberation.

(9) The Canadian Government will accept no responsibility for pay and allowances, transportation costs, rations or quarters of the men enlisted for the French forces, nor for return transportation to Canada after hostilities cease or in the event of any of the men being discharged.

(10) It is understood that the French authorities will not accept for enlistment persons who are regarded by the Canadian Government as working in essential occupations.

(11) The Canadian Government will accept no responsibility for hospitalization or medical treatment while the men are serving in the French forces, or for pensions or other similar indemnity to those who may join the forces.

(12) While the Canadian Government is free of any responsibility as noted above, the forces organized and all members thereof must, subject to the provisions of the Foreign Forces Order, 1941, conform with Canadian law and regulations and Canadian authority, civil and military, relating to or controlling armed forces in Canada.

(13) It is understood that the French authorities will take steps to bring the foregoing matters to the attention of prospective recruits.

It would be appreciated if all correspondence concerning French forces in Canada were, if possible, channelled through you as the official representative in Canada of the French Committee of National Liberation:

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1442. DEA/2874-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-ministre de la Défense nationale (Armée)*

*Under-Secretary of State for External Affairs
to Deputy Minister of National Defence (Army)*

Ottawa, November 17, 1943

RE: INCLUSION OF FRENCH IN FOREIGN FORCES ORDER

Although the French Committee of National Liberation has not been recognized as the Government of France by Canada, on August 26, 1943, Canada accorded the Committee a degree of recognition which warrants inclusion of the Committee in the Foreign Forces Order as a Foreign Power. In my view, inclusion of the French in the Foreign Forces Order would clear up a situation which has been unsatisfactory for some time. The United Kingdom Government has already taken action in this matter, and has put the Forces of the French Committee on the same basis as the Forces of Yugoslavia, Belgium, etc., under the Allied Forces Order.

This question has been discussed with Commandant Bonneau, the representative of the French Committee of National Liberation, and he has been informed that it is our intention to include the French in the Foreign Forces Order.

It would be appropriate if the Recommendation to Council were made by the Minister of National Defence. I enclose two copies of a draft Order¹ for your consideration. If this draft meets with your approval, it is assumed that you will take the necessary steps to bring it before Council.

At the time this question was discussed with Commandant Bonneau, he was handed a copy of a Note dated November 2, 1943, (a copy of which is enclosed), setting forth the conditions of recruiting and training of a French Force in Canada. This Note incorporates all the provisions of our Notes sent to other Powers which are recruiting and training Forces in Canada.

J. E. READ
for the Under-Secretary of State
for External Affairs

1443.

DEA/2874-40

*Décret en Conseil
Order in Council*

P. C. 9492

Ottawa, December 14, 1943

WHEREAS Order in Council P. C. 2546 dated 15th April, 1941,¹ "The Foreign Forces Order, 1941" made provision for the discipline and internal administration of the Naval, Military and Air Forces of certain "foreign Powers",

which forces are carrying on training in Canada with the consent of the Canadian Government;

AND WHEREAS Section 2 (c) of the said Order provides as follows:—

“A foreign Power means any of the following — Belgium, the Czechoslovak Republic, the Netherlands, Norway, Poland — and any other Power which may be designated by Order of the Governor in Council as a “foreign Power” to which this Order shall apply”;

AND WHEREAS the Associate Minister of National Defence reports that it is deemed expedient that the French Committee of National Liberation be designated a “foreign Power” to which the “Foreign Forces Order, 1941” shall apply.

THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Associate Minister of National Defence and under the authority of the War Measures Act, Chapter 206 of the Revised Statutes of Canada, 1927, is pleased to designate and doth hereby designate the French Committee of National Liberation as a “foreign Power” to which the “Foreign Forces Order, 1941,” shall apply.

Certified to be a true copy.

A. D. P. HEENEY
Clerk of the Privy Council

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CHAPITRE IX/CHAPTER IX

RELATIONS BILATÉRALES
BILATERAL RELATIONS

PARTIE I/PART I
ARGENTINE/ARGENTINA

1444.

DEA/836-BG-39

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] May 9, 1942

CANADIAN POLICY ON EXPORTS TO ARGENTINA

At the end of February we asked the Legation in Washington to find out what policy the United States was adopting towards Argentine requests for munitions. The Legation reported that the United States was refusing requests for munitions and, while it was trying not to give the impression of imposing economic sanctions, it was letting Argentina be shorter of supplies of other commodities than the other American Republics. An official of the War Department bluntly stated that, since the policy of purchasing goodwill in the Argentine had not succeeded, it had now been decided to try to encourage better relations by a non-cooperative attitude.

At the beginning of April Mr. Duggan, Political Adviser of the Department of State and especially charged with Latin American Affairs, explained the United States policy frankly to Mr. Wrong. He said that the Argentine Military Mission, which had visited the United States at the beginning of the year, had been told that the United States did not propose to meet the Argentine requests unless the foreign policy of Argentina was changed from one of collaboration towards the Axis powers. As for civilian supplies, Mr. Duggan said that the policy of the United States Government was to provide Argentina with only the minimum quantities necessary to provide for national health and essential services such as transportation. They had, of course, found the task of determining the minimum of essential supplies difficult for they did not wish to give the Argentine Government ground for public agitation in Argentina to the effect that the United States was starving the Argentine people of their essential needs. Mr. Duggan said that experience had shown that the breach of relations with the Axis did, in fact, expose the Latin American countries to certain dangers such as attacks on their ships; therefore, as the United States had urged the

policy of diplomatic breach, they felt it incumbent on them to assist the countries which had adopted this policy to defend themselves.

The United States then formally asked us to cooperate with them in their policy towards Argentina, and pointed out that it would clearly not redound to the benefit of the United Nations or their allies if the deficiencies suffered by Argentina as a result of United States policy were fully compensated by the shipment of offsetting amounts of certain strategic materials from Canadian sources.

We replied assuring the United States Government that we are prepared to cooperate fully in the policy which the United States had set forth, and in response to an invitation by the United States to take part in discussions on specific commodities we sent Mr. Stone to Washington. Discussions on specific commodities are now proceeding satisfactorily.

Our Minister in Argentina reported on April 9 in answer to an enquiry from us that Argentine reaction had been adverse to the United States action in imposing veiled economic sanctions and had been favourable to the Argentine Government's policy of continued neutrality. The Minister in Rio, in response to a similar enquiry about opinion in Brazil on the subject, said that Brazilian censorship had prevented the newspapers in Brazil from making any comments on American-Argentine relations and more particularly about the measures which the United States had taken in the military and economic fields. He added:-

"These measures have caused no surprise in Brazilian quarters who, at the end of the Rio Conference and in view of the Argentine attitude, advocated such measures and even more rigorous ones, adding that these were the only means of bringing Argentina to reason. Argentine opinion having become still more suspicious towards Brazil since the Rio Conference, the Brazilian Government have been endeavouring to prevent anything being said in public or published which might be harmful to the relations between the two countries. Apart from that governmental attitude, there are, of course, free expressions of opinions and some will not conceal their satisfaction at the measures taken with a view to bringing down Argentina to terms. Officially, however, Brazilians never miss an opportunity to praise continental solidarity and point out their solidarity between their country and Argentina."

In view of these recent developments, you may wish to give Mr. Coldwell confidential information to supplement that contained in your letter to him of March 4. I enclose a draft letter to Mr. Coldwell.

1445. W.L.M.K./Vol. 353

Le ministre en Argentine au secrétaire d'État aux Affaires extérieures
Minister in Argentina to Secretary of State for External Affairs

TELEGRAM 5 Buenos Aires, January 21, 1943

In view of Chilean rupture with the Axis, I believe the policy of Washington as expressed through the United States Embassy here will be to exercise moral

pressure upon the Argentine Government by public statements and otherwise, at the risk of offending this Government and creating a hostile situation even to the point suggested in paragraph 17¹ of my despatch No. 14 of January 7th.[†] In view of this situation, would appreciate advice as to policy to be followed by us towards the Argentine on question of its relations with the Axis.

I gave statement to the press today, by request, text of which is in immediately following telegram.[†]

1446.

W.L.M.K./Vol. 353

Le secrétaire d'État aux Affaires extérieures au ministre en Argentine

Secretary of State for External Affairs to Minister in Argentina

TELEGRAM 5

Ottawa, January 25, 1943

SECRET. Your telegram No. 5, January 21. Argentina's position in the light of Chile's break with the Axis.

The line which the United Kingdom Government is taking with the press is that the United Kingdom welcomes Chile's action especially since Chile has thereby shown that she understands the true issues which are being fought out at such tremendous costs in money, material and human life; it is further being suggested to the press that in commenting on Chile's break they might appropriately refer to the regret of her many friends and well-wishers in Britain that Argentina which has long been regarded as having the closest relations of all Latin American countries with Great Britain (on whom she depends for so much of her economic prosperity and whom the practice of her neutrality so much injures, e.g. *Graf Spee*, internees, sinking of ships) should alone among the nations of the New World apparently fail to understand these issues and should persist in remaining in relations with the enemy powers.

I suggest that you should not seek opportunities to discuss this matter but that when it is raised you should take this general line, adding our regret that Argentina has separated herself from the other free nations of the hemisphere. The position of the remaining neutrals on the continent of Europe is not really analogous since if they broke off relations they would run immediate danger of invasion.

The statement you gave the press[†] was fully in accord with our policy. If the reference in the third paragraph of your statement to "internal situation" should be misinterpreted in Argentina to mean that we have any sympathy with Argentina's policy of neutrality please let me know immediately so we can consider whether a further word is needed to make the Canadian attitude clear.

The main thing to be avoided is that there should be any excuse given for Argentines to say that Great Britain, the United States and Canada are not united in their regret that Argentina continues to maintain relations with our common enemies.

[†]Rupture des relations diplomatiques.

[†]Severance of diplomatic relations.

1447. DEA/1607-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] June 4, 1943

The press cables received up to 2.30 indicate that the revolutionary coup d'état has been successful in Buenos Aires and that President Castillo has "transferred his seat of Government" to a warship. We have no information about the reaction from the rest of the country and very little information about the organization and leadership of the revolt. It is said to have been a military coup, under the leadership of General Ramírez, who, up to now, has been Minister of War in the Cabinet of President Castillo, to whose foreign policy he presumably subscribed. The crowds in the streets of Buenos Aires are celebrating the overthrow of the Government as a democratic victory, but it would be well, I think, to wait until we have direct official information about what has taken place before making any statement. I attach a memorandum from Mr. Soward¹ on the political background of today's events in Argentina.

1448. DEA/1607-40

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures²
au conseiller juridique*

*Memorandum from Assistant Under-Secretary of State for External Affairs²
to Legal Adviser*

[Ottawa,] June 7, 1943

I attach a copy of a telegram from the Dominions Office¹ relating to the revolution in Argentina.

In sending this down, the Under-Secretary suggested that it should be disposed of in consultation with you, and added that he thought we should "wait on American action". I agree with this, and propose to do nothing about the matter until the situation in Buenos Aires is a good deal clearer than it is now.³

¹H. L. Keenleyside.²La note suivante était écrite sur ce ³ The following note was written on the memorandum:

I agree. J. E. R[EAD]

1449.

DEA/1607-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] June 7, 1943

The news from Argentina continues to be very confused and General Rawson, first Provisional President after the revolution, has already resigned and been replaced by General Ramírez who was Minister of War in Castillo's Cabinet. The General first designated as Foreign Minister has resigned and has not yet been replaced.

Putting together the press despatches and the telegrams we have received from Turgeon it looks as though the popular Liberal opposition to Castillo which had supported the army coup and led to his overthrow had been ditched by the junta of generals now in power. There is no evidence yet as to the foreign policy which the new regime plans to pursue and some indications [it] may not be very different from that of Castillo.

All things considered I still think it would be advisable to defer making any statement until the situation is clearer.

1450.

DEA/1607-40

Le ministre en Argentine au secrétaire d'État aux Affaires extérieures

Minister in Argentina to Secretary of State for External Affairs

TELEGRAM 43

Buenos Aires, June 8, 1943

IMMEDIATE. My telegram No. 40.[†]

Note has just been received from the Minister for Foreign Affairs which informs me "as consequence of events which are publicly known General Pedro Ramirez has assumed provisional Presidency of the nation, appointing Rear-Admiral Saba Sueyro to fulfill the Vice-Presidency and" (here follows list of Ministers named in my telegram No. 40).

Note continues: "On this occasion I have to make known to Your Excellency the friendly intentions which animate the new Government for continuation of the good and traditional relations which this country maintains with the country which Your Excellency so worthily represents among us".

Note is signed by Storni, Minister for Foreign Affairs.

1451. BIVAEQ

DEA/1607-40

Le secrétaire d'État aux Affaires extérieures au ministre en Argentine
Secretary of State for External Affairs to Minister in Argentina

TELEGRAM 46

Ottawa, June 9, 1943

IMMEDIATE. Reference to your telegrams of June 8, 1943, Nos. 42¹, 43 and 44¹.
 New Government.

We have asked our Legation in Washington to discuss the Argentine situation with the State Department and hope to have an early indication of probable American policy.

Our present inclination is to postpone acknowledgement of the note which you have received from the new Foreign Minister but we are prepared to consider taking action parallel to that adopted by the United States. We assume that the United Kingdom will also be inclined to follow Washington's initiative in this matter.

Please keep in close touch with the United States Ambassador and with the British Embassy, but do not take any action in relation to the new government until further instructions are received. Please keep us constantly and immediately informed of any new developments and of any information received from diplomatic representatives, particularly those of the United States.

It would be of interest to know what action the Germans, Italians and Japanese have taken or are contemplating.

1452.

DEA/1607-40

Le ministre en Argentine au secrétaire d'État aux Affaires extérieures
Minister in Argentina to Secretary of State for External Affairs

TELEGRAM 48

Buenos Aires, June 10, 1943

MOST IMMEDIATE. Your telegram No. 46.

So far as can be learned, German, Italian and Japanese representatives have not yet communicated formal recognition of new Government. They are, however, making unofficial contacts with new Government leaders, thereby cultivating good personal relations while other countries delay. This explains desire of British Embassy to announce recognition promptly.

British and United States Ambassadors have just now received instructions, and will hand notes of recognition to Foreign Office tomorrow, Friday, noon.

1453.

DEA/1607-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] June 10, 1943

You will have seen from Turgeon's telegrams No. 46¹ and 47¹ of June 9th, that Brazil, Chile, Paraguay and Bolivia have already recognized the new Argentine administration. The other Governments with diplomatic representatives in Argentina propose to do so on Friday noon, (June 11th). Mr. Turgeon recommends that we should pursue the same course and asks authorization. If you agree, we will send him a telegram today, authorizing him to acknowledge the note he has received from the Argentine Foreign Office and to inform the Argentine Government of our recognition.⁴

1454.

DEA/1607-40

Le secrétaire d'État aux Affaires extérieures au ministre en Argentine
Secretary of State for External Affairs to Minister in Argentina

TELEGRAM 50

Ottawa, June 10, 1943

IMMEDIATE. Your telegram of June 8, 1943, No. 44¹ and other communications regarding recognition of the new government.

You are authorized to reply to the note which you received from the Argentine Foreign Office, informing the Foreign Minister that the Canadian Government recognizes the new Administration with which it hopes to continue the friendly relations which have always existed between our two Governments.

⁴ La note suivante était écrite sur ce mémorandum: ⁴ The following note was written on the memorandum:

PARTIE 2/PART 2
BELGIQUE/BELGIUM

1455.

W.L.M.K./Vol. 235

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] October 25, 1943

Monsieur Spaak, the Belgian Foreign Minister, is going to head the Belgian representation at the first meeting of the Relief Council which opens at Atlantic City on November 10th. The Belgian Minister has informed us that M. Spaak hopes to leave London about October 30th by plane and to go direct to Washington and then to Atlantic City. He is expected to remain on this continent until the Relief Council concludes its meeting early in December.

Silvercrucys has heard from M. Spaak that if he can get away from the Atlantic City meeting he would like to pay a brief visit to Ottawa, probably during the latter half of November. I gather that he particularly wishes to discuss plans for international organization in the light of your speech in the House of Commons on July 9th which interested him greatly. Silvercrucys says that Spaak would not want to pay a formal visit but merely to come here for discussions with you and with officers of External Affairs on questions of international organization, not accompanied by speeches or official functions.

I think that it might be useful to take this chance of going over these matters with Spaak as a leader of one of the more important smaller countries. Silvercrucys was diffident about suggesting any addition to the long list of important visitors from abroad whom we have entertained in 1943. Spaak, however, comes within the category of those whose visits may contribute directly to the prosecution of the war and the planning of peace.⁵

N. A. R[OBERTSON]

⁵ Les notes suivantes étaient écrites sur ce mémorandum:

⁵ The following notes were written on the memorandum:

O.K. W. L. M[ACKENZIE] K[ING]

I do not assume (?) he should be invited to come but it would be well to let Silvercrucys know Spaak would always be welcome. W. L. M[ACKENZIE] K[ING]

1456.

W.L.M.K./Vol. 235

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] November 22, 1943

I sent you a note some time ago saying that M. Spaak, the Belgian Foreign Minister who has been heading their delegation at the Relief Council, would like to visit Canada unofficially before he went back to London. Baron Silvercruys has let me know today that M. Spaak has suggested to him a stay of a couple of days in Ottawa around the 6th, 7th and 8th of December on his way back by air to England. He referred again to M. Spaak's desire that there should be no formality and no official entertainment during his visit. M. Spaak wishes an opportunity of discussing a number of matters with you and some of your advisers. I think that it would be useful to see him and to try to find out the general line which the Belgian Government is likely to take on matters of mutual interest concerning the post-war settlement.

M. Spaak is anxious to make definite plans and would, therefore, like to receive as soon as possible some intimation whether the proposed dates for the visit are acceptable from our point of view. He is a youngish man of vigorous personality and it is quite likely that he will exert considerable political influence in Belgium for a good many years. I think, therefore, that he should be encouraged to come.⁶

N. A. R[OBERTSON]

1457.

W.L.M.K./Vol. 235

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 10, 1943

The Belgian Foreign Minister, M. Spaak, was in Ottawa on Wednesday and Thursday, and is leaving this morning by bomber for the United Kingdom. He very much appreciated the opportunity he had to talk with you in Washington.

While here he lunched at Government House, and was the guest of honour at a large men's dinner at the Belgian Legation. We had a small luncheon for him

⁶ Les notes suivantes étaient écrites sur ce mémorandum:

⁶ The following notes were written on the memorandum:

Robertson. Please speak to me again of this. K[ING]

Noted

at the Château yesterday, where he met Atherton, Malcolm MacDonald, Boissevain, the Dutch Chargé d'Affaires, and a number of our people particularly concerned with questions of commercial policy, which he wished to discuss. I am attaching copy of a note of our conversation with Spaak and Silvercruys on questions of international commercial policy.¹ The negotiations for a customs union between Belgium and the Netherlands, which are now well advanced, should lead to important results, and strengthen the forces which are working for freer trade in western Europe.

I am also enclosing copy of a note which M. Spaak left with me when he raised the question of an exchange of Embassies between Canada and Belgium.² I told him I had discussed this question with you before your departure, and was authorized to say that his proposal was cordially welcomed by the Canadian Government. He had hoped that the announcement of our intention to exchange Embassies could be given out during his visit to Canada, but I explained the procedure under which the submission had to go forward to the King for his approval. This would inevitably involve a few days delay. As in the case of the other countries with which we were exchanging Embassies, the rise in rank of a particular mission would date from the presentation of the Ambassador's credentials. It would, therefore, be possible for the Belgians to accredit Silvercruys as Ambassador here without waiting until we are in a position to name a new Ambassador to the Allied Governments in the United Kingdom.⁷

N. A. R[OBERTSON]

PARTIE 3/PART 3
BRÉSIL/BRAZIL

1458.

DEA/4035-40

*Le sous-secrétaire d'État aux Affaires extérieures
au ministre au Brésil*

*Under-Secretary of State for External Affairs
to Minister in Brazil*

SECRET AND PERSONAL

Ottawa, July 7, 1942

Dear Mr. Désy,

I appreciate very much the care which you have taken since your arrival in Brazil to keep us fully informed about the relations between the British and the United States embassies and communities in Brazil. So far as Canada is concerned, this is clearly one of the most important aspects of the current Brazilian scene. Your despatches on the subject have been extremely interesting and illuminating.

¹Voir le document 124, note 62.

²See Document 124, footnote 62.

We have read with particular care your despatch No. 103 of April 9th^t and your telegram No. 80 of April 29th^t concerning black list policy in Brazil, as well as your despatches Nos. 124 of April 24th^t, 146 of May 6th^t, 145 of May 14th^t, 161 of May 26th^t, and 166 of May 27th^t. The picture painted in these communications of apparently increasing tension between the British and the United States embassies and communities in Brazil is disturbing.

The existence of this tension must frequently place you in a difficult position. This is fully realized in the Department, and I do not want to add to your difficulties and embarrassments by trying to suggest a precise course of action to you from this distance and without first-hand and full knowledge of the local situation. What I do want to do, however, is to let you know that we realize that you have been given a difficult assignment; one which calls for a good deal of patience and tact if you are to meet with success in your efforts to establish better relations between the British and the United States officials and communities in Brazil. If you do make some progress in this task you will have justified the establishment in war-time of a Canadian diplomatic mission in Brazil.

In the rest of this letter I shall try to make some observations which I hope you may find useful: first, on the British Ambassador's telegram of April 24th on black-listing; secondly, on the general and basic question of what are Canada's national interests in Brazil; thirdly, on the measures which might be taken to promote the establishment and maintenance of good relations in Brazil between the United Kingdom and the United States.

So far as the specific problems about black-listing are concerned, there is, I think, no action which we can usefully take at the present time either in Ottawa, London or in Washington. I did, however, make our general attitude clear to Mr. James Currie of the British Embassy in Rio when he was in Ottawa and, from what he said, I am hopeful that the major cause for disagreement will shortly be removed by the United Kingdom leaving to the United States the final responsibility for determining the common policy on black-listing in Brazil.

I note that you sent me a summary of the British Ambassador's telegram of April 24th^t without any comments of your own. I should be grateful if you would, at your convenience, send me your comments on the telegram and on the issues which it raises. I hope that you will continue to send us summaries of important telegrams to the Foreign Office which the British Ambassador is good enough to show to you, and that you will feel free to add your own comments.

Your comments, both general and on any aspects that involve Canadian interests, would be useful in giving us an adequate appreciation of the situation under discussion. For example, the British Ambassador's telegram summarized in your telegram of April 29th was, in certain respects, a little puzzling. I should have thought that it would not be news to the Foreign Office that both the United States and Brazil consider the United States as the senior partner in Latin America of the alliance of the United Nations. It seems to me clear that the Foreign Office has for a year or more recognized that on the United States rests the major share of responsibility for bringing Latin America into line with the powers at war with the Axis.

One thing that puzzled me in the Ambassador's telegram was his loose use of the word "Americans" and "United States". It is not always possible to distinguish when he is using the word "Americans" to mean United States business men and other private United States citizens and when he is using it to mean officials of the United States Government; and whether, when it is used of officials, the Ambassador implies that they are acting without instructions from Washington, in accordance with instructions from Washington, or contrary to instructions from Washington. What, for instance, does he mean when he refers to the "United States intention to undermine" the British position in Brazil? Any light which you could throw on these points would be welcome. (You will have noted the opinion of our legation in Washington that "the difficulties in Rio arise more out of the personality of the United States Ambassador than they do out of any instructions sent from Washington by the State Department". Despatch No. 1374 of June 5th, sent to you on June 8th).

Your despatches and letters indicate clearly that Canada's role in Latin America is not an easy one, especially if the two countries — Great Britain and the United States — with which we are most closely associated should get seriously out of step. In view of the difficulties of our task in Latin America during the next few years, it may be time for us to try to formulate a statement of policy covering the principal national interests of Canada in Brazil. As a tentative basis for discussion I suggest the following, and I should appreciate your suggestions for revision:

(1) *Immediate and direct national interests:*

- (i) The fostering of cordial relations with the Brazilian Government.
- (ii) The maintenance of good relations in Brazil between the United Kingdom and the United States.
- (iii) The adoption by Brazil of measures and policies which will contribute most effectively to the defeat of the Axis.
- (iv) The protection of Canadian nationals in Brazil.

(2) *More remote or less pressing interests:*

- (i) A general political and economic interest in supporting efforts by the United States to bring political and economic stability and prosperity to Latin America. Latin America needs the assistance of a strongly industrialized, democratic and wealthy nation in order that it may itself become better organized, more industrialized and more democratic. The only nation which can give Latin America this assistance is the United States. The better organized and the more industrialized Latin America becomes the more effective will be the contribution which Latin America can make to the peace, prosperity and civilization of the world and of Canada.
- (ii) A special economic interest in securing for ourselves a position of equality of commercial opportunity with the United States in accordance with the traditional doctrines of the Department of State in Washington so that we may expand our trade to the mutual benefit of Canada and Brazil.
- (iii) The creation of friendly feelings towards Canada in Brazil and of respect for Canada in Brazil.
- (iv) The protection of Canadian investments in Brazil.

Perhaps the most contentious point in this statement is that it is not in Canada's interest to oppose the growing economic power of the United States in Brazil. It may well be in the interest of the United Kingdom to oppose that process. That is for the United Kingdom to decide, but there is, so far as I can see, no indication of an impelling national interest which would require Canada to take the initiative in seeking trouble with the United States by opposing its efforts, so long as the United States Government adheres to its present principles of international commercial policy.

Your reports show very definitely that a basic Canadian interest in Brazil at the present time is to prevent Brazil from becoming a sore spot in United Kingdom-United States relations. Obviously, what is necessary in the long run is a resolving of differences between the two countries in Brazil. That may require major decisions on policy which can be taken only by the governments in London and Washington. In the short run, however, the best remedy is the establishment of friendly and intimate personal relations between the British and United States Ambassadors and their staffs. From what you have said and left unsaid clearly the chief obstacle at the present time to the establishment of such relations is the attitude adopted by the United States Ambassador. From other sources I have heard that he has become recently a difficult man to get on with, that his excellent reputation has gone to his head, and that he has become somewhat overbearing. Nevertheless, this, even if true, does not constitute an insuperable obstacle to the establishment by the British Ambassador of friendly personal relations with him.

In any event, even if an approach to friendly relations with the United States Embassy through the United States Ambassador is difficult, it should be both easy and pleasant to make the approach through Mr. John Farr Simmons⁸ who is not only a good friend to Canada, but an intelligent and conscientious foreign service officer, no anglophobe and, as you say, disturbed by the bad relations between the British and United States communities in Brazil. If Mr. Simmons and the British Ambassador could become good friends, this should help to settle some of the immediate outstanding differences between Great Britain and the United States in Brazil in spite of the efforts of the Axis.

I suppose one difficulty is that some officials of the Government of Brazil may be tempted to play the Axis game, not consciously but unconsciously. Brazilian statesmen naturally do not want Brazil to come too much under the domination of the United States, and Brazil cannot at the present time play Germany off against the United States. The only country Brazil can play off against the United States is the United Kingdom, and, to a lesser extent, Canada. Excessive zeal in playing this game might lead to attempts on the part of some Brazilian officials to stir up dissension between the United States and the United Kingdom, for example by assuming as good friends of one party the unpleasant task of repeating to members of the staff of its embassy uncomplimentary statements

⁸ Conseiller, ambassade des États-Unis au Brésil.

⁸ Counsellor, Embassy of United States in Brazil.

supposed to have been made by representatives or nationals of the other party. The only feasible method of effectively dealing with such tactics would appear to be some informal agreement by the staffs of the two embassies to report to each other on such mischief-making, and to make it clear to their informants that they were certain that there was some misunderstanding as to the offending statement, which was contrary to the fixed policy of the United States (or United Kingdom) Government to cooperate fully with the United Kingdom (or United States) Government. If the two Ambassadors were to make it crystal clear that there is no use trying to drive a wedge between them, such attempts may be given up at least for the duration of the war.

We do not presume to suggest to you the ways and means by which you can help both to establish more friendly relations between the British and United States embassies and also to foil any efforts which conscious or unconscious Axis agents may take to drive a wedge between them and between the countries they represent in Brazil. That is a matter on which you are alone competent to decide in the light of your knowledge of the local situation and of the personalities involved. I can assure you, however, that we recognize here the urgent necessity from the point of view of the national interests of Canada of your doing whatever lies in your power. It is clear, of course, from your report that you are fully aware of this need, but it may help you to know that you have our warm support.

I shall look forward to hearing from you further on this matter.

With all best wishes,

Yours sincerely,

N. A. ROBERTSON

1459.

W.L.M.K./Vol. 266

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] November 22, 1943

I spoke to Turnbull⁹ today about the possibility of your seeing Jean Désy tomorrow (Tuesday). He has completed his consultations with the Departments in Ottawa, has had three operations which might have been serious but fortunately proved not to be, while in Montreal for medical treatment has raised \$15,000 from private firms and individuals to help finance cultural exchanges between Canada and Latin American countries, and generally has put in a very busy and useful three weeks in Canada. He hopes to leave Ottawa on Tuesday and Canada on Friday. He is particularly anxious to secure approval, while he is here, of a draft exchange of notes with the Brazilian Government which would provide a basis for the assistance they are prepared to extend to plans for mak-

⁹Secrétaire principal du Premier ministre.

⁹Principal Secretary to the Prime Minister.

ing Canadian literature, art and culture generally better known in Brazil. The draft agreement, as revised¹, seems to me quite innocuous and could, I think, be approved.¹⁰

N. A. R[OBERTSON]

PARTIE 4/PART 4
CHILI/CHILE

1460.

DEA/1387-40

Le ministre au Chili au secrétaire d'État aux Affaires extérieures
Minister in Chile to Secretary of State for External Affairs

TELEGRAM

Santiago, January 21, 1942

Señor Riveros, Minister of Commerce, asks me to cable you requesting on his behalf that arrangements be made for Chile to purchase in Canada by means of sterling instead of dollars. Expect to have £2,500,000 available between now and June 30th, proceeds of goods shipped Great Britain. Chile requires from Canada glass, automobiles, trucks, tires, iron, chemical products, yarns, machinery, cellulose, worsted etc.

TURGEON

1461.

DEA/1387-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur de Grande-Bretagne au Chili
Secretary of State for External Affairs
to Ambassador of Great Britain in Chile

TELEGRAM

Ottawa, January 27, 1942

Following for Turgeon, Begins: Your unnumbered telegram January 21 request of Minister of Commerce. Please inform Minister of Commerce that Canadian Government is most anxious to increase trade between Canada and Chile. It regrets, however, that it cannot accept the proposal put forward by the Minister of Commerce. As you are aware the supply of large quantities of war materials by Canada to the United Kingdom has resulted in Canada accumulating large sterling balances and we could not contemplate adding to these balances by supplying goods to Chile, or to any other country outside the sterling area, in return for sterling. Many of the goods mentioned in your telegram are now in short supply and we have difficulty in granting export permits owing to our need to conserve materials for the manufacture of war supplies.

¹⁰ La note suivante était écrite sur ce mémorandum:

¹⁰ The following note was written on the memorandum:

O.K. W. L. M[ACKENZIE] K[ING]

1462. DE A/2727-E-40

Le ministre du Chili au secrétaire d'État aux Affaires extérieures
Minister of Chile to Secretary of State for External Affairs

No. 314

Ottawa, September 13, 1943

Sir,

I have the honor of making known to your Government that the Government of Chile, desirous of giving fuller expression to the excellent relations existent between both our countries, have authorised me to enter into negotiations with you regarding the possibility of reaching a Cultural Agreement to supplement our Treaty for mutual Trade and Commerce, now awaiting ratification.

My Government find a cultural *rapprochement* with Canada to their interest since Canada has won deserved renown through her scientific and intellectual achievements and through her Institutes of academic research and education, and they further feel that our own efforts to better our corresponding institutions and their organisation and accomplishments, may be of interest to Canadians.

I fully understand that Canada's state of war negates full execution of the provisions of such a Treaty, as it likewise affects the Commercial Treaty, but, in my opinion, a Declaration of common determination to further the aims of these Treaties by both our Governments, would lay the basis of complete cooperation in the post-war world.

Should your Government share the views of my own, and agree in effecting this projected Cultural Agreement, it would, in my opinion, be most opportune that the mentioned Agreement be signed during the visit of the Hon. Joaquin Fernandez Fernandez, Minister of Foreign Relations of Chile, to Ottawa. The expression of mutual desire on the part of both Governments, to ratify both Treaties, would redound not only to their benefit in Chile, and also, I believe, in Canada, but would be an event of major significance to the other nations of the American hemispheres.

I take the liberty of herewith enclosing the project of the Cultural Treaty, of which I have made mention, and in which an attempt has been made to solve basic needs in a practical manner, and I take the liberty of requesting that you give it your attention.

May I, in concluding, assure you of my deepest consideration, and highest esteem.

I am etc

EDUARDO GROVE

1463. DE A/2727-E-40

*Mé morandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] September 14, 1943

When the Chilean Minister called this morning he left with me the attached note No. 314 of September 13, proposing the conclusion of a Cultural Agreement between Canada and Chile. I told him that the Canadian Government had every sympathy with efforts to facilitate the interchange of students and teachers between Canada and Latin America, and welcomed plans for the exchange of educational films; and would be glad if opportunity offered to see that representative Canadian publications found their places in the national university libraries of the countries of Latin America. We were not, however, in a position to conclude any formal intergovernmental agreement on the subject of intellectual cooperation. I explained to him that education was particularly the responsibility of the provinces and that the Dominion Government was not in a position directly to finance or facilitate exchange arrangements between universities of Canada and other countries, and that we could not make an agreement in this field without trespassing on provincial rights and susceptibilities. I told him, confidentially, that the Brazilian Government had recently approached us with a similar object in mind and that we regretted very much we had not been able to meet their wishes. I was sure, however, that his Government's interest and initiative in these questions would be reciprocated in Canada and that the Canadian Government took a benevolent interest in all efforts to bring about a closer understanding between Canada and the countries of Latin America.

1464. DE A/1387-40

Le secrétaire d'État aux Affaires extérieures au ministre au Chili
Secretary of State for External Affairs to Minister in Chile

TELEGRAM 91

Ottawa, September 29, 1943

Following signature of commercial treaty¹¹ this afternoon, the Chilean Foreign Minister announced that he was conferring the Grand Cross of the Chilean Order of Merit on the Canadian Prime Minister and the Minister of Trade and Commerce and that lower grades of the same order would be awarded to other Canadian officials. Rather than create difficulties in the presence of a number of witnesses including publicists, the Prime Minister allowed it to be assumed that the decorations would be accepted intending to straighten the matter out later.

¹¹ Voir Canada, *Recueil des traités*, 1941, N° 16.

¹¹ See Canada, *Treaty Series*, 1941, No. 16.

At a press conference held shortly after the ceremony of the signing of the treaty, the Chilean Foreign Minister announced that the awards were being made.

We have asked the press to refrain from mentioning this matter and the Prime Minister hopes tonight to have an opportunity to explain the Canadian policy in such affairs to the Chilean Foreign Minister and to ask him to withdraw the awards.

I shall give you a further report later.

1465.

DEA/1387-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

CONFIDENTIAL

[Ottawa,] September 30, 1943

In view of the unforeseen developments at the exchange of ratifications with the Chilean government yesterday, it may be useful to place the following information on record:

1. No intimation had been given to the department in advance that the Chilean government had proposed to confer decorations on the Prime Minister and the Minister of Trade and Commerce.

2. In his press conference the Foreign Minister of Chile made the suggestion that Canada and Chile should conclude a cultural treaty. Such a proposal had previously been placed before Mr. Robertson by the Chilean Minister to Canada and had been politely declined. A memorandum to that effect was sent to the Prime Minister on September 14.

3. Before the Chilean Foreign Minister arrived in Ottawa, the First Secretary of the Chilean Legation visited the department with the request that he should be informed in advance of the general line that would be taken in the speeches given by the Prime Minister and others at the two luncheons and dinner in honour of the Chilean Foreign Minister. He explained that Dr. Fernandez was anxious not to be taken by surprise by any unexpected comments from a Canadian public spokesman!

1466.

DEA/5559-40

*Mémorandum du ministre du Chili au secrétaire d'État
aux Affaires extérieures*

*Memorandum from Minister of Chile to Secretary of State
for External Affairs*

Ottawa, October 25, 1943

AUTHORIZATION BY THE GOVERNMENT OF CANADA FOR THE CHANGE IN
FLAG OF A PETROLEUM SHIP TO BE ACQUIRED BY CHILE.

1. *Present situation in the distribution of petroleum and gasoline in Chile.*

Chile is not a producer of petroleum; she depends for her needs upon a quota set by the International Petroleum Cartel which is transported from the port of Talara (Peru) to the ports of Northern Chile, Valparaíso, and San Antonio in tankers belonging to the Standard Oil Co. These tankers cannot proceed any further south.

2. *Distribution of these products within the country.*

By an agreement between the Standard Oil Co. and the Compañía de Petróleos de Chile (COPEC), petroleum and gasoline used to be distributed in Southern Chile by Chilean cargo vessels. These products were packed in galvanized iron drums, but because of the war, these drums are becoming scarcer every day. This has brought on a crisis in the distribution of petroleum in the southerly and extreme southern zones of Chile where they are vitally needed in industry (the production of coal, wool, meat, etc.). These zones have no means of communication with the rest of the country. By sea, the distance from Valparaíso to the Straits of Magellan is 1500 miles.

3. *Purchase of a tanker in Canada.*

The Standard Oil Co. is unable to solve the problem because it cannot furnish any ampler means of transportation. In view of this situation which is seriously compromising the economic life of Chile, COPEC (Compañía de Petróleos de Chile) has tried to find a tanker of small tonnage capable of performing this essential service of distribution. After prolonged search, a small tanker (of 18,000 bbl. capacity) has been found here in Canada; it has been used up till now in the transportation of petroleum from the Great Lakes region to Montreal. However, because of the freeze-up on the waterways during winter, it would be tied up for that period. This boat belongs to a Montreal firm which has reached an agreement to sell the vessel to COPEC for \$375,000. The sale naturally falls under the jurisdiction of the Canadian government insofar as it involves a change of flag.

4. *National interest in the aforesaid purchase.*

The government of Chile has given me precise and urgent instructions to the effect that I should inform the Canadian government that Chile considers this commercial transaction to be in the national interest, and requests the Canadian government to permit the change of the boat's flag.

5. *Antecedents.*

As an antecedent to this request, I must draw your attention to the fact that the government of Chile authorized the sale of her three best motorships so that they could be turned into troop transports for the United Nations. The ships, having an average speed of 18 knots, were built in Europe in 1937, and will now accommodate 4,000 men each. Chile received in exchange four vessels (Liberty-type ships) which have helped augment the transportation of raw materials to the United States; however, their cargo capacity is still inadequate. This matter is brought up here as proof of Chile's good faith towards the United Nations and her firm resolve to contribute both in production and in transportation to the common cause.

EDUARDO GROVE

1467.

DEA/5559-40

Le secrétaire d'État aux Affaires extérieures au ministre du Chile
Secretary of State for External Affairs to Minister of Chile

No. 42

Ottawa, October 29, 1943

CONFIDENTIAL

Sir,

I have the honour to refer to your memorandum respecting the question of whether or not authorization could be granted for the sale of a Canadian tanker, the S.S. *Itororo* with transfer of registry to Chile.

Applications for permission to sell the S.S. *Itororo* were made to the Canadian Shipping Board, once, in the spring of 1942, when a United States company desired to purchase the ship, and, again, earlier in the present month, when the nationality of the purchasing line was not known. In both cases the Board felt that it would not be justified in recommending that the necessary authorization by the Minister of Transport should be granted.

Careful consideration has been given to the representations you have made and, in view of the interest of your Government in the matter, a further survey has been made of the existing shipping situation, particularly tanker capacity and the ships scheduled for delivery from the yards, on the one hand, as compared with the imperative demands which have to be filled, on the other. From our examination of the situation, in the light of most recent information, it is clear that the demand for tankers of this class is so great that the Canadian Government would not be justified in permitting the sale of the ship under present conditions. I greatly regret that circumstances do not make it possible to give a more favourable answer to your enquiry but conditions, as I am sure you will appreciate, do not leave us any alternative in the matter.

Accept etc.

N. A. ROBERTSON
 for the Secretary of State
 for External Affairs

1468.

DEA/5559-40

Le ministre du Chili au secrétaire d'État aux Affaires extérieures
Minister of Chile to Secretary of State for External Affairs

No. 384

Ottawa, November 16, 1943

Sir,

I have the honour to acknowledge your confidential note No. 42 of the 29th of October pertaining to the transfer of the tanker *Itororo*, the contents of which have been made known to my Government.

I have just received a communication in which my Government emphasizes the acuteness of the gasoline transport situation in Chile and begs me to represent to you the urgent interest of my Government in achieving a successful resolution of this problem, relying on the traditional goodwill of the Canadian Government towards Chile.

May I etc.

EDUARDO GROVE

1469.

DEA/5559-40

Le secrétaire d'État aux Affaires extérieures au ministre du Chili
Secretary of State for External Affairs to Minister of Chile

No. 45

Ottawa, November 17, 1943

Sir,

I have the honour to acknowledge the receipt of your communication No. 384 of November 16th with further reference to the transfer of the tanker *Itororo*.

In view of the renewed and urgent representations which you have made, the question of the sale of the *Itororo*, with transfer to Chilean registry, has been again examined by the competent authorities of the Canadian Government and I have great pleasure in informing you that it has been decided to meet your request and permit the sale of the ship with transfer to Chilean registry. I trust that the early arrival of the ship in Chilean waters will enable the Chilean authorities to solve the crisis in the distribution of petroleum in the extreme southern zones of Chile where it is so vitally needed.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1470. 221/ABC

DEA/5559-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] November 18, 1943

You will be glad to know that the Shipping Board, after further consultations with the Oil Controller, has decided to approve the sale of the tanker *Itororo* to the Chilean Government. I gave this information to Dr. Grove yesterday, and told him that you and Mr. MacKinnon had both been very anxious that anything that could be done by Canada to help Chile at this time should be done. He was most grateful, and said that the acquisition of this small tanker at this time meant a great deal more to his country than we could imagine. For him it was the highest point reached thus far in his diplomatic career.

1471.

DEA/5559-40

Mémorandum du sous-secrétaire d'État aux Affaires extérieures

Memorandum by Under-Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa,] November 29, 1943

Sir Patrick Duff telephoned me on Friday evening to say that Earncliffe had received a preliminary message from the Dominions Office indicating that the United Kingdom Government were worried about the transfer of the *Itororo* to Chilean registry, and asked if the ship had already left Canadian waters. I told him I thought she had, but would make enquiries. On Saturday evening Mr. Garner of the United Kingdom High Commissioner's Office called to read me a further message on the subject which they had received from the United Kingdom Government. They anticipated an acute shortage of small tankers in the spring, and would be very glad to have the *Itororo* themselves if the ship was in fact surplus to Canadian requirements. They were disturbed about her transfer from a war zone to Chilean service, and strongly urged the Canadian Government to cancel the sale if this were in any way possible.

I had had a word with the Prime Minister after receiving Sir Patrick Duff's message, and told Garner that, according to our information, the *Itororo* was out of Canadian waters and on her way to New Orleans, where she was to be handed over to a Chilean crew. In the circumstances, I did not see how the Canadian Government could possibly reverse its position. He asked me if he could transmit this as a definite reply to their representations, and I said that he could.

PARTIE 5/PART 5
CHINE/CHINA

1472.

DEA/3630-40

*Le haut commissaire de Grande-Bretagne au sous-secrétaire d'État
aux Affaires extérieures*

*High Commissioner of Great Britain to Under-Secretary of State
for External Affairs*

516J/66

Ottawa, February 26, 1942

IMMEDIATE AND SECRET

Dear Mr. Robertson,

May I invite reference to my letter of the 24th February¹ and previous correspondence about the proposed Order in Council regarding extraterritorial jurisdiction over British subjects in Occupied China. When the latter Order in Council is made, it will be necessary for a second Order to be made providing for the exercise of extraterritorial jurisdiction in Free China. Occupied China includes all areas where large numbers of British subjects and commercial enterprises are, and Shanghai, seat of the Supreme Court. The present judges and Crown Advocate are under detention in Japanese hands. In Free China the number of British subjects and commercial enterprises is small and a less elaborate organization is necessary.

The draft Order which has been prepared provides that judges of the Supreme Court may be either qualified lawyers or consular officers. Consular officers will probably be appointed judges in the first place but the question whether professional judges must be sent out is being considered. The full court, which under the existing Orders is composed of judges from Hong Kong or elsewhere, sits with the judge of the China court and hears appeals from the China court, must be abolished. The China Supreme Court will hear appeals from provincial courts and appeals from the Supreme Court can only go to the Privy Council. Juries are to be abolished and assessors substituted. The power to impose the death penalty and to pronounce dissolution or nullity of marriage is taken away. Provision is made for the removal from China of registered offices of British companies registered at Shanghai under Hong Kong law, and all articles dealing with these British China companies are suspended. To effect the above mentioned changes a number of provisions of the China Order, 1925, are suspended and temporary provisions substituted therefor. The Ambassador is given power to certify at any time what areas must be considered as Free China and therefore subject to Court.

For the issue of such an Order the consent of the Dominions will, of course, be required, and subject to their agreement, the United Kingdom Government would propose the inclusion in the preamble of a recital on the same lines as that suggested in my letter to you under reference. You will observe that a similar suggestion is being made as regards the proposed Order relating to extraterritorial jurisdiction in Ethiopia about which I am writing to you separately to-day.¹

The United Kingdom Government hope that it may be possible to make the proposed Order relating to Free China at a Privy Council meeting to be held on Thursday, the 5th March, and they would accordingly be grateful to learn at the earliest possible moment whether the Canadian Government concur in the proposals outlined above. Meanwhile, the other United Kingdom High Commissioners are approaching similarly the other Dominion Governments concerned.

Yours sincerely,

MALCOLM MACDONALD

1473.

W.L.M.K./Vol. 327

*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire de Grande-Bretagne*

*Under-Secretary of State for External Affairs
to High Commissioner of Great Britain*

IMMEDIATE AND SECRET

Ottawa, February 28, 1942

Dear Mr. MacDonald,

I beg to acknowledge the receipt of your letter (516J/66) of 26th February 1942 regarding proposed Orders-in-Council concerning extraterritorial jurisdiction over British subjects in China.

It is noted that when the Order regarding Occupied China is made, it will be necessary for a second Order — outlined in your letter — to be passed providing for the exercise of extraterritorial jurisdiction in Free China, and that, in this Order, it is proposed to include a recital setting forth the consent of the Governments interested.

I am inclined to think that it would be unwise to proceed with this matter without the most careful consideration. It would be impossible to deal with the question in time to enable action to be taken next week, and it would, of course, be impossible to proceed without the concurrence of the Canadian Government.

It would be greatly appreciated if you could ascertain the views of your Government upon certain aspects of this question which gave us immediate concern.

China has just established a diplomatic mission in Canada, and we are reluctant to take part in action which might be regarded as a reflection upon the Chinese Government. It is not clear whether the United Kingdom authorities have ascertained that there would be no possibility of any objection, either tacit or expressed, on the part of the Chinese Government.

The taking of action of this sort, even if it is taken with the approval of the Chinese Government, might be open to misconstruction. I do not know whether your Government has considered fully the effect upon world opinion of doing this immediately after the conclusion of General Chiang's helpful mission in India.

Some concern is also felt with regard to the effect upon general world opinion and upon opinion in this country. There is a general impression that the united nations are committed to a post-war world in which extraterritorial jurisdiction of this sort would not exist. It would undoubtedly disturb this impression if an Order in Council were put through next week which appeared to fasten this system upon free China.

Some concern is also felt with regard to the use which might be made of the proposed Order in Council by enemy propaganda. It is thought that, apart from its merits, it might offer too great an advantage to Dr. Goebbels.

I have offered these suggestions not as indicating any definite opinion held in this country, but merely to raise the points for the purpose of ascertaining the views of your Government.

Yours sincerely,

N. A. ROBERTSON

1474.

W.L.M.K./Vol. 327

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] February 28, 1942

Attached is a copy of a letter I have sent today to the United Kingdom High Commissioner as an interim reply to his enquiry whether Canada is ready to be associated with a new amendment to the China Order-in-Council, reaffirming British extraterritorial jurisdiction in Free China. It seemed to me neither timely nor appropriate to reassert, at this juncture¹², a claim to jurisdiction in Free China which, for all practical purposes, is unlikely to be exercised in any important degree but which could be very easily construed by enemy propagandists as evidence that the Commonwealth countries were not in earnest in their promise to reconsider their position on the extraterritoriality question after the war.

N. A. R[OBERTSON]

¹² Note marginale:

¹² Marginal note:

I agree.

1475. DEA/3630-40

*Le secrétaire principal, le haut commissariat de Grande-Bretagne,
au sous-secrétaire d'État aux Affaires extérieures*

*Senior Secretary, High Commission of Great Britain,
to Under-Secretary of State for External Affairs*

516J/66 Ottawa, March 3, 1942

SECRET

Dear Mr. Robertson,

I am writing in reply to your letter of the 28th February to let you know that your comments on the proposal to pass an Order-in-Council concerning extra-territorial jurisdiction over British subjects in Free China were duly telegraphed to the Dominions Office on the 1st March.

The High Commissioner has now received a reply stating that the comments of the United Kingdom authorities on your observations will be sent as soon as possible, but that meanwhile it is not proposed to present to the Privy Council this week the draft Order relating to Free China.

It may be assumed, however, that the proposed Orders-in-Council relating to occupied China and to Ethiopia (see your letter file 927-34C of the 28th February) will be passed by the Privy Council at their meeting on Thursday the 5th March, with the inclusion of the recital set out in the third paragraph of the High Commissioner's letter of the 24th February.¹

Yours sincerely,

IAN MACLENNAN

1476. W.L.M.K./Vol. 322

Le ministre des Mines et des Ressources au Premier ministre

Minister of Mines and Resources to Prime Minister

PERSONAL Ottawa, September 17, 1942

My dear King,

It has been in my thoughts for some time to speak to you about Canada's position vis-à-vis China. The civilized world, and particularly the United States and Canada, is filled with admiration for the splendid resistance China has made to Japan. There is little doubt that British prestige in the Far East has suffered very greatly. Intelligent and educated Chinese — whose numbers increase steadily — feel that there has been a good deal of blundering on the part of Britain. Amongst the evacuees from Japan exchanged recently was one of our immigration officers, a Colonel Doughty, who had been in Hong Kong for twenty years. He was through the whole Hong Kong experience. His home was in British Columbia and he had held a Colonel's Commission in the Great War. He is quite critical of the way the British Command handled matters in Hong

Kong and his opinion supported what I said a moment ago about the loss of British prestige.

On the other hand, the United States stands very high. The practical aid which the United States is giving to China naturally makes a strong appeal to the Chinese. People are always more affected by their own problems than by those which are remote from them, and the Chinese fail to appreciate fully the burdens which Britain has had to carry for the past three years.

I am convinced that Canada's standing in China at the present time is not good. As you know, the Chinese always have felt that our Chinese Exclusion Act treats them unfairly. This arises, not so much from a refusal to accept Chinese as residents of Canada, as from the feeling that we have placed formally upon them by legislation the badge of inferiority. In the second place, our failure to appoint a Minister to China is hurting their susceptibilities.¹³ I know how much concerned you have been with getting someone to go to represent Canada in China, but this difficulty does not weigh with the Chinese.

As you know, Edgar Tarr has had in the past many contacts with both China and Japan. Those with China still remain. In a conversation with him a few weeks ago he made a suggestion which appeals to me more, the more I think of it. He thought that if Canada could send an Air Force Squadron to China to help them in their struggle against Japan it would have a dramatic and powerful effect. If, at the same time, we could give an assurance to the Chinese Minister here that the Chinese Exclusion Act would be removed from our statute books, there is no doubt in my mind of the fine reaction we would get from the Chinese Government. It appears to me that this is not only simple justice but goes beyond that. When the war is over, and the Axis Powers are defeated, China will be one of the countries where great development will take place, in the material sense, and, when that time comes, it will be worth much to Canada to have goodwill in that country. So far as trade with China is concerned, we are more advantageously located than is the United States. We should endeavour to put ourselves in at least as good a position as the United States to share in that trade and development. So far as the repeal of the Exclusion Act is concerned, I see no reason why that should not be done at the next session of Parliament, leaving then until after the war the working out of whatever arrangements may be necessary to control the admission of Chinese to this country. The 'Gentleman's Agreement' under which we have operated for many years with Japan will undoubtedly go overboard, and the whole situation in this respect can be considered in the light of after-war conditions.

I hope you will not mind my mentioning these matters to you in this way.

Yours sincerely,

T. A. CRERAR

¹³ Voir les documents 10 et 11.

¹³ See Documents 10 and 11.

1477. W.L.M.K./Vol. 322

*Le Premier ministre au ministre des Mines et des Ressources**Prime Minister to Minister of Mines and Resources*

PERSONAL Ottawa, September 18, 1942

My dear Crerar,

I am wholly sympathetic to the repeal of the Chinese Exclusion Act. Some years ago, I did my best to have the Act repealed, and an arrangement effected whereby numbers would be limited by agreement. I am wholly in favour of having action taken to repeal the Exclusion Act at the next session of Parliament. It may be that its introduction, at this moment, might occasion things to be said in debate which are unfortunate, but that is a matter to which we can give consideration.

As to sending an Air Force Squadron to China, you know, as I do, that the allocation of fighting forces is a matter not of decision by individual governments but by arrangements affecting all the United Nations. I personally should prefer our making individual contributions in cases such as that of the Chinese, but I am sure that any attempt to do this would not be an easy matter to arrange.

I wish you would get your friend Edgar Tarr to accept the position of Minister to China. As you know, we have been anxious to secure him for the post, but he has not found it possible to accept. If you would have Mr. Tarr suggest the names of possible appointees, I should be glad to see that the names he might suggest would be carefully considered.

Yours sincerely,

W. L. MACKENZIE KING

1478. W.L.M.K./Vol. 334

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures**Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM CIRCULAR D. 391 London, September 18, 1942

IMPORTANT. SECRET. We have received through the United States Ambassador a message from the United States Government to the effect that the development of American opinion on the subject of extraterritoriality in China makes it desirable to take up the question at an early date. While they admit that the moment is not the most opportune, they think that no better occasion is likely to occur in the near future and that it is wise to take the initiative while we still have it.

2. Their proposal is that the United States Government and His Majesty's Government in the United Kingdom should now approach the Chinese Government jointly with an offer to negotiate brief treaties for the relinquishment of extraterritorial and related rights and for the adjustment of a few broad ques-

tions closely connected therewith. At the same time draft treaties on these lines would be presented to the Chinese Government for their consideration.

3. It is indicated that the American treaty would probably cover the following points:-

(a) Relinquishment of extraterritorial and related rights, including those in the International Settlements at Amoy and Shanghai as well as those granted by the 1901 Peking Protocol.

(b) Satisfaction of contractual obligations entered into with American nationals by the authorities of the International Settlements at Amoy and Shanghai and the Diplomatic Quarter at Peking.

(c) Safeguards for existing landownership by Americans, replacement of perpetual leases by Chinese deeds and immunity from retrospective land taxes, fees, etc.

(d) Right of travel, residence and trade throughout China except in areas closed for national security as in the United States.

(e) Reciprocal provision for Consular representation with exequaturs.

(f) Undertaking to enter into negotiations for a comprehensive treaty of establishment, commerce, navigation, etc., on modern lines upon request of either side or in any case within six months after the end of the hostilities. In the meantime questions in dispute where not covered by existing treaties to be decided on accepted principles of modern International Law.

4. The United States proposal is to explain to the Chinese that it is not considered desirable to embark forthwith on the fuller negotiations referred to in (f) above because of the difficulties of the war situation, the extra time required, and the danger that enemy propaganda would exploit any differences of view that might become apparent between China and her Allies. If, however, the Chinese wished to negotiate these modern treaties forthwith, the United States idea is that we should agree.

5. We have replied welcoming this proposal for joint action and stating that subject to the concurrence of the Dominion Governments, which is being sought, we shall be glad to consult with the United States Government in the preparation of a draft treaty on the lines suggested for presentation to the Chinese Government at the appropriate moment. As regards the modern treaties of commerce, etc., we agreed that these should be left until after the war, but we suggested that for the reasons given we should insist on postponement even if the Chinese asked for their conclusion now.

6. As regards Shanghai we stated that although the Chinese Government would require the return of the whole area to unfettered Chinese rule, we believed that they would be ready to accord Shanghai a special status to enable the development of the port to continue with the co-operation of foreign commercial interests. We suggested that the proposed treaties might make some mention of this question.

7. The rendition of the British concessions at Tientsin and Canton with safeguards for public and private property rights and the taking over of municipal obligations would presumably be covered by separate agreement, but some reference to it would have to be made either in the treaty or in an annexed exchange of letters.

8. The proposed joint approach with the United States Government should, we hope, discourage the idea that we are acting from weakness and enable us to secure better terms than we could get alone.

9. I should be glad to learn at an early date, if possible by September 30th, whether proposals set out above are agreeable in principle to your Government. As regards procedure it is suggested that, as in the case of convention relating to abolition of capitulations in Morocco and Zanzibar, treaty should be signed between His Majesty in respect of United Kingdom and President of China and that arrangements should be made for its application to Dominions by means of separate exchanges of notes between Dominion and Chinese Governments.

10. We are consulting His Majesty's Ambassador at Chungking as to the terms of a suitable draft treaty. United States Government have asked for particular secrecy in regard to our intentions, and His Majesty's Ambassador has therefore been requested not to give Chinese any hint that matter is under consideration nor to discuss it with his United States colleague pending further communication with United States Government.

1479.

W.L.M.K./Vol. 334

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions

Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 210

Ottawa, October 6, 1942

IMPORTANT. SECRET. Your telegram Circular D. 391, September 18, extraterritorial rights in China. Canadian Government welcomes and fully approves proposal to relinquish extraterritorial and related rights in China.

2. As for the suggestions which you have made to the United States Government (paras. 6 and 7 of your telegram), Canada's interests are not sufficiently important to justify our joining in these suggestions, but neither do we oppose them.

3. Procedure outlined in para. 9 of your telegram, while technically satisfactory, does not commend itself to the Canadian Government in the present case. We should prefer to have a separate treaty between Canada and China; it would be in the same terms as the treaty between the United Kingdom and China and could be signed on the same day. In view of the historic importance of the relinquishment of extraterritorial rights, I think that this procedure would be more appropriate and more acceptable to the Chinese Government than the procedure suggested in your telegram.

4. I should be glad to know whether the negotiations will commence in Chungking; if so, the British Ambassador can be authorized to speak for

Canada, pending the arrival of a Canadian Minister. On the other hand, if negotiations start in London and Washington respectively, we can discuss with the Chinese Minister here the conclusion of a similar treaty between Canada and China.

5. I should be grateful if you would keep me fully informed and if you would send the draft treaty as soon as possible.

1480.

W.L.M.K./Vol. 244

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] October 10, 1942

Keenleyside and I saw the Chinese Minister this morning. I told him that the Canadian Government had warmly welcomed the initiative which the United Kingdom and the United States had taken in proposing the negotiation of agreements ending the extraterritorial rights which British and American nationals have enjoyed in China for many years. In view of the direct diplomatic relations now in effect between Canada and China, you had thought it would be more appropriate if the ending of the old regime, so far as Canada is concerned, could be accomplished by a treaty between Canada and China, which would be similar in content and signed at the same time as those the United Kingdom and the United States are prepared to negotiate with China. Dr. Liu said that he was sure his Government would appreciate Canada's readiness to cooperate in ending the old capitulatory system. The decision to open negotiations now, instead of waiting until after the war, would be of very great psychological and political importance to China, and would encourage her people in their struggle. He said he would advise his Government by cable at once, and had no doubt that they would warmly reciprocate it.

N. A. R[OBERTSON]

1481.

W.L.M.K./Vol. 281

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] October 28, 1942

CHINESE IMMIGRATION ACT

We have recently been giving consideration to the problems of our relations with China and in particular to the possibility of recommending some course of action which would enable the Government to remove the stigma placed upon

the Chinese by the Chinese Immigration Act of 1923 without throwing Canada open to a renewed influx of persons of Chinese race.

As you know, the Chinese have always felt that our Act discriminated unfairly against them. Canada is the only country that has excluded Chinese immigrants — and Chinese immigrants only — in this specific way. In addition, the existence of the Act and the regulations which it has made necessary have resulted in a number of unfortunate incidents at Canadian border points. This fact has aggravated the situation to such an extent that when the Institute of Pacific Relations recently initiated discussions concerning a possible semi-official conference on Pacific questions which Chinese delegates would pass through the United States to attend, the Chinese Ambassador to the United States, Dr. Hu Shih, expressed the hope that the meeting would not be held in Canada.

When our Minister goes to Chungking he will suffer under the handicaps which arise from the situation outlined in the preceding paragraphs. Under these circumstances it seems to me that it might be useful if we could authorize our Minister, as his first act in Chungking, to enter into conversations with the Chinese authorities with a view to reaching an agreement which would in fact retain the ban on permanent Chinese immigration into Canada but would do so in such a manner as to spare Chinese sensibilities.

In 1934 or 1935, when Keenleyside was in Japan, he prepared and sent home a draft treaty with China which was designed to meet the conditions mentioned above. We did not proceed with the treaty at the time but it seems to me that it might now be revived with beneficial results. The draft was originally approved and strongly supported by Sir Herbert Marler,¹⁴ and more recently Keenleyside has discussed it with Sir George Sansom who is now British Minister in Washington, particularly charged with responsibilities in relation to the Far East. In a letter dated September 30th¹ Sansom wrote:

"I have gone carefully through your draft treaty looking for weak spots but I confess that I cannot find any! On general grounds I do not see how the Chinese Government could find anything to object to."

The basic principle of this treaty is reciprocity. Its practical working would not interfere with Canadian activities in China but would maintain the barrier against Chinese immigration to Canada.

The method by which these desirable results would be obtained is as follows: Canadians of certain categories, including missionaries and business men, and Chinese of certain approved types would be admitted to China or Canada on permits valid for two years but renewable. Persons thus admitted to either country would have to engage in a specified treaty occupation and if they should leave that occupation, they would have to return to their country of origin. In any case, they would not be permanent residents. They could not count the period of residence under permit for purposes of naturalization and children born to them would acquire only the nationality of their parents. Chinese na-

¹⁴Ministre au Japon de 1929 à 1936.

¹⁴Minister in Japan from 1929 to 1936.

nationals resident in Canada and Canadian nationals resident in China at the time of the ratification of the treaty would be required within a period of five years either to enter a treaty occupation under permit, apply for a special permit authorizing them to continue in their present vocations, or return to their native land. Third generation Chinese of Canadian nationality in Canada would acquire all the rights of their national status for themselves and their descendants. First and second generation Chinese of Canadian nationality in Canada and Canadians of Chinese nationality in China would relinquish their claims to Canadian and Chinese nationality respectively. It is intended that the treaty occupations would be of such a character as to require relatively high standards of education and some financial backing. This, together with a prohibition on acquiring land for agricultural purposes, would prove a barrier to Chinese applicants for permits who would have a depressing effect on the Canadian labour market.

A copy of the draft treaty¹⁵ is attached for your examination.

If a treaty along the lines of the draft should be approved, the Canadian Government could then go ahead with the rescinding of the Chinese Immigration Act without fear of a large post-war influx of Chinese immigrants. Such a development should have an exceedingly beneficial result upon our relationship with China.¹⁶

N. A. R[OBERTSON]

1482.

DEA/5068-B-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au ministre désigné en Chine¹⁷*

*Assistant Under-Secretary of State for External Affairs
to Minister Designate in China¹⁷*

Ottawa, March 5, 1943

Dear General Odlum,

I am sorry that I have not answered your recent letters, but, as Collins will have told you, I was laid up for a few days with influenza.

With regard to the matter of Chinese immigration, I do not believe that there is very much that I can usefully give you in the way of guidance at the moment. I had hoped that by this time we would have been able to initiate discussions here with the Chinese Minister with a view to the eventual negotiation of a treaty on this subject. You have seen and approved of what we would propose to include

¹⁵ Voir le document 1485.

¹⁵ See Document 1485.

¹⁶ La note suivante était écrite sur ce mémorandum:

¹⁶ The following note was written on the memorandum:

I approve very strongly. W. L. M[ACKENZIE] K[ING]

¹⁷ Le général Odlum était alors à New York. Il arriva à Chungking le 30 avril.

¹⁷ General Odlum was then in New York. He arrived in Chungking on April 30.

in such a treaty. Unfortunately, however, we have not yet been able to complete our negotiation of the extraterritoriality treaty and until this is out of the way, there will be no chance of our getting on to a more difficult subject.

In general, I think that the line you should take when questions of immigration are raised is something like this: Canada is anxious to deal with every country on a basis of friendship and equality. In regard to immigration we feel that it is necessary to retain complete control over our own policies and we recognize that other countries have similar rights. We do not throw open our gates to the people from any country, even from other parts of the British Commonwealth. With regard to China, there are many people in Canada who feel that the Act of 1923 was a mistake and the Canadian Government is, in fact, prepared to consider the rescinding of that Act. At the same time, it is necessary to be realistic in these matters and to recognize that political feeling in British Columbia would make it impossible for us to accept Chinese immigrants. Under the circumstances, we feel that it would be wise and just to enter into an agreement with China which would admit certain categories of Chinese to Canada and certain categories of Canadians to China for legitimate purpose but on a temporary basis. Such an agreement would be completely reciprocal in form and in effect and, while it would maintain a barrier against permanent Chinese immigration, it would allow the admission to Canada of small numbers of Chinese who can find useful occupation in this country. The result should be acceptable to the people of British Columbia (because it would preclude permanent immigration) and should be acceptable to the people of China (because it would be based on reciprocity and would, in fact, admit to Canada most of those who would have any reasonable prospect of leading successful lives in the Dominion).

You will know how to ring the changes on these basic principles. The alternative, from the Chinese point of view, is to be faced with a continuance of the present discriminatory legislation. They may as well recognize that there is no likelihood of obtaining freedom of immigration to Canada. The alternative is between a fair system, which will be reciprocal in its working and which will, in fact, admit small numbers of legitimate visitors, and a continuance of the present unfair discrimination.

We have read your letters¹ about the various Chinese personalities you have met and about your visit to the Jewish Rally with great interest. I hope that you will continue to write to me informally as well as to send us official despatches on matters which should be officially recorded.

I hope that you will find it possible to get away this weekend and that your journey will be comfortable and fast. With kindest regards and every good wish,
I am

Yours sincerely,

H. L. KEENLEYSIDE

1483.

DEA/3630-40

*Mémoire de l'assistante, la direction juridique,
le ministère des Affaires extérieures*

*Memorandum by Assistant, Legal Division,
Department of External Affairs*

[Ottawa,] November 9, 1943

CHINESE EXTRATERRITORIAL TREATY

(1) On December 7, 1942, we handed the Chinese Minister a simple draft treaty[†] covering (a) abrogation of existing treaties granting extraterritorial rights; (b) agreement to cooperate in abandonment of special privileges in Peiping, Shanghai, Amoy and Tientsin; (c) protection of existing Canadian property rights in China.

(2) On March 17, 1943, we received a Chinese counter-draft[†] which covered the points in (1) above, but which also included (a) provision that each country would accord to nationals of the other rights to travel, reside, and carry on commerce within its territory, and treatment no less favourable than that accorded its own nationals; (b) provision regarding obligation of local authorities to inform consuls of the other country when their nationals are arrested; and (c) agreement to enter into a comprehensive modern treaty of friendship, commerce, navigation, and consular rights on request of the other country, or in any case within six months after the war.

(3) On May 5, 1943, we wrote Dr. Liu[†], stating that the Canadian Government's announcement¹⁸ that we concurred in abandonment of extraterritorial rights by the United Kingdom, coupled with the termination of the unequal treaties, ended *in fact* any special Canadian rights; that we had concurred in termination by the United Kingdom of the Orders in Council which had implemented the original treaties; that the only reason for negotiating a treaty was to formalize an existing position; and that it was desirable either to abandon the idea of proceeding with a formal treaty, or to confine the treaty to the scope of our original draft.

(4) On July 17, 1943, Dr. Keenleyside wrote a personal letter to Dr. Liu,[†] asking whether there had been any further developments, and stating that we were anxious to have this treaty concluded in order to proceed with discussions on immigration.

(5) On July 19, 1943, the Counsellor of the Chinese Legation indicated that there would be further delay as Chungking was studying the South African draft treaty. He asked whether we would consider going on with the immigration discussions while waiting for the Chinese Government's decision on the extraterritoriality agreement. Dr. Keenleyside stated that we preferred to have the extraterritoriality problem settled before starting discussion on immigration questions, although he did not definitely refuse either to reverse the order, or to discuss the two matters simultaneously.

¹⁸ Communiqué à la presse du 10 octobre 1942.

¹⁸ Press release of October 10, 1942.

(6) On July 30, Dr. Liu presented us with a new draft of Article V^t dealing with the right to travel, reside and carry on business. At this meeting Dr. Liu asked whether we had come to a final conclusion as to the kind of treaty we would be prepared to sign. We evidently did not reiterate our stand that it should be a treaty limited in scope to our original draft or none at all, but simply stated that we were doing a comparative study of the several drafts. Dr. Liu stated that he was anxious to have the treaty concluded. It appears that since this time we must have advised the Chinese Minister that in our view it was not practicable to proceed with the treaty, and that we were considering a unilateral declaration regularizing the position, for on October 30th the Chinese Minister asked if we would consider effecting such an arrangement by an exchange of notes incorporating the provisions of Articles V and VII of the Chinese Draft Treaty. Article V of the Draft deals with the right to travel, reside and carry on trade. Article VII is a promise to negotiate a comprehensive modern treaty of friendship, commerce, navigation and consular rights.

(7) Both Australia and South Africa have been presented with omnibus treaties which they feel they cannot accept. On August 14th we were advised that Australia was considering ending matters by a unilateral declaration.

(8) There are four courses of action open to us:

(a) to end the matter by a unilateral declaration dealing only with extraterritorial rights;

(b) to drop the matter entirely;

(c) to have an exchange of notes on extraterritoriality which incorporates Articles V and VII;

(d) to effect a compromise between the Canadian and Chinese draft treaties.

(9) The objections to a unilateral declaration are:

(a) that the Prime Minister announced on October 10, 1942, that we were going to negotiate a treaty with China for relinquishment of extraterritorial rights;

(b) that it is diplomatically difficult to end negotiations by a unilateral declaration when we are in the course of negotiating a treaty; (it appears, however, that this has been done informally); and

(c) that a unilateral declaration will not protect Canadian property interests in China. In D.O. telegram of November 30, 1942,¹ it is stated that if the treaty with China were confined to a simple declaration of abrogation of treaty rights, it should be borne in mind that it would probably have the effect of depriving British subjects in China of certain rights which they now enjoy. In General Odlum's despatch of August 14, 1943,¹ it is stated that some Chinese officials are taking the view that with the extinction of rights under the unequal treaties, Canadian Missions lose their former treaty right to own land, and even lose the right to sell what they have. (See also General Odlum's despatch No. 141 of October 9, 1943,¹ regarding the difficulties Canadian Missions are having in selling their properties in China). Actually, we have lost these rights, and have admitted as much to the Chinese Minister, (see (3) above), but it is doubtful whether the Chinese realize this, and they appear to be willing to grant us these

rights in their draft treaty. It may be felt that we can bargain for these property rights when the Chinese approach us on immigration questions. The advantage of a unilateral declaration is that it can be done right away and be made public before embarrassing questions are asked as to why the treaty has not been signed. Attached as "A" is a draft note[†] which might be used as the basis for drawing up a final note, if the course of making a unilateral declaration is decided upon.

(10) The second alternative (dropping the matter entirely) must, I think, be rejected, as the objections to a unilateral declaration apply even more strongly to this course of action.

(11) It seems to me that the remaining alternatives (an exchange of notes incorporating Articles V and VII, or a compromise between the Canadian and Chinese draft treaties) amount in fact to the same thing. I think there is something to be said for a formal treaty accomplishing this, in view of the Prime Minister's announcement that there would be a treaty. It is doubtful whether it would take any longer to negotiate a treaty than to agree on the terms of an exchange of notes.

(12) In view of the fact that we have stated to the Chinese that we are willing to enter into discussions on immigration, it seems to me that we can go a lot further in meeting the Chinese position than we were prepared to go when this matter was first discussed. The points on which we have failed to come to an understanding are Articles V and VII. Article V of the Chinese Draft originally read: "Each of the High Contracting Parties shall accord to nationals of the other the rights to travel, reside and carry on commerce within his territory . . ." When this Article was first considered, it was felt that the right to travel and reside implied the right to enter, and, in view of our Chinese Immigration Act, we felt we could not agree to it. In July the Chinese presented us with a new draft of this Article, reading: "The Government of Canada *having long accorded* the rights to nationals . . . of China within . . . Canada to travel, reside, and carry on trade, . . . China agrees to accord similar rights to Canadian nationals." (For complete text see "B" attached.[†] As this re-draft implies no new commitments on the part of Canada, I can see no reason why we should not agree to it. The United States agreed to a clause almost identical with this, before the Chinese Exclusion Bill was brought up in Congress.

(13) Article VII of the Chinese Draft is an undertaking to enter into negotiations for a comprehensive modern treaty of friendship, commerce, navigation and consular rights on the request of either party or in any case within six months after the war. At the time this clause was first suggested, it was felt that a modern treaty of commerce would involve commitments regarding immigration, and that we therefore could not undertake to enter into such a treaty. I have checked several examples of these treaties and have found that a most favoured nation clause on immigration is not necessarily included. (For examples, see Annex C attached.)[†] We clearly could not enter into a treaty identical with our Treaty of Commerce with France of 1933, for in that treaty we accord most favoured nation treatment on immigration. On the other hand, in the United States-Finland Treaty of Friendship and Commerce of 1934 the right of entry

and residence is limited to the purpose of carrying on trade, except where the local law permits entry for other purposes. Generally, treaties of Friendship and Commerce deal with right of entry only with regard to nationals engaged in commerce and navigation. Our treaty with China could therefore be limited to allowing entry of merchants for the purpose of carrying on trade if this limitation is thought desirable. (Merchants are now admitted to Canada under the Chinese Immigration Act.) So long as the Chinese understand that an undertaking to enter into a Friendship and Commerce Treaty will not pledge us to granting a most favoured nation clause on immigration, I can see no reason why we should not agree to Article VII.

(14) The United States agreed to Article VII at a time when there was virtual exclusion of all Chinese. The repeal of the Chinese Exclusion Laws (which appears imminent) will mean that the Chinese will be on a quota system. In a sense this grants China parity with other nations, although in fact only 105 immigrants will be admitted each year.

Conclusions:

1. A unilateral declaration should be avoided for the reasons given in (9) above.
2. In my view we can agree to Articles V and VII of the Chinese Draft, without committing Canada to any positive steps on the immigration question, except in so far as entry of merchants is concerned. I think it would be better if this were done by a treaty as originally planned. An exchange of notes would amount to the same thing, but would not be such a tribute to the Chinese.¹⁹

K. B. BINGAY

1484.

DEA/3630-40

*Mémoire de l'assistante, la direction juridique,
le ministère des Affaires extérieures*

*Memorandum by Assistant, Legal Division,
Department of External Affairs*

[Ottawa,] November 16, 1943

TREATY WITH CHINESE ON EXTRATERRITORIALITY
AND CHINESE IMMIGRATION

Record of meeting held in N. A. Robertson's Office, November 15th, attended by N. A. Robertson, J. E. Read, H. L. Keenleyside, H. F. Angus, H. F. Feaver, M. Bridge²⁰, K. B. Bingay.

¹⁹ Les notes suivantes étaient écrites sur ce mémorandum:

¹⁹ The following notes were written on the memorandum:

Read and agreed. J. E. R[READ]
Seen R[ROBERTSON]

²⁰ Assistante, direction de l'Amérique et de l'Extrême-Orient, ministère des Affaires extérieures.

²⁰ Assistant, American and Far Eastern Division, Department of External Affairs.

Extraterritoriality

1. In view of Miss Bingay's memorandum of November 9th, the suggestion that we might close our negotiations with the Chinese by a unilateral declaration was rejected. It was agreed that we should proceed, not by exchange of notes, but by a Heads of States treaty, which would include not only the clauses in the original Canadian draft (including the clause protecting Canadian property interests in China), but also Articles V, VI and VII of the Chinese draft. Article V, dealing with right to travel, reside and carry on business will involve no new commitment, as it will read: "Canada *having long accorded* rights to nationals of China to travel etc . . ." Article VI deals with obligation to notify consuls when nationals are arrested, and will be of advantage to Canada. Article VII is an undertaking to enter into a comprehensive modern treaty of friendship, commerce, etc.

2. It was agreed that Miss Bingay should prepare a draft treaty, in Heads of States form, together with an explanatory memorandum, outlining the commitments involved (including the implications of a treaty of friendship, commerce and navigation), and including a reference to the immigration question. Mr. Robertson will discuss the draft treaty with the Prime Minister before speaking to Dr. Liu.

3. It was agreed that we should inform Australia, South Africa, and London of our proposed action. Miss Bridge will prepare the communications.

4. It was agreed that General Odlum should negotiate the treaty. I have since discovered that a full power has already been issued (January 21, 1943)^f in the name of Mr. King.

Chinese Immigration

5. It was agreed that extraterritoriality and immigration should be dealt with as separate matters, (although Mr. Robertson thought the departmental views on Chinese Immigration should be clarified before he speaks to the Prime Minister with regard to the extraterritoriality treaty.) Although it was agreed that the extraterritoriality treaty should be disposed of first, Mr. Robertson thought that the present was the best time to remove discrimination against the Chinese, although this is a more difficult matter to accomplish in Canada than in the United States. It was agreed that Dr. Keenleyside should circulate his draft Chinese Immigration Treaty in the Department, and that it should then be discussed with Justice, State and Immigration. After circulation of the draft Treaty, the following questions would be considered:

(1) Whether a treaty is necessary, if the discriminatory legislation is repealed. (Repeal, without special legislation for the Chinese, would mean that the wives of Chinese in China would be Canadian nationals. They would not, however, be Canadian citizens under the Immigration Act.)

(2) Whether an Immigration Treaty with China would create a precedent so that other countries asked for immigration treaties. (India).

(3) Whether we should frame a whole new immigration policy based on national quotas, instead of negotiating a treaty.

(4) Whether the Chinese Immigration Act should be repealed *ab initio*, or whether it should be used as a bargaining counter.

(5) How far federal legislation (implementing an Immigration Treaty with China) could go in forbidding the provinces to enact anti-alien, or anti-racial legislation.

K. B. B[INGAY]

1485.

DEA/5068-A-40

Projet de traité sur l'immigration

Draft Treaty on Immigration

November 16, 1943

TREATY BETWEEN HIS MAJESTY AND THE REPUBLIC OF CHINA

His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of Canada and the National Government of the Republic of China being equally desirous of controlling for their mutual benefit the emigration of their respective peoples each to the territory of the other, have resolved to conclude a Treaty for this purpose and have named as their plenipotentiaries:

His Majesty the King of Great Britain, Ireland
and the British dominions beyond the Seas,
Emperor of India, for Canada

His Excellency the President of the Chinese Republic

Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:

ARTICLE I

Persons of Canadian citizenship desirous of entering China, and persons of Chinese citizenship desirous of entering Canada may, except in the case of *bona fide* tourists or visitors, apply in the case of the former to a Chinese Commissioner of Immigration to be established in Canada or directly to the National Government of China, and in the case of the latter to a Canadian Commissioner of Immigration established in China or directly to the Canadian Government for an Immigration Permit which will be issued at the discretion of the respective Commissioner or Government after a full investigation of the circumstances surrounding the application. A person to whom an Immigration Permit is issued will also be required to be in possession of a valid passport to which has been affixed a visa by the appropriate authorities of the country to which such person is proceeding.

ARTICLE II

Immigration Permits will be issued to any persons, except those defined as belonging to Prohibited Classes in Section 3 of the Canadian Immigration Act, who prove to the satisfaction of the Commissioner or Government their inten-

tion and ability to enter upon and successfully pursue any of the following occupations hereinafter referred to as Treaty Occupations:

- Physicians and Surgeons
- Dentists
- Engineers
- Priests and Ministers of Religion
- Missionaries
- Bankers
- Import or Export Merchants prepared to transact business on a substantial scale.
- Clerks and Business Assistants (for employment by their own nationals only)
- Shipping and Insurance Agents
- Commercial travellers
- Newspaper correspondents
- Students
- Lecturers
- Artists
- Musicians
- Actors

This list of persons to whom Permits may be issued may be reduced, extended or interpreted by Exchange of Notes. Immigration Permits shall be valid for a period of two years or less, but may be extended biennially thereafter upon application to and approval by the Government of the country in which the applicant resides. In the case of married men the name of the wife and such minor children as intend to accompany him shall be inscribed upon the Permit if approved by the Commissioner or Government by whom the Permit is issued. Permits may be cancelled if the holder is convicted of the commission of a crime or for any reason that may appear adequate to the Government of the country in which the holder resides.

ARTICLE III

Persons under Permit in Canada and in China shall be allowed to purchase or lease land upon submission of proof to the Canadian or Chinese Governments respectively that the land in question is required for the furtherance of the business or professional interests of the purchaser. Persons under Permit may also purchase land for investment purposes provided the land is within the confines of an incorporated town or city of not less than ten thousand inhabitants and provided further that the land so purchased is not employed for agricultural purposes.

ARTICLE IV

Canadian tourists or visitors intending to pass through or reside temporarily in China must be in possession of a valid Canadian passport, and must obtain a visa from the appropriate authorities of the Republic of China before entering that country. Chinese tourists or visitors intending to pass through or reside temporarily in Canada must be in possession of a valid Chinese passport and must obtain a visa from the appropriate Canadian authorities before entering that country. The visas will in each case be granted without cost. Canadian

tourists or visitors may remain in China and Chinese tourists or visitors may remain in Canada for a period not exceeding one year. At the expiration of that time they may be required to leave the country to which they have been temporarily admitted unless they have applied for and received an Immigration Permit under the provisions of Article II of this Treaty.

ARTICLE V

Children born in China of Canadian Nationals shall be deemed to be Canadian Nationals and shall not, by reason of their place of birth, acquire Chinese nationality or citizenship, and children born in Canada of Chinese Nationals shall be deemed to be Chinese Nationals and shall not, by reason of their place of birth, acquire Canadian nationality or citizenship. Upon attaining the age of twenty-one (21) years such children if still residing in the land of their birth shall be admitted by Permit to one of the Treaty Occupations or shall proceed to the country of which they are Nationals.

ARTICLE VI

It is mutually agreed that the period during which Canadian Nationals reside in Canada [*sic*] under Permit in Treaty Occupations and the period during which Chinese Nationals reside in Canada under Permit in Treaty Occupations may not, either in China or Canada, be considered as constituting residence for purposes of naturalization.

ARTICLE VII

In evidence of mutual friendship and esteem the Government of Canada and the National Government of the Republic of China shall institute in Canada and China respectively ten annual Fellowships to be held in Canada by ten students or scholars nominated by the National Government of the Republic of China and to be held in China by ten students or scholars nominated by the Canadian Government. The value of the Fellowships is to be not less than fifteen hundred dollars (\$1,500.00) each in Canadian currency or the equivalent thereof in lawful money of Canada, at the rates of exchange obtaining at the time, and the first Fellows will be appointed on a date agreeable to both Governments, the detailed arrangements to be made by Exchange of Notes.

ARTICLE VIII

This Treaty shall be ratified and the ratifications exchanged at as soon as possible. It shall come into force upon the day of the exchange of ratifications and shall be binding upon the High Contracting Parties during twenty years from the date of its coming into force. In case neither of the Contracting Parties shall have given notice to the other, two years before the expiration of the period of twenty years, of its intention to terminate the present treaty, it shall remain in force until the expiration of two years from the date on which either of the Contracting Parties shall have given notice to the other of its intention to terminate the Treaty.

In witness whereof the respective Plenipotentiaries have signed this Treaty, and have affixed thereto their seals.

Done in duplicate, in English and in Chinese, at this day of.

1486.

W.L.M.K./Vol. 244

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] November 20, 1942

NEGOTIATIONS BETWEEN CANADA AND CHINA
ON EXTRATERRITORIALITY

We are now considering the conclusion of a short treaty which would cover the points embodied in our original draft, namely:

- (1) renunciation of extraterritorial rights
 - (2) agreement to cooperate in the abandonment of special privileges in Peiping, Shanghai, Amoy, Tientsin and Canton
 - (3) protection of existing Canadian property rights in China
- and which would, in addition, meet the Chinese request and include articles providing for:

- (4) right to travel, reside and carry on commerce
- (5) notification by local authorities to consuls of either country when their nationals are arrested
- (6) agreement to enter into a comprehensive modern treaty of friendship, commerce, navigation and consular rights.

2. The wording suggested by the Chinese for the articles covering points 4 and 5 is almost identical with that employed in the United Kingdom treaty, while the article covering point 6 follows almost exactly paragraph (1) of Article VIII of the same treaty.

3. A new draft, embodying the points listed above, is being prepared, in consultation with the Departments of Justice and Immigration, and should be ready very soon for submission to Council. The other Commonwealth Governments have been informed of the steps under consideration.

4. The difficulties presently being encountered by the Canadian Missions in China in connection with property sales have indicated the desirability of going beyond a simple renunciation of extraterritorial rights and of concluding a more comprehensive agreement which would, among other things, protect existing property rights. Recent international developments — particularly the action taken by the United States with respect to Chinese immigration — coupled with a modification in the phrasing of the original Chinese counter-draft of the Article on the right to travel, reside and carry on commerce, have made the prospects of agreement considerably brighter than they were a few months ago.²¹

N. A. R[OBERTSON]

²¹ Les notes suivantes étaient écrites sur ce mémorandum:

²¹ The following notes were written on the memorandum:

Robertson. Please speak to me of this. K[ING]

Noted

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie*
*Secretary of State for External Affairs
to High Commissioner in Australia*

TELEGRAM 217

Ottawa, November 20, 1943

My telegram No. 22 of January 30, 1943[†], Chinese extraterritoriality.

2. After intermittent discussions extending over a period of several months, we are now considering the conclusion of a short treaty which would cover the points embodied in our original draft, namely:

(1) renunciation of extraterritorial rights
(2) agreement to cooperate in the abandonment of special privileges in Peiping, Shanghai, Amoy, Tientsin and Canton

(3) protection of existing Canadian property rights in China, and which would, in addition, meet the Chinese request and include articles providing for:

(4) right to travel, reside and carry on commerce
(5) notification by local authorities to consuls of either country when their nationals are arrested

(6) agreement to enter into a comprehensive modern treaty of friendship, commerce, navigation and consular rights.

3. The wording suggested by the Chinese for the articles covering points 4 and 5 is almost identical with that employed in the United Kingdom treaty, while the article covering point 6 follows almost exactly paragraph (1) of Article VIII of the same treaty.

4. A new draft, embodying the points listed above, is being prepared, and if it is approved, the full text will be communicated to you in due course. In the meantime, you might inform the Australian Government of the action which we are considering.

5. You might also explain that the difficulties presently being encountered by the Canadian Missions in China in connection with property sales have indicated the desirability of going beyond a simple renunciation of extraterritorial rights and of concluding a more comprehensive agreement which would, among other things, protect existing property rights. Recent international developments — particularly the action taken by the United States with respect to Chinese immigration — coupled with a modification in the phrasing of the original Chinese counter-draft of the Article, on the right to travel, reside and carry on commerce, have made the prospects of agreement considerably brighter than they were a few months ago.

1488.

W.L.M.K./Vol. 339

*Le haut commissaire en Australie au secrétaire d'État
aux Affaires extérieures*

*High Commissioner in Australia to Secretary of State
for External Affairs*

TELEGRAM 287

Canberra, November 27, 1943

SECRET. Your telegram No. 217 of November 20th, Chinese extraterritoriality. Substance of your telegram was transmitted immediately to Minister for External Affairs. Dr. Evatt has requested me to send the following telegram in reply to the Prime Minister, Begins:

The Australian Government has noted with concern that you are considering negotiation of a treaty with the Chinese Government on extraterritoriality in which three contentious clauses of United Kingdom Treaty (Clauses 6, 7 and 8) are to be included.

We still adhere strongly to the view expressed to you by the Australian High Commissioner in Canada in February last, that we would negotiate a simple treaty of abrogation only or preferably make a simple exchange of notes. You will recall that your reply of February 17th[†] stated that the Canadian policy was substantially the same as Australian and that you had no intention of including anything in the treaty beyond abrogation of extraterritorial rights. On footing of your assurance we had maintained that position consistently. Should you now negotiate a treaty on terms indicated you would leave Australia in position of being the only country with diplomatic relations with China which has not formally abolished extraterritoriality and would weaken considerably our position. We have good reason to believe that failure of the Chinese Government to reply to our desire to exchange notes was because they hoped Canada would accept treaty on British lines — in other words, persuade Canada to depart from policy indicated by you on February 17th last.

In the circumstances we suggest Canada should not complete matter nor commit itself to proposals which may subsequently prove of great embarrassment to our countries. I need not remind you that it was Australia which first suggested abolition of extraterritoriality and we are perfectly willing to exchange notes with that end in view; but I am certainly not agreeable to vague general propositions which may be used as a basis for China's calling into question so fundamental a national policy as that of 'White Paper'. Ends.

Your reply of February 17th to which Dr. Evatt referred was not received by this office, but substance of your telegrams No. 22 of January 30th,[†] No. 189 of October 21st, 1942[†], was sent to him.

Please see my despatches No. 372 of October 11th[†] regarding Australian-Chinese relations, and No. 404 October 28th[†] and No. 394 October 22nd[†] on immigration into Australia.

1489.

DEA/5068-A-40

Le ministre en Chine au secrétaire d'État aux Affaires extérieures
Minister in China to Secretary of State for External Affairs

TELEGRAM 142

Chungking, December 1, 1943

Proposed Sino-Canadian Treaty.

Australian Legation has shown me, in confidence, copy of telegram received from Canberra giving text of Australian message to you concerning treaty situation. As I am not where all factors can be assembled for study, and balanced judgment formed, I submit the following for consideration only. It is too late for Canadian action on immigration to win China's goodwill or to deflect, even to minor degree, strong sentimental bias towards the United States which will be dominant factor in post-war trade. Any concession now made will be accepted as showing lack of individuality and initiative, and as giving further evidence that Canada is, as China believes, completely under American domination. Public sentiment in Canada, which I know to be strongly pro-Chinese, may compel action. Moreover, position of Canadian Missions as property owners is awkward, but not serious. While annoyance and delays continue, I do not think the Government will either take or permit confiscatory action. Balancing Canadian public sentiment and the position of the Missions on one side and any weakening of Canada's control of her own immigration policy on the other, I think Canada has more to gain than to lose by standing solidly with Australia in opposing an enlarged treaty at the present time. Canada can amend her immigration laws without treaty and no treaty will win material goodwill today. Opportunity to score heavily was before the United States repealed the Exclusion Act. China's pride is satisfied and nothing Canada does will either help or injure her standing. China will be actually, though not officially, indifferent. Chinese will continue to trade wherever there is the greatest profit, as witness her present trade with the Japanese, but she will give preferred consideration to goodwill. I have not discussed treaty situation, either recently with the Australian Minister or at any time with any member of the Chinese Government.

1490.

W.L.M.K./Vol. 339

Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Australie

Secretary of State for External Affairs
to High Commissioner in Australia

TELEGRAM 226

Ottawa, December 3, 1943

1. Your telegram of November 27, 1943, No. 287. Chinese Extraterritoriality. Please reply to Dr. Evatt along the following lines.
2. When we communicated with Australia on this subject in February 1943 we were not aware that the Chinese interpretation of the simple act of abolish-

ing extraterritorial rights would lead to the placing of missionary and other Canadian property rights in China in jeopardy. There is evidence now that this is the case and as our property holdings are very extensive it is essential that they be protected. You will remember that Dominions Office took this view in Circular D 489 of November 30, 1942.¹

3. At that time also we were under the impression that the inclusion of a "travel, reside and carry on commerce" clause would involve rights of entry which we were not prepared to accord. We have since been informed, and the text of our present draft assures, that this clause refers only to such rights as have been "long accorded" to Chinese nationals by Canada.

4. Finally, public opinion in Canada has been modified by considerations similar to those which in the United States have resulted in Congress according an immigration quota to China.

5. Under these circumstances we are disposed to conclude an agreement with China which will preserve our essential property rights in that country and yet, without conceding any vital principle, meet some parts of the Chinese case.

6. In the treaty which we now propose to conclude the only changes from our original intention are the inclusion of articles which:

- (a) provide protection for Canadian property rights in China;
- (b) provide for consular notification in the case of the arrest of Canadian nationals in China or Chinese nationals in Canada;
- (c) recognize, on a reciprocal basis, the right of Chinese to "travel, reside and carry on commerce" in Canada insofar as those rights have already been "long accorded";
- (d) commit both countries to enter into negotiations, after the conclusion of the war, for the conclusion of a "comprehensive modern treaty or treaties of friendship, commerce, navigation and consular rights."

Of these (a) and (b) are obviously in our favour; (c) is a gesture as it merely confirms present practice, and (d) refers to a plan which in any case we would be disposed to favour. (In connection with (d) it will be noted that a reciprocal clause granting most favoured nation treatment in regard to immigration is not a necessary element in such a treaty and no such clause will be included in any agreement we may make with China.) In other words, it is our view that in agreeing to the conclusion of a treaty of this kind we will be strengthening our own position in a very material way, without conceding any rights which could be invoked to our disadvantage. There are no "vague general propositions" in our text and while we may not be wholly cognizant of the Australian point of view, we can see nothing in the principles involved in the proposed Treaty that would in any way affect the maintenance of, for example, the "White Australia" policy.

7. It is hoped that these fuller explanations will remove Dr. Evatt's fear that the early conclusion of a treaty along the lines proposed between Canada and China would embarrass the Australian Government.

8. In connection with this whole matter you should inform Dr. Evatt that we propose shortly to discuss with the Chinese Minister the conclusion of an Immi-

gration Agreement which, if accepted by the Chinese, would enable us to rescind the Chinese Immigration Act against which considerable hostility has been aroused in Canada as well as in China. Our proposed agreement would prohibit immigration entirely but would permit the reciprocal admission of restricted numbers of persons of specified categories for limited periods and defined purposes. A more detailed description of our proposals will be given to the Australian High Commissioner in Ottawa shortly for transmission to Canberra.

1491.

DEA/5068-A-40

*Mémorandum de l'assistante, la direction de l'Amérique et de l'Extrême-Orient, le ministère des Affaires extérieures*²²

*Memorandum by Assistant, American and Far Eastern Division, Department of External Affairs*²²

[Ottawa,] December 6, 1943

CHINESE IMMIGRATION

1. A meeting was held in Mr. Robertson's office at 11 a.m., Friday, December 3, to discuss the draft of the proposed treaty with China on immigration which had been previously circulated by Mr. Keenleyside.²³ The following attended:

Mr. N. A. Robertson
 Mr. J. E. Read
 Mr. H. L. Keenleyside
 Mr. H. F. Angus
 Mr. H. F. Feaver
 Miss K. B. Bingay
 Miss B. M. Bridge
 Dr. E. H. Coleman
 Mr. A. L. Jolliffe

2. By way of introduction Mr. Robertson stated that the government is anxious to get this question cleared up as quickly as possible. The Prime Minister feels that, quite apart from general considerations, the repeal of the Chinese Exclusion Acts by the United States has made some action here urgently necessary. The present is probably the easiest time to get such action accepted by the Canadian public. Mr. Read added that through the whole country east of the Rockies there is a rising resentment on the part of all people of the old-time liberal faith against the government's policy which is likely to break loose in a national political issue of an unpleasant type unless something is done soon. Mr. Keenleyside said that he was rather disturbed by a recent telegram from Gen-

²² B. M. Bridge.

²³ Document 1485.

eral Odlum²⁴ in which he stated, in effect, that the result of the American action was such as to make it rather unnecessary for Canada to do anything. The Chinese were so impressed and pleased by what the Americans have done that they would take little notice of what Canada did subsequently. In fact, action by Canada at this time might be taken as an indication that Ottawa merely follows in the steps of Washington. The views expressed by the Minister here are at variance with earlier reports that he had encountered in China much criticism of Canadian policy with respect to Chinese immigration. Mr. Jolliffe was of the opinion that after the present enthusiasm for the American action waned, criticism of the Canadian position would be renewed. In any event, the question is coming up in a small way every day. The Chinese with whom the Immigration Branch has to deal are very antagonistic. There is the added consideration that our present policy is being widely and critically discussed in the press.

3. Mr. Keenleyside said that the latest draft of the proposed treaty incorporates the changes suggested last year by the Prime Minister and by the Immigration Branch. The text was then discussed in detail.

Article I: There was considerable discussion over the restriction of the power to issue permits to a Commissioner of Immigration and to the Governments of China and Canada respectively. It was felt by some that the Embassies and Consular Officers should not be excluded. Since, on the Canadian side at least, it is probable that there will be set up one central authority for the issuance of permits, it was decided that applications for permits might be made to the Embassy or to Canadian Consular Officers in China who would forward them to the central authority. It was suggested that the text of the present Article should be changed by inserting some such phrase as "or other authorized representatives" after "the National Government of China" and "Canadian Government".

Mr. Keenleyside said that the significant phrase in the Article was "... after a full investigation of the circumstances surrounding the application". For instance, if a Chinese doctor wished to come to Canada the investigation would cover such points as where he intended to practice, the size of the Chinese community there, and the number of Chinese doctors already in the area. If the circumstances did not warrant the admission of another Chinese doctor to that district, his application would be rejected. The provision would therefore, in effect, give us control not only of the number of immigrants but also of their distribution.

With reference to the last sentence, a visa would be granted only after the applicant had secured an Immigration Permit. Visas would be granted by Canadian or British Consular Officers.

Article II: The list of Treaty Occupations was extended by the addition of nurses and members of religious orders. Clerks and business assistants were to be admitted for employment only by their own nationals engaged in Treaty Occupations. It was decided that, while it was very necessary to spell out definitions of the various Treaty Occupations, this should not be done in the treaty but in an

²⁴Document 1489.

exchange of notes concurrently with the signing of the treaty. It was considered advisable to delete the sentence reading "This list of persons to whom Permits may be issued may be reduced, extended or interpreted by exchange of notes" because it might provoke embarrassing questions in the House from British Columbia members.

Article III: Mr. Keenleyside explained that this Article had two primary purposes: (1) to protect Canadian church and medical interests in China which have recently been experiencing considerable difficulty over titles to property, and (2) to prevent Chinese in Canada from acquiring large tracts of agricultural land. (The figure 10,000 inhabitants had been taken direct from some existing Act.) It was suggested that the text of this Article should be checked by some competent authority to determine whether or not it covers the position of church and medical interests adequately.

Article IV: It was agreed that the sentence "The visa will in each case be granted without cost" should be deleted, after Mr. Robertson had questioned the advisability of giving one country special treatment and had suggested that we should not exclude the possibility of partially financing the Consular Service in the future by visa fees.

Mr. Jolliffe pointed out that this Article would make it impossible to exercise supervision over indentured coolie labour passing through Canada en route to the West Indies and the United States. Under the provisions of the Chinese Exclusion Act the arrangement was to have coolie labourers pass through on bonded trains. Under the proposed treaty they would be permitted to go through as tourists and there was no adequate means of ensuring that they would reach their destination. Various methods of meeting this difficulty were discussed, the most satisfactory of which seemed to be Mr. Read's suggestion that there should be included in the Immigration Act or Regulations a general provision for control of aliens in transit through Canada under contracts of indenture. Such a provision would have no specific application to Chinese as such. Mr. Read and Mr. Jolliffe were to look into this in greater detail.

Article V: The effect of this Article is that children born in Canada of Chinese nationals shall be deemed to be Chinese nationals and shall not by reason of their place of birth acquire Canadian nationality or citizenship. This brings up the old difficulty in respect of Canadian nationals, Canadian citizens and the status of a British subject. As the Article is now worded such children would still be British subjects under Section 3 of the Naturalization Act. The following drafting changes were suggested: insertion of the word "hereafter" in line 1 ("Children born hereafter in China . . ."), substitution of "citizens" for "nationals" throughout the Article, and alteration of the last line of sentence 1 to read ". . . shall not, by reason of their place of birth, become Canadian citizens or British subjects." Dr. Coleman pointed out that this Article overturns both the Naturalization Act and the Common Law. There would be no legal difficulty, however, if the treaty is ratified by legislation. Mr. Read and Mr. Jolliffe agreed to give immediate consideration to the question of clearing up the present anomalous position with regard to the use and interpretation of the terms "Canadian national" and "Canadian citizen".

Article VI: The text of the present draft was agreed to be satisfactory.

Article VII: Mr. Angus asked whether it was proposed that the fellowships would have to be held at a university. Mr. Keenleyside said that such had been the intention. Mr. Robertson expressed some concern over the possibility of generalizing from this agreement. He had in mind particularly Latin America.

4. Mr. Jolliffe said that it was essential that the present practice should be continued whereby Chinese leaving Canada to visit China must register. This could be made a reciprocal administrative arrangement.

5. A brief discussion followed on the possible alternatives to the proposed treaty. The suggestion of a "Gentleman's Agreement" along the lines of that which we had with Japan was agreed to be unsatisfactory. The establishment of a quota system would be attended by innumerable difficulties and would, in addition, require years of study. A third alternative — that of trying to apply the Immigration Act by solving each individual case separately — was not considered feasible. Although the proposed treaty appeared to be the most hopeful approach to the problem, Mr. Keenleyside was not very sanguine of Chinese acceptance now. A few years ago there is little doubt that they would have welcomed it. In presenting it to them we shall have to make it clear that this is about as far as we can go. The only alternative is a continuation of the present regime or something like it.

6. The question was raised of the effect of this treaty upon the East Indians. It was suggested that an agreement along similar lines might be worked out for them.

1492.

W.L.M.K./Vol. 339

*Le haut commissaire en Australie au secrétaire d'État
aux Affaires extérieures*

*High Commissioner in Australia to Secretary of State
for External Affairs*

TELEGRAM 312

Canberra, December 18, 1943

SECRET. 1. I had a talk with Dr. Evatt yesterday as a result of an appointment requested by me. His attitude most friendly. Purpose of my visit was to have general talk on Mutual Aid difficulties, but before I could say anything he raised question covered by your telegram No. 226 of December 3rd, Chinese Treaty.

2. His attitude towards China very antagonistic. He stated that in his opinion war between China and Japan was at an end and that Japan had complete control of the situation. He stated further that Chinese were not to be trusted and were not dependable Allies and that no concessions made to them in this matter would eventually satisfy them, but would be used merely as stepping-stones to further demands for more concessions. If door opened in slightest degree permitting entry of Chinese, that by a deliberate policy of infiltration they would form a very serious problem. He stated that in his opinion China was using Canada as a lever to force Australia to enter into a similar Treaty.

3. It is quite apparent that he does not intend to go any further than relinquishment of extraterritorial rights in China.

4. He then suggested that Canada had made a complete *volte-face* on its Chinese policy and stated that an agreement had been reached between Canada and Australia whereby concessions would be limited to relinquishment of extraterritorial rights. I pointed out that this was incorrect, as we never agreed to anything, but merely advised them of what we intended to do. He then agreed that this was as far as we had gone.

5. He then went on to say that in his opinion fulfilling Canada's proposed action was not in her own interests and that he did not believe in subterfuge, and that action of the United States, and now of Canada, might be deemed to come within this appellation or, in other words that, by circuitous methods not open and above board, Canada and the United States were arriving at a certain result, viz., virtual exclusion, without stating the objective. As an example of what he had in mind, he stated that the *New York Times* recently carried a statement by President Roosevelt on repeal of Chinese Exclusion Act wherein he lauded this action, and that in another column of the same issue was another statement by the President that this action would not mean much, as result would only admit one hundred odd Chinese a year. His feeling is that if Chinese are to be excluded this should be stated as definite national policy and not attained by these means.

6. He then stated that in any event this was none of his business and that in reality whatever Canada did was her own affair and that no doubt our proposed action might be necessary under Canadian conditions and that he thoroughly understood that under such conditions we might have to take our proposed action.

7. If we took our proposed action, he said that he would not comment publicly upon it unless situation here made it necessary, when he would try to comment in such a way as to embarrass Canada as little as possible. He indicated that if he was forced to comment he would say that Canada at one time had indicated she was only going as far as relinquishing extraterritoriality but for reasons best known to herself she had found initiative to go further than she intended.

8. I then suggested to him that if he had to comment he could well distinguish Canada's position from their own by drawing attention to the fact that both United States and Canada had specific Acts dealing with Chinese immigration, whereas Australia had no such Act, but Australia's laws were of general application, applying to all nations alike. He thanked me for suggestion and said it might be very useful.

9. The sum total of my talk is that he expects Canada to go ahead as indicated by you but that Australia will not follow suit and if necessary to comment here on Canada's action it will be explained along lines suggested by me. I believe he is reporting our conversation to Glasgow.

10. My personal view is that your proposed action is in interests of Australia. Nothing can change geographical position of China and Australia. Nothing can change (word omitted) factor. China is going to be Great Power in the Pacific

and Australia must live with her. Therefore it is better for the future that complete goodwill be created now between China and Australia and that if Australia's Chinese exclusion policy can be attained by mutual agreement and with goodwill it is infinitely better than attainment of this policy by present unilateral policy which is resented. If our action forces their hand under the circumstances we will have done this land a service. I do not know if I am expected to express opinions on policy but that is how I feel.

1493.

DEA/5068-A-40

*Le directeur par intérim de l'immigration, le ministre des Mines
et des Ressources, au sous-secrétaire d'État adjoint
aux Affaires extérieures*

*Acting Director of Immigration, Department of Mines and Resources,
to Assistant Under-Secretary of State for External Affairs*

Ottawa, December 20, 1943

Dear Mr. Keenleyside,

This is merely for the purpose of recording our discussion of the 15th instant relative to the proposed Immigration Treaty with China.

It was understood that whilst Article I authorizes the issuance of Immigration Permits by the Canadian Embassy in China, such documents would actually be issued by an immigration official after investigation. This procedure would be necessary as this Service is responsible for the administration of the Immigration Act and Regulations.

The use of the term "Canadian citizen" in Article V was discussed at some length. We agreed that as the Article now reads a child born of Canadian parents in China would be admissible to Canada as a matter of right irrespective of the Immigration Act and that this fact would place such a child in a preferred class as compared with the children born in other parts of the world of Canadian parents. I believe you intend discussing this with Mr. J.E. Read.

I mentioned Chinese who are now in Canada under permit, as for instance, the children born in China of Chinese women who are permanent residents of Canada and who were visiting in China at the time of the children's birth; as the family were Canadian residents we allowed the entry of the Chinese born children under permit, which document is extended from year to year. I believe you considered that this class could not be dealt with under the Treaty.

The matter of the registration outward of Chinese residents of Canada intending to visit in China was also examined and it was decided that this should be considered by Mr. Read. Unless such Chinese register under some procedure such as is now required under the Chinese Immigration Act, it would be impossible for this Service to prevent the illegal entry of Chinese by misrepresentation. Further, many of the Chinese naturally would not register unless some statutory provision cancelled their right to return if they left Canada without registration.

The matter of Chinese passing through Canada in bond was examined and I think you intended asking Mr. Read for his opinion as to what could be done to continue handling this traffic under some government control.

Yours very truly,

A. L. JOLLIFFE

PARTIE 6/PART 6

TCHÉCOSLOVAQUIE/CZECHOSLOVAKIA

1494.

W.L.M.K./Vol. 334

Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures

Dominions Secretary to Secretary of State for External Affairs

TELEGRAM CIRCULAR D. 324

London, July 8, 1942

MOST SECRET. Following for the Prime Minister, Begins: My telegram Circular M. 131 of July 2nd, 1941. Dr. Benes²⁵ has pressed for some further declaration by His Majesty's Government in the United Kingdom to make clear that reservations set out in paragraph 6 of my telegram under reference implied no difference in status between Czechoslovak and other Allied Governments. In view of trials through which Czechoslovak people have been passing since death of Heydrich,²⁶ we think it desirable for psychological reasons to give Benes such satisfaction as is possible, and propose that further communication should be made to Czechoslovak Government in terms set out in my immediately following telegram. We contemplate that second part of communication would not be published until arrangements had been made for addition of Sudeten German representatives to Czechoslovak State Council.

2. We understand moreover that Czechoslovak Government are considering post-war reduction of Sudeten German minority as they consider that present 3 [and a] quarter million Sudeten Germans are too large for successful absorption in Czechoslovak State of some 15 million inhabitants. Their general idea at present is to agree to transfer to Germany of certain small districts of little strategic importance and inhabited almost exclusively by 600,000 to 700,000 Sudeten Germans. They then hope by expulsion of some Sudeten Germans as war criminals and transfer of additional million to reduce Sudeten German minority to about 1,000,000. It is proposed that in discussions with Benes and Sudeten German representatives we should indicate that United Kingdom Government approved in principle transfer to Germany after war in appropriate cases of German minorities in central and southeastern Europe, but special care will be taken to make it clear that principle approved related only to transfer of populations and did not commit us as regards transfer of territory. Ends.

²⁵ Président de Tchécoslovaquie.

²⁵ President of Czechoslovakia.

²⁶ Le Reichsprotektor en Tchécoslovaquie qui fut assassiné le 27 mai 1942.

²⁶ Reichsprotektor in Czechoslovakia who was assassinated May 27, 1942.

1495.

W.L.M.K./Vol. 334

*Le secrétaire aux Dominions au secrétaire d'État aux Affaires extérieures**Dominions Secretary to Secretary of State for External Affairs*

TELEGRAM CIRCULAR D. 325

London, July 8, 1942

MOST SECRET. My immediately preceding telegram. Following is text of communication, Begins: In a letter to Czechoslovakian Minister for Foreign Affairs dated July 18th, 1941, His Majesty's Principal Secretary of State for Foreign Affairs stated the King had decided to accredit an Envoy Extraordinary and Minister Plenipotentiary to Dr. Benes as President of Czechoslovakian Republic. Mr. Eden went on to explain that this decision implied his Government in the United Kingdom now regarded juridical position of President and Government of Czechoslovak Republic as identical with that of other Allied Heads of States and Governments established in this country.

The Prime Minister had already stated in a message broadcast to the Czechoslovak people on September 30th, 1940, the attitude of his Government in regard to arrangements reached at Munich in 1938. Mr. Churchill then said Munich agreement had been destroyed by the Germans. This statement was formally communicated to Dr. Benes on November 11th, 1940.

The foregoing statement and formal act of recognition have guided the policy of His Majesty's Government in regard to Czechoslovakia but, in order to avoid any possible misunderstanding, his Government now desires to declare that as Germany had deliberately destroyed arrangements concerning Czechoslovakia reached in 1938, in which His Majesty's Government in the United Kingdom participated, his Government regard themselves as free from any engagements in this respect. At final settlement of Czechoslovak frontiers to be reached at the end of the war, they will not be influenced by any changes effected in and since 1938.

2. His Government also desire to assure Czechoslovak Government that upon receipt of a notification from that Government that adequate Sudeten representation has been arranged in State Council and that Sudeten representatives have taken their seats in Council, his Government will be prepared to withdraw reservations regarding relationship between Czechoslovak Government and certain categories of former Czechoslovak nationals now in British territory contained in Mr. Eden's second letter to M. Masaryk of July 18th, 1941. Ends.

1496.

DEA/1257-39

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
au conseiller juridique**Memorandum from Assistant Under-Secretary of State for External Affairs
to Legal Adviser*

[Ottawa,] July 10, 1942

With regard to Dominions Office Circulars D. 324 and 325 of July 8th, so far as I can judge from this file Canada has lagged behind other Allied Govern-

ments and especially the United Kingdom in recognizing the Government of Czechoslovakia. It appears that no further action has been taken since October 23rd, 1940, when we recognized the *Provisional Czechoslovak Government*.²⁷ Since then the British Government has taken the action described in Circular M. 131 of July 2nd, 1941,[†] and now proposes to take further steps to place the Czechoslovak Government on the same status as the other Allied Governments.

I agree with Mr. Robertson's comment that we have been remiss in not taking action. An opportunity for catching up with our Allies in this respect will arise almost at once. Yesterday a telegram[†] was sent to London saying that we were prepared to announce immediately the establishment of a Czechoslovak Legation in Ottawa. This provides us with as good a chance of stating our attitude towards the Benes Government as will occur.

Before taking the matter up with the Under-Secretary, I should be glad to have your opinion on the legal position.²⁸

H. W[RONG]

1497.

DEA/3657-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1367

Ottawa, July 17, 1942

With reference to my immediately preceding telegram²⁹ and to Dominions Office Circulars D. 324 and 325 of July 8th, advantage was taken of announcement of appointment of Czechoslovak Minister to bring Canadian recognition of Czechoslovak Government into line with that accorded by United Kingdom. Our last formal act in this respect was recognition in October 1940 of the Provisional Czechoslovak Government. You might inform United Kingdom authorities of action now taken as set forth in paragraph 3 of my preceding telegram.

²⁷ Voir le volume 7, document 46.

²⁷ See Volume 7, Document 46.

²⁸ La note suivante était écrite sur ce memorandum:

²⁸ The following note was written on the memorandum:

I agree that it would be well to deal with this matter formally now. I do not share your feelings of remorse or those of the deputy. I do not see that we have lagged behind the U.K. in any way.

J. E. R[EAD]

²⁹ Le document suivant. L'ordre des télégrammes fut renversé.

²⁹ The following document. The telegrams were sent in reverse order.

1498.

DEA/3657-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 1368

Ottawa, July 17, 1942

Your telegram No. 1827 July 11th.¹ Prime Minister has announced in House of Commons today³⁰ our agreement to receive Dr. Pavlásek as Minister of Czechoslovak Republic saying that question of permanent exchange of Ministers with Czechoslovakia was deferred until after war.

2. The Prime Minister went on to express the profound admiration and deep sympathy of the Government and Canadian people for the Czechoslovak people in their valiant endurance of bitter oppression.

3. The Prime Minister said that the Canadian Government had recognized Government established in United Kingdom under Presidency of Dr. Benes nearly two years ago. That Government was recognized in a full sense as Government of Czechoslovak Republic and as being in its juridical position identical with position of other Allied Heads of States and Governments in United Kingdom.

PARTIE 7/PART 7
ÉGYPTE/EGYPT

1499.

W.L.M.K./Vol. 329

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 532

London, February 26, 1942

MOST SECRET. Behaviour of King Farouk of Egypt has become so unsatisfactory and intrigues in Palace at Cairo so flagrant that it may be necessary for United Kingdom Government to insist upon his abdication. This as you know was only averted a few weeks ago by King's last minute willingness to ask Nahas Pasha to form a Government. In the event of Farouk's abdication it will be necessary to find a place of sojourn for him. The Government here are very grateful for Canadian Government's willingness to receive ex-Shah of Persia and do not wish to be unreasonable in making a further similar request, but they would like

³⁰ Voir Canada, Chambres des Communes, *Débats*, 1942, volume 5, pp. 4472-3.

³⁰ See Canada, House of Commons, *Debates*, 1942, Volume 5, pp. 4326-7.

to know whether, in the event of Farouk's abdication, Canadian Government would be willing to allow him to stay in Canada. The terms of his custody would of course depend on the circumstances of his departure from Egypt, but it is quite likely that he could be treated quite appropriately in same manner as Persian ex-Shah. I should be glad to know what reply I am to give to the Dominions Secretary.

MASSEY

1500.

W.L.M.K./Vol. 329

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

TELEGRAM 450

Ottawa, March 10, 1942

MOST SECRET. Your telegram No. 532 of February 26th. You may inform the Dominions Secretary that, in the event of Farouk's abdication as King of Egypt, the Canadian Government would be willing to allow him to stay in Canada.

PARTIE 8/PART 8
ÉTHIOPIE/ETHIOPIA

1501.

W.L.M.K./Vol. 272

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] February 5, 1942

RECOGNITION OF ETHIOPIA

In December, 1938, the Canadian Government, in concert with the United Kingdom Government and most other members of the League of Nations, recognized the sovereignty of the King of Italy as Emperor of Ethiopia. Ethiopia is now once more free and independent. The United Kingdom Government have recognized Haile Selassie as Emperor and his country has been accepted as a member of the United Nations.

In a note of December 12th, the Ethiopian Minister in London informed our High Commissioner officially that "a proclamation has been promulgated by the Imperial Ethiopian Government declaring that a state of war exists between Ethiopia and Germany and Japan as well as Italy."

In view of the fact that Ethiopia has declared war on the three principal Axis powers and in view of its acceptance as one of the United Nations, it would

seem desirable that Canada should formally withdraw its recognition of Italian sovereignty over this country and recognize Haile Selassie as its rightful sovereign.

If this action is approved, recognition could be most appropriately effected by a note from our High Commissioner in London to the Ethiopian Minister there. I enclose a draft³¹, for your approval, which we might authorize Mr. Massey to send.³¹

N. A. R[OBERTSON]

1502.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet

Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, February 18, 1943

...

RECOGNITION OF ETHIOPIA

39. THE PRIME MINISTER said that the freeing of Ethiopia from Italian rule and the restoration of an Ethiopian government under Emperor Haile Selassie had raised the question of Canadian recognition.

It was recommended that recognition be accorded in an appropriate manner.

40. THE WAR COMMITTEE approved the Prime Minister's recommendation.

...

1503.

DEA/10275-40

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

DESPATCH 140

Ottawa, February 23, 1943

Sir,

I have the honour to refer to your exchange of letters with the Ethiopian Minister of December 12th^t and 15th last^t, and to request you to take this opportunity, on behalf of the Government of Canada, to express to the Ethiopian Minister the gratification which is felt in Canada at the declaration by the

³¹ Les notes suivantes étaient écrites sur ce mémorandum:

³¹ The following notes were written on the memorandum:

O.K. See note on draft. W. L. M[ACKENZIE] K[ING]

I think it would be well to have this approved by Council or by the War Committee or members of Government] will wish to know as declaration is made in their name. K[ING]

Imperial Ethiopian Government that a state of war exists between Ethiopia and Germany and Japan as well as between Ethiopia and Italy.

The Canadian people have witnessed with pleasure the restoration of the Imperial Ethiopian Government to its rightful place in control of the destinies of its nation. I should be grateful if you would inform the Ethiopian Minister that the Canadian Government recognizes the Imperial Ethiopian Government as being the legal and rightful Government of Ethiopia. This restoration of the Government of Ethiopia, the first of the victims of aggression to throw off completely the yoke of its conqueror, is a portent of the return to liberty of the rest of those nations who have fallen victim to the Axis powers in this war.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

PARTIE 9/PART 9
GRÈCE/GREECE

1504

DEA/3126-40

*Le haut commissaire par intérim de Grande-Bretagne au
sous-secrétaire d'État aux Affaires extérieures*

*Acting High Commissioner of Great Britain to
Under-Secretary of State for External Affairs*

950H/304

Ottawa, March 30, 1942

IMMEDIATE

Dear Mr. Robertson,

In paragraph 11 of his telegram to the Secretary of State for External Affairs, Circular D. 116 of the 2nd March¹, the Secretary of State for Dominion Affairs outlined a programme of relief shipments of wheat or flour for Greece which it had been decided to carry out in addition to the temporary relief measure which had already been agreed upon.

I have now received a telegram from Mr. Attlee on the subject of this wider scheme. The position is that the United Kingdom Government are still awaiting a reply from the Axis Governments to the proposals which the Swedish Government have put to them on the lines set out in the telegram to which I have referred. In the meantime they have been considering the procedure to be followed from the financial standpoint in the event of Axis consent to the scheme being secured.

The Swedish Government have undertaken to pay the expenses of the Control Commission, but it will of course be necessary to reimburse them for the use of their ships. The present view of the United Kingdom Government is that the money for this purpose should be found by the Greek Government themselves.

and it is hoped to arrange this with them. There remains the cost of the wheat, and the United Kingdom Government would like, for political reasons, to offer this to the Greek Government free of charge. Indeed, from the propaganda standpoint, it is as much in our own interest as in theirs that we should make a practical contribution towards the scheme and one which will be publicly known.

The matter is not free from complications, however, since on technical grounds the United Kingdom Government are advised that the wheat to be supplied should come from their stocks in Canada. The amount involved would be of the order of 15,000 tons a month. There are two sources from which this might be drawn; it might come from the balance of the United Kingdom stocks in Canada which have been paid for in sterling, now to be converted into the Dollar Loan; or it might come from later purchases, the cost of which would be charged against the Canadian Government's billion dollar gift. In the former case it is hoped that there would be no objection to the United Kingdom Government transferring the wheat to the Greek Government free of charge, even though the replacement of the United Kingdom's own needs would come from the billion dollar gift, and would thus be made at Canadian expense. On the other hand, in the latter case the gift to the Greeks would in effect be a Canadian gift, and the United Kingdom Government would actually be making no financial contribution. In such circumstances it is felt that the Canadian Government might prefer the gift to be regarded as coming from Canada and to offer the wheat to the Greek Government direct.

I have been asked to obtain the views of the Canadian Government on this matter urgently. The United Kingdom Government will be entirely ready to fall in with whatever procedure they prefer. The main preoccupation of the United Kingdom Government is that the wheat shall be supplied for shipment to the Greek Government without charge and if the Canadian Government should wish in the circumstances to take direct responsibility for the supply, they would of course be wholly content with this suggestion. In this event, however, it is hoped that the Canadian Government would agree as a matter of convenience to the necessary negotiations being conducted by the United Kingdom Government on their behalf.

Yours sincerely,

PATRICK DUFF

1505.

DEA/3126-40

*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire par intérim de Grande-Bretagne*

*Under-Secretary of State for External Affairs
to Acting High Commissioner of Great Britain*

SECRET AND IMMEDIATE

Ottawa, April 11, 1942

Dear Sir Patrick [Duff],

I wish to refer to your letter of March 30th regarding arrangements in contemplation for relief shipments of wheat and flour for Greece and to inform you

that the Canadian Government will be glad to be associated with the proposed gift of wheat to Greece. As you will be aware, the Governments of the United Kingdom; the United States, Australia, Argentina and Canada are on the point of subscribing to a Memorandum of Agreement looking toward the conclusion of a comprehensive international wheat agreement.³² This Memorandum of Agreement provides, *inter alia*, for the immediate establishment of a pool of wheat and flour for relief in war-stricken and other necessitous areas so soon as the international situation permits. Article VI of the draft Wheat Convention which is to become operative as soon as the Memorandum of Agreement is initialled, provides that the Governments of Canada, the United Kingdom and the United States of America give to the relief pool "as and when required by the Council" (which is to be set up under the Agreement), 25,000,000 and 50,000,000 bushels respectively of wheat or its equivalent in whole or in part of flour, f.o.b. seaboard port in the country of origin. The Canadian Government are of the opinion that the proposed arrangements for the provision of relief wheat to Greece could, with advantage, be related to and form a first instalment of the plan for the provision of free wheat to war-stricken and necessitous areas which has been worked out by the countries participating in the Washington wheat negotiations. It is not suggested that deliveries of wheat to Greece should be deferred until the Memorandum of Agreement has been initialled and the Council contemplated under Articles VI and VII of the Draft Convention set up. In view of the desperate food situation prevailing in Greece, it should be possible to secure the interim concurrence of the other countries associated in the wheat negotiations to the wheat shipments proposed under the arrangement which the United Kingdom Government is negotiating, going forward at once from Canada as the first Canadian contribution under the proposed relief pool.

Yours sincerely,

N. A. ROBERTSON

1506.

DEA/3126-40

*Le haut commissaire par intérim de Grande-Bretagne au
sous-secrétaire d'État aux Affaires extérieures*
*Acting High Commissioner of Great Britain to
Under-Secretary of State for External Affairs*

950H/304

Ottawa, April 20, 1942

IMMEDIATE

Dear Mr. Robertson,

I duly communicated to the authorities in London the contents of your letter of the 30th March³³ about relief shipments of wheat to Greece. I have now received a reply to the following effect.

³² Voir Canada, *Recueil des traités*, 1942, N° 11.

³² See Canada, *Treaty Series*, 1942, No. 11.

³³ Ceci est une erreur. La lettre en question est celle du 11 avril, le document précédent.

³³ This is an error. The letter in question is that of April 11, the preceding document.

The United Kingdom Government welcome the readiness of the Canadian Government to provide wheat at once for Greek requirements. The Canadian Government will, however, realise that the United Kingdom Government are willing to allow limited quantities of cereals to go to Greece through the blockade only because they regard the desperate food situation there as entirely exceptional. Similar concessions are not being made to other Allied Governments and it is most important that these Governments should not be given an opportunity to claim this transaction as a precedent nor be put in a position where they could be blamed by their countrymen for not so claiming.

Furthermore, owing to the great delicacy of the question of sending relief through the blockade, the United Kingdom authorities would not wish to bring the Argentine Government into this matter at this stage.

In these circumstances the United Kingdom Government would greatly prefer that the wheat should be made available to Greece on an *ad hoc* basis. They would, however, see no objection to the Canadian Government, at a later stage, asking the Governments concerned to regard these shipments as part of the Canadian contribution to the relief pool when it is instituted. For their part, the United Kingdom Government would be ready to agree to the shipments being so regarded.

It is very much hoped that the Canadian Government will agree with the foregoing, and I am asked to enquire whether in that event it may be assumed that the wheat will be a gift from the Canadian Government and will not be financed from the billion dollar gift to the United Kingdom. I am also asked to express the hope that the wheat will be available without delay. The Italian Government are understood to have agreed to the scheme put to them by the Swedish Government and the German reply is believed to be awaited in Stockholm any day now.

Yours sincerely,

C. A. E. SHUCKBURGH
for Sir Patrick Duff

1507.

W.L.M.K./Vol. 323

*Le sous-secrétaire d'État aux Affaires extérieures
au haut commissaire par intérim de Grande-Bretagne*

*Under-Secretary of State for External Affairs
to Acting High Commissioner of Great Britain*

SECRET

Ottawa, April 25, 1942

Dear Sir Patrick [Duff],

I would like to refer to your letter of April 20th and our previous correspondence on the subject of relief shipments of wheat to Greece. On reconsideration of this question and in the light of the views expressed in your letter, it has been decided not to press the original suggestion, outlined in my secret letter of April 11th, that the contribution of wheat from Canada should be related to the plans

for the international wheat relief pool. In the circumstances, the Canadian Government are prepared to make a free gift of 15,000 tons of wheat a month from Canadian stocks. I am to add that the Canadian Government were glad to learn that the United Kingdom Government, for their part, would be ready to regard this gift of wheat by Canada as an instalment of the Canadian contribution under the proposed Wheat Relief Pool.

I am bringing this decision at once to the attention of the Canadian Wheat Board and asking the Board to make the necessary arrangements for shipment without delay.

Yours sincerely,

N. A. ROBERTSON

1508.

W.L.M.K./Vol. 277

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] July 3, 1942

WHEAT FOR GREECE

When you receive the Greek King and Prime Minister Tsouderos this morning, it would be appropriate to say something to them about the provision which the Canadian Government is making of 15,000 tons of wheat a month as a free gift for the relief of the desperate food situation in Greece.

The negotiations for the establishment of the relief scheme have been worked out in consultation with the United Kingdom Government and the Swedish Government, with the collaboration of the International Red Cross. The Italian and German Governments were at first unwilling to accept the safeguarding conditions it was necessary to impose, but they have now agreed to do so. The principal point of difficulty was the composition and status of the Control Commission which was to supervise the distribution of relief in Greece. The International Red Cross worked out a formula which, while leaving in existence as liaison with the occupying powers the present Athens Relief Committee, on which the Axis Red Cross are represented, gives independent powers of control and reporting to a purely neutral body of Swiss and Swedes. The way now seems to be clear for the scheme to be introduced and the Swedish Government have asked the Italian and German Governments for safe conducts for the first three Swedish ships to sail from the Baltic to Canada to load wheat.

The Swedish Government have urged strongly that no publicity should be given at present to the proposed sailing of these three vessels lest this should give rise to further difficulties with the Axis for the granting of safe conducts.

The Greek Minister told me last night that his King would like to express his country's gratitude for the Canadian share in these relief arrangements in the

broadcast which he is making tomorrow and it would be easier for him to do so if you raised the question in your conversation with him and Tsouderos this morning. So far as we are concerned, the arrangements have not been negotiated at any stage with the Greek Government itself. There could be no objection to the King of Greece officially acknowledging, on behalf of his country, the assistance which the Government of Canada is arranging to give.

N. A. R[OBERTSON]

1509.

W.L.M.K./Vol. 277

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] December 4, 1943

RELIEF WHEAT FOR GREECE

During the past year Canada agreed to make a donation of 15,000 tons of wheat a month, to be shipped by Swedish vessels, for relief distribution in Greece. Owing to shipping difficulties, it has not been possible to transport this full amount during this year, and we have now received an inquiry from the United Kingdom authorities as to whether the Canadian Government would be willing to carry forward 12,000 tons of this deficiency. It is suggested that this amount should be shipped during the year ending in September 1944 as an addition to the present programme of 15,000 tons a month. The quantity of wheat already authorized as a gift to Greece would include this additional amount for 1944 and no further financial burden would arise. The Wheat Board has reported that the additional 12,000 tons could be made available, if approval is given.

The following is a quotation from a report by Mr. Deutsch on the Greek relief scheme:

"At the UNRRA Conference at Atlantic City I had the opportunity of a conversation with Dr. Mohn, former Chairman of the Swedish-Swiss Relief Commission in Athens, concerning the distribution of Canadian relief wheat in Greece. Dr. Mohn was most emphatic regarding the importance of this contribution in avoiding serious starvation on the part of a large section of the Greek population. He said that the Canadian wheat shipments provide an average of from 500 to 700 calories a day to about 3,000,000 people. This constitutes from 1/3 to 1/2 of the average total consumption of foodstuffs available to this population and makes up all the difference between subsistence and starvation. He said that the food provided by the Canadian wheat could not be obtained from any other source. Dr. Mohn assured me that the Greek people are keenly aware of the assistance given by Canada, for which they are most grateful.

Dr. Mohn said it was very urgent that the 15,000 tons a month should go forward as regularly as possible. Since there are no local reserves, any delays in

arrivals would cause much difficulty. There were some delays during the past year owing to shipping difficulties which the Relief Commission hopes can be made up by additional shipments in the near future. This would appear to be the origin of the British suggestion for an increase of 12,000 tons in the shipments during 1944.³⁴

N. A. R[OBERTSON]

PARTIE 10/PART 10

PAYS-BAS/THE NETHERLANDS

1510.

DEA/614-A-40

Le Premier ministre au secrétaire d'État

Prime Minister to Secretary of State

Ottawa, April 8, 1942

My dear Colleague,

For some time now the Netherlands Minister to Canada has been increasingly anxious to reach a settlement of the position of Netherlands assets in Canada, a problem which has been the subject of much consideration by the Deputy Custodian and Assistant Deputy Custodian, as well as by the Department of External Affairs, for almost two years. Continual postponement of any solution has given rise to much embarrassment, and I think it would be most desirable if you could give this matter your attention with a view to resolving a very complicated situation.

The principal difficulty arises out of the fact that by Order in Council P.C. 1936 of May 11, 1940, the Netherlands was declared proscribed territory, and Netherlands assets in Canada became vested in the Custodian, which position came into conflict with that which the Netherlands Government sought to establish under a Royal Decree of May 24th, 1940.³⁵ The Royal Decree vested in the Netherlands Government all assets in Canada, as well as elsewhere abroad, which belonged to persons resident in the occupied Netherlands. A further Decree of March 6, 1942, did the same with respect to assets of Netherlands citizens resident in the Netherlands East Indies. Thus, under our Order in Council the assets vest in the Canadian Custodian while from the Netherlands point of view they should and do vest in the Netherlands Government.

Precisely the same situation arose in the United Kingdom, and negotiations have been carried on there in an effort to settle the problem. Some progress has been made, I believe, although our information is indefinite. Our latest commu-

³⁴ La note suivante était écrite sur ce mémorandum:

³⁴ The following note was written on the memorandum:

Approved. W. L. M[ACKENZIE] K[ING].

³⁵ Voir le volume 8, document 765.

³⁵ See Volume 8, Document 765.

nication from the High Commissioner in the United Kingdom stated that negotiations are still in progress.

As a matter of policy there seems to be much in favour of making some concession to the Netherlands point of view, inasmuch as their Government receives full recognition as a member of the United Nations in opposition to the Axis. Certainly anything which we can do to remove unnecessary friction without impairing the Custodian's position, or that of Canadian nationals, would be very desirable.

I should much appreciate it if you would consider this matter and let me have your opinion as soon as possible as to whether it is practicable to do anything to meet the views of the Netherlands Government.

Yours sincerely,

W. L. MACKENZIE KING

1511.

DEA/614-A-40

Le secrétaire d'État au Premier ministre

Secretary of State to Prime Minister

Ottawa, May 8, 1942

My dear Prime Minister,

The subject raised in your letter to me of the 8th ultimo, the question of Netherlands assets in Canada, is one to which I have been giving attention and study.

I am sure you will recognize that it is but one aspect of a difficult problem. It seems to me that any action taken in respect to the suggestion of the Netherlands Minister would necessarily involve, sooner or later, a similar policy being followed in respect to Norwegian, Belgian, Yugoslav and Greek assets, for all of these countries have governments established in London and at least two of them, the Norwegian and Belgian Governments, have promulgated decrees similar in general purport to the Decree of the Queen of Holland of May 24th, 1940. I would anticipate also that sooner or later we would have similar proposals from the Polish and Czechoslovakian Governments and, possibly, from a Free French Government, should one be set up. Of course, from the point of view of the value of the assets now vested in the Custodian, the three most significant countries are the Netherlands, Belgium and France.

The problem in relation to the Netherlands is a very complicated one. It is a notorious fact in financial circles that, until the invasion of the Netherlands in May 1940, banks, trust companies and holding companies incorporated in Holland and, conspicuously, companies and firms identified with the Amsterdam Stock Exchange, were the depositaries of enemy capital and of what President Roosevelt some years ago described as "hot money". In other words, sums of money and securities which stood in the books of Canadian banks and corporations in the name of Dutch companies, banks, banking partnerships and

investment trusts, constituted monies and securities which, in a great many cases, were held in trust for undisclosed clients. In a few cases the Canadian Custodian and the British Custodian have been able to establish that the Netherlands corporate structure has been a mere shell and that the beneficial owners are enemies. It seems clear, therefore, that in relation to a very considerable proportion of the monies and securities held in Canada, nominally for Netherlands institutions and partnerships, the actual interest of Dutch subjects can scarcely at present be ascertained.³⁶

There is a further difficulty which I have ascertained is present in the minds of the authorities in the United Kingdom. In the Netherlands financial world, many of the leading banking houses were partnerships. The securities in the names of these houses — securities which, as I have suggested, are held for clients in most cases — were deposited with banks and trust companies in Canada and in England, as well as in the United States, subject to withdrawal on the signatures of two or more specified partners. In the case of one of the large banking firms, two partners escaped from Holland and are now in the United States. My information is that there were six partners in this banking firm, which operated somewhat along the lines of the old firm of J. P. Morgan and Company. It happened that neither of the two partners who escaped is a signing partner. In 1941, the Netherlands Government in London, by decree, amended the partnership articles to confer on the two partners who had escaped the signing powers of the partnership. The banks and trust companies in England and in Canada, however, take the position that the decree of the Netherlands Government in London cannot, in law, discharge them from their contractual obligation to recognize only the signatures of the partners specified in the contract of deposit. Unless, therefore, they are bound by some legislative Act or an Order-in-Council, valid under Canadian law, which would be sufficient to protect them from actions for breach of contract, it is not probable that Canadian banks and trust companies would assume the risk of paying over either to the Netherlands Government or to persons nominated by that Government monies or securities held for Dutch holders and now vested in the Custodian under the Order-in-Council of May 11th, 1940, even if our control should be relinquished.

It must not be overlooked that by the Order-in-Council of May 11th, 1940, the Government of Canada took action to protect and preserve Dutch assets, and still maintains these assets. The effect of our action at that time has been that the Germans who have ransacked safety deposit boxes cannot, by duress, compel Dutch holders of shares in such companies as, for example, International Nickel, to execute transfers which will be recognized by the transfer officer of the Company.

I have recently been in New York and I have ascertained from responsible sources there that the attitude which may be taken by the Enemy Property

³⁶ La note suivante était écrite sur cette copie de la lettre:

³⁶ The following note was written on this copy of the letter:

We have not suggested transfer to Neth[erlands] Gov[ernment].

Custodian in the United States has not yet been determined. I have also ascertained from the Controller of the Trading with the Enemy Branch of the Treasury and the Board of Trade in the United Kingdom, who is presently on this continent, that no final determination has been reached in the United Kingdom. It is the view of this officer, who has had a great deal of experience in relation to enemy property in England that it might be embarrassing to the United Kingdom authorities and to the United States authorities if Canada, without further consultation, should take action which could be interpreted as granting full force and effect to the Decree of the 24th May, 1940.

I am aware that, before the United States entered the War, a Court in New York, in a decision, appeared to recognize the Decree but this was in relation to litigation where the claimant was a purchaser from a German Commissar who, so far as could be ascertained, had appropriated the property from the Dutch owners. This decision, I am informed, is now under review by the Court of Appeals of the State of New York and, no doubt, will later reach the Supreme Court of the United States. It is not yet apparent how far the policy of the Custodian of Enemy Property may be influenced by the course of this litigation.

As I am sure you will understand, I do not find, in any quarter, lack of sympathy with the Netherlands Government and the Netherlands people, who have made such heroic sacrifices in the common cause. The situation is, however, that I fear if the Custodian were to relinquish control of Netherlands assets in Canada we might be taking a step which might have serious repercussions in other allied nations.

I am not sure whether you have been informed that in relation to Dutch Government property and to the Netherlands Shipping Mission the Custodian has consistently refrained from taking any action under the Trading with the Enemy Regulations. We have felt that the operations of that Mission are under Allied control and that we should not impede in any way the operations of the Shipping Mission.

Following the action taken in declaring the Netherlands to be proscribed territory, on the 11th May, 1940, and the announcement of the Decree of the Queen of Holland on the 24th May, a meeting was held in the office of the Deputy Custodian, attended by the Netherlands Minister, by the Legal Adviser of the Department of External Affairs, and by a representative of the Bank of Canada, at which assurances were given the Netherlands Minister that in the case of Dutch trading companies which had transferred their seat from the Netherlands to the Netherlands West or East Indies, releases would be given on a certificate from the Netherlands Minister that he was satisfied that an effective change had taken place. The Custodian's Office is adopting a similar action in respect to Netherlands companies which had transferred to the Netherlands East Indies. Many of these companies, before the occupation of the Netherlands East Indies by the Japanese troops, transferred their head offices from the East Indies to the Netherlands West Indies.

The amount of ordinary trade debts is comparatively small and in respect to these I feel it should be relatively easy to work out a solution. It is only in respect

to the monies and securities held under the conditions set out in the third paragraph of this letter that I feel gravely concerned.

I understood from the Controller of the Trading with the Enemy Branch of the British Treasury and Board of Trade that he is in close touch at Washington with the United States Custodian and the United States Treasury and that when the organization of the Custodian's Office at Washington has been completed, this is one of the problems which he thinks should be discussed at a conference between representatives of the Netherlands Government and the Governments of the United Nations or of those allied powers such as the United States, the United Kingdom and Canada, where the amounts of Netherlands property are considerable.

I may also add that this official pointed out that his experience had been that the Netherlands Government presently established in London has really no facilities for detailed investigation of many of the Netherlands holding companies and banking firms. As we are only too painfully aware, many naturalized Netherlands subjects of German birth or German origin were discovered in May 1940 to be leaders in the Fifth Column movement in Holland. A study of many of the individual cases cannot fairly be made until the enemy has been driven from Dutch territory.

My conclusion is that, while we should continue to give most favourable consideration to specific cases brought to our attention by the Netherlands Minister, we should, on the wider issue, reserve our position at least until such time as the situation has been thoroughly canvassed with the United Kingdom, the other Dominions and the United States.

Yours sincerely,

NORMAN McLARTY

1512.

DEA/614-A-40

Le sous-secrétaire d'État aux Affaires extérieures
au sous-secrétaire d'État
Under-Secretary of State for External Affairs
to Under-Secretary of State

Ottawa, June 3, 1942

Dear Mr. Coleman,

You are no doubt acquainted with the letter of April 8th sent by the Prime Minister to the Secretary of State in connection with the disposition of Netherlands assets in this country, and with the Honorable Mr. McLarty's reply of May 8th in which a very thorough and careful review was made of the whole situation. The Prime Minister has now asked me to communicate with you in an effort to arrive at some arrangement which might provide a solution to the problem, at least on a temporary basis.

As the Secretary of State showed in his letter, and as I am well aware, the question is one of great difficulty and presents very little probability of being successfully solved by any immediate settlement on a permanent basis. Until the policies which are to be followed in London and Washington have been settled, it would be difficult, and even embarrassing, for the Canadian authorities to make a final decision as to the way in which these assets should be dealt with.

The Secretary of State dealt, in his letter, with the difficulties that arise from the possible beneficial ownership by the enemy of monies and securities which, in point of form, are held by Netherlands companies, banking partnerships and individuals. There can be no disagreement as to the importance of ensuring that in no case should enemy advantage be served by relaxation of the control of the Custodian. It is consequently important that care should be exercised in such cases, while at the same time making adequate allowance for the desire of the Netherlands to assert greater control over the assets involved, and for the desirability of enabling Netherlands companies to carry on if at all possible.

It seems to me that there are two aspects to the general question which are to be recognized as requiring separate treatment. In the first place, there is the situation in which the corporate owner of certain assets is able to transfer its seat of operations from the occupied Netherlands to unoccupied territory. In such a case, if it can be reasonably well assured that the controlling personnel are not in any way associated with enemy interests, or likely to serve them, the most desirable course would seem to be to allow a release of assets. The transfer of the seats of Netherlands trading enterprises to the Netherlands West Indies or East Indies undoubtedly created circumstances in which it became possible for assets of these enterprises to be released. Since the Japanese occupation of the East Indies, new difficulties will have arisen, but I have no doubt that they, in turn, will be rectified by consequential commercial arrangements.

I think it may reasonably be considered that a certificate of transfer given by the Netherlands authorities in the case of any company is adequate evidence on which to assume that no enemy interest would be served by the full and free operation of such a company. Consequently, I am gratified to learn that the Secretary of State has adopted the policy set forth in the 10th paragraph of his letter. In dealing with the cases of trading companies which have transferred their seat from the Netherlands to the Netherlands West or East Indies, he has pointed out that releases will be given on a certificate from the Netherlands Minister that he has been satisfied that an effective change has taken place. He also pointed out that he has taken a similar action in respect of transfers from the East Indies to the West Indies. The adoption of this policy will remove one of the most serious sources of complaint from the Netherlands Government.

The second aspect of the general treatment of Netherlands assets to be considered is the position to be taken with regard to assets the owners of which cannot move or have not moved from enemy-occupied Netherlands territory, or are not eligible for certification in order to have their assets released to them even though they may have moved.

There does not seem to be much prospect of working out any arrangement, at any rate at the present stage, which would involve the transfer of monies and

securities to a Netherlands custodian or any general transfer to Netherlands companies, partnerships or individuals, particularly since the Netherlands Government is not in a position to establish an administration which could undertake the custody of Netherlands assets. There would be difficulty in any policy which might lead to the immediate and direct operation of the Netherlands decree. On the other hand, the Netherlands Government would greatly appreciate any action by the Canadian administration which would give some element of recognition to the Netherlands interest in Netherlands property.

It seems to me that it might be possible without prejudicing any of the points dealt with in the Secretary of State's letter, to go so far as to appoint an adviser who would be nominated by the Netherlands Government and paid by the office of the Custodian. Such an adviser or counsellor could, without impropriety, act as an adviser to the Custodian on all questions which concerned Netherlands property. I have no doubt that the Netherlands Government would appoint either a treasury official or a trusted financial expert. I am sure that he would be helpful both in maintaining liaison with the Netherlands authorities and in giving useful advice upon the custody and disposition of Netherlands assets.

In his letter the Secretary of State points out the difficulties which would result from the reluctance of banks and trust companies in Canada to recognize the Netherlands decree. I do not think that this would be an insuperable obstacle to concessions along the lines suggested above. It would not affect the second point in any way. It might affect the wider application of principles which are embodied in the 10th paragraph of the letter, which is dealt with in the first point above. I should think, however, that, in any cases in which the Custodian thought that it would be proper to do so, he could, with justification, release property to the use and enjoyment of Netherlands companies, firms or individuals who are not under enemy control. It would then be left to them, acting under title of the Netherlands decree, to take action to get in the assets. It would then be a matter for the Courts of Canada to determine what recognition should be given to the title of the Netherlands interests concerned.

Yours sincerely,

N. A. ROBERTSON

1513.

DEA/614-A-40

*Le sous-secrétaire d'État au sous-secrétaire d'État
aux Affaires extérieures*

*Under-Secretary of State to Under-Secretary of State
for External Affairs*

Ottawa, June 9, 1942

Dear Mr. Robertson,

I have received your letter of the 3rd June (File No. 614-A-40).

I have discussed it with the Secretary of State. F.W. McCombe, the Controller of the Trading with the Enemy Branch of the Treasury and Board of Trade, is at

present in Washington and has been attached to the British Embassy, *ad interim* and pending confirmation by London, as head of the Trading with the Enemy and Allied Division of the War Trade Department. He is coming to Ottawa to spend some days with us during the week beginning Monday, the 22nd. As is pointed out in Mr. McLarty's letter of May 8th, McCombe is familiar with the course of negotiations in England and in the United States and Mr. McLarty and I would like to discuss with him your latest suggestion. I may, however, remark that we have pretty well cleared up most of the trading companies to which references was made in Mr. McLarty's letter of May 8th. I may also state that no substantial change in any particular is made in the form of Netherlands assets and I cannot think of any genuine Netherlands company which has been liquidated.

As you are aware, the expenses of the Custodian's Office are provided from the commissions and not by an appropriation by Parliament. I am a little doubtful, therefore, how far we could, without impropriety, pay a Netherlands adviser, but this is a point of detail which we may consider later.

I shall write you after we have had the opportunity of discussing the matter with McCombe.

Yours sincerely,

E. H. COLEMAN

1514.

DEA/614-A-40

Mémorandum de la légation des Pays-Bas
Memorandum by Legation of The Netherlands

Ottawa, July 10, 1942

On May the 8th, 1942, Mr. L.B. Pearson addressed a personal and confidential letter to Mr. Groenman¹ concerning the position of Netherlands companies transferred outside enemy-occupied territory.

In the last paragraph of that letter Mr. Pearson stated that he readily understood that the delay in the matter in question might have been irksome for the Netherlands Government and inconvenient for many Netherlands persons and firms but that he hoped that the measures which were being taken in an effort to secure a more satisfactory solution, might achieve their desired result in the *very near future*.

Since the writing of the above-mentioned letter a considerable time has elapsed and I therefore venture to inquire whether already any measures as quoted above have been taken or when it can be expected that these measures will be taken.

But besides, having carefully studied Mr. Pearson's letter, I would like, with regard to some views expressed therein, to make the following observations:

From information received from my Government it appears that negotiations are indeed still in progress in London concerning Netherlands assets that

are subject to the provisions of the Netherlands Royal Decree of May 24th, 1940. I am not aware, however, of similar negotiations with respect to assets of corporations that have transferred their seats to unoccupied territory. Such corporations are managed by free agents, recognized as such by the Netherlands Government, confirmation of the fact being found in the ratification of the steps taken by them to effect the transfer. As you probably know, it is explicitly provided in the relevant law (Act of April 26th, 1940, Staatsblad No. 200, an act passed by the Netherlands Legislature before the Netherlands were invaded) that the notarial instrument amending the by-laws of a corporation and embodying the transfer of its seat is not valid until it has been ratified by the Governor General or Governor of the territory to which the seat is transferred or by the Minister of Justice of the Netherlands Government. Naturally, such ratification is not given unless the authorities concerned are satisfied that the Managers of the corporation are free from enemy control and will comply with the Netherlands provisions concerning trade with the enemy, etc. Proof of the ratification is to be found in the publication of the transfer in the relevant official publication. It seems to me, therefore, that the customary communication from this Legation to your Department effectively provides the proof of freedom from enemy control to which the first question Mr. Pearson raised in his letter refers.

Nor can I see on what grounds it can be questioned whether the company and its new management (if indeed there is a management not consisting of the original officers) is in fact legally entitled to succeed to the control of whatever assets may be involved. I must confess that I am very surprised to see from Mr. Pearson's letter that the Canadian authorities apparently are still arguing about the legal effects of a law passed in the normal way by the Legislature of a friendly country, two years after our two countries became allied in the common struggle.

I would like in this connection to stress again what has been pointed out repeatedly by Mr. Groenman namely that my Government cannot acquiesce in a state of affairs wherein Netherlands companies properly transferred outside enemy-occupied territory are as it seems still in a certain sense considered "enemy-controlled companies" and the measures taken by the Netherlands Government for the successful prosecution of the war are apparently ignored by officials of an allied Government.

It should be borne in mind that a.o. the above-mentioned Netherlands law of April 26th, 1940, enabled the Netherlands Government to take measures which effectively prevented large Netherlands assets to fall in enemy hands and that this end has been fully attained wherever the consequences of this law have been recognized by other Governments.

Naturally if notwithstanding all precautions taken by the Netherlands authorities the Canadian Government might still entertain any doubts about the activities of Netherlands subjects or about officers of Netherlands corporations the Netherlands authorities concerned will, I am sure, be glad to do all that is in their power to help to dispel or confirm such doubts and in the latter case to have appropriate action taken. On the other hand, it seems the time has long

since come when there should no more be talk about the validity of measures legally enacted by the Netherlands Government.

The Netherlands Government being greatly concerned about this matter, it should be highly appreciated if the Canadian Government would clearly indicate its attitude towards Netherlands companies which have transferred their seats outside enemy-occupied territory.

It would seem that this could best be done by giving a definite reply to the questions which Mr. Groenman asked in his various letters and lately in his letter of April 8th, 1942, No. 2688^f, to wit: "are the transferred companies still in certain sense considered enemy-controlled and therefore prevented from disposing of their assets without the Custodian's cooperation?"

1515.

DEA/614-A-40

*Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires des Pays-Bas*

*Secretary of State for External Affairs
to Chargé d'Affaires of The Netherlands*

No. 52

Ottawa, August 4, 1942

Sir,

I have the honour to refer to your memorandum of July 10, in which you drew attention to Mr. Pearson's letter of May 8 to Mr. Groenman and further correspondence concerning the disposition of Netherlands assets in Canada. I regret very much the delay which has occurred in the disposition of this matter, and which has made necessary the lengthy correspondence that has taken place.

There has, I think, been more misunderstanding than actual disagreement involved in this question. It will, perhaps, aid in dispelling this if I state that the Canadian Government has no intention of questioning in any way the legal effect of the Netherlands Legislation of April 26, 1940, which provided for the transfer of Netherlands companies, under specified conditions, from enemy-occupied to unoccupied territory. It is fully recognized that this was an Act passed in the normal manner by the properly constituted Government of the Netherlands.

It is also recognized by the Canadian Government that the measures taken by the Netherlands authorities with regard to the certification of transfers of corporations are designed to ensure that the companies concerned will, in fact, be free from any possibility of enemy control and will comply with the Netherlands provisions concerning trade with the enemy. This is, of course, not always an easy thing to ensure, due to the possibility that persons in apparent control may in reality be cloaks for interests of a questionable nature, but the Canadian Government is fully satisfied that every effort is made by the Netherlands authorities in this regard.

Perhaps the greatest source of difficulty lies in connection with cases of the type to which you refer in the third paragraph of the third page of your memo-

random, namely those in which a suspicion may be entertained that, despite every effort that has been made, there remains a possibility that the *bona fides* of those in control of specific corporations may not be beyond question. You have stated that, in such instances, the Netherlands authorities will be glad to do all that is in their power to help dispel or confirm such doubts and to take whatever action may be called for by the result of their investigations. I can assure you that the Canadian Government, for its part, will endeavour to do everything possible to expedite by its own efforts the achievement of a final conclusion as to the existence or absence of any suspected enemy interest. I am given to understand by the Custodian that instances of difficulty which have arisen in the past in such matters have now been almost entirely disposed of. As you indicate, the problem is entirely one of cooperation in a satisfactory investigation of doubtful interests in specific cases, and I can assure you that any cases outstanding or which may arise in the future will be given thorough and expeditious treatment. Every effort will be made to eliminate such irksome delays as may have arisen on occasion in the past.

I hope that this statement may serve to reassure you and the Netherlands authorities with respect to the points you have raised. If correspondence in the past has been read to the effect that the validity of the measures legally enacted by the Netherlands Government is in doubt, I very much regret the misunderstanding that has resulted, and I can only hope that none will exist in future. The Canadian Government fully appreciates the difficulties with which the Netherlands authorities, nationals, and commercial interests are faced, and it is sincerely hoped that active cooperation with the Netherlands authorities may serve to reduce those difficulties as much as possible.

Accept etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

1516.

DEA/4579-40

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au conseiller juridique*

*Memorandum from Under-Secretary of State for External Affairs
to Legal Adviser*

SECRET AND PERSONAL

[Ottawa,] October 27, 1942

The Governor General spoke to the Prime Minister the other day about the arrangements that might be made for the birth of Princess Juliana's child, which is expected some time in January. The family and the Netherlands Government would like to have the child (which may be the heir to the Throne) born on Dutch soil, and with this in mind, consideration has been given to having the lying-in take place at the Netherlands Legation. However, all the medical advice is against this course, and for her going to the Ottawa Civic

Hospital. The Governor General's query, which seems to be a little fanciful, is whether it would be possible to make the hospital maternity ward or some suitable part of it, Dutch territory for the occasion.

N. A. R[OBERTSON]

1517.

DEA/4579-40

Décret en Conseil

Order in Council

P.C. 10671

Ottawa, November 27, 1942

WHEREAS the Secretary of State for External Affairs reports that it is necessary and advisable for the security, defence, peace, order and welfare of Canada, that arrangements should be made to enable heads of the United Nations and Royal Families thereof, to take refuge within the territorial limits of Canada, and thus to promote and encourage the war efforts of the United Nations;

That, in particular, it is expedient that arrangements should be made to enable the Royal Family of the Netherlands, or members thereof, to continue to take refuge within Canada, and to provide an extraterritorial character to any place in which the heir presumptive to the throne of the Netherlands may be confined and in which an heir to such throne may be born;

NOW, THEREFORE, His Excellency the Governor General in Council, on the recommendation of the Secretary of State for External Affairs and under and by virtue of the powers conferred by the War Measures Act, Chapter 207, Revised Statutes of Canada, 1927, is pleased to order and doth hereby order as follows:

1. Any place in Canada within which Her Royal Highness the Princess Juliana of the Netherlands may be confined shall, for the period of the lying-in and to the extent of actual occupation for such purpose, be extraterritorial, and for such purpose Her Royal Highness the Princess Juliana and any child that may be born shall be accorded immunity from criminal, civil and military jurisdiction, whether Dominion or Provincial.
2. A statement in writing by an official member of Her Royal Highness the Princess Juliana's household to the effect that any such place is being employed or has been employed for such purpose shall be received as conclusive proof of such facts by any Canadian court or judicial authority.
3. A proclamation to the above effect shall be published in the *Canada Gazette* upon the direction of the Secretary of State for External Affairs.
4. Upon proclamation the provisions hereof shall be deemed to have been in force from the date of this order.

A. D. P. HEENEY
Clerk of the Privy Council

1518.

DEA/614-A-40

Le ministre des Pays-Bas au Premier ministre
Minister of The Netherlands to Prime Minister

No. 140

Ottawa, January 22, 1943

UNOFFICIAL AND CONFIDENTIAL

Dear Mr. Prime Minister,

In an official note which is being prepared on the subject of the application of P.C. 3959,³⁷ I confine myself to a few facts which illustrate better than any comment the attitude of the Custodian's Office.

Between few countries relations are more amicable than between Canada and the Netherlands. This is due, in no small part, to a spirit of active goodwill, shown by the Government over which you preside, and shown more than ever since the beginning of the misfortunes which befell the Netherlands.

In these harmonious relations, the attitude of the Custodian's office strikes a discordant note. On several occasions it only enabled the Department of External Affairs to answer my notes after a period of many months. I have found, in the replies I received, a tendency on the part of the Department of External Affairs to dissociate itself from the Custodian's point of view, by simply transmitting his statements, without endorsing them.

I have seldom noticed that anything was done to make things go smoothly. On one occasion, after I had received an assurance from the Department of External Affairs, that the assets of a certain company, whose activities were all-important to the Allied war effort, were to be released as being free from enemy influence, the counsel for the custodian still made difficulties on the ground that there had been a few Italian shareholders. On another occasion the Custodian simply assumed, without consulting me, that a certain Netherlands citizen, living in Mexico, might have resided in enemy-occupied territory after the middle of May 1940 and seized his income derived from investments in Canada. It was not until after repeated representations that I succeeded in having them released. Again it was only with considerable trouble that I obtained an assurance to the effect that U.S.A. dollar assets, administered by the Custodian, were not to be converted into Canadian loans. With the exception of assets belonging to so-called administration offices in Amsterdam, when a detailed report was kindly placed at my disposal, Netherlands interests have not very often been able to obtain information, at least so far as I am aware of. It is true I have been told unofficially that the grand total of the assets I am interested in, amounted to about sixty million dollars, but, apart from the administration offices above referred to, I still do not know even roughly what these assets consist of. Neither are the managers, appointed by the Netherlands Government, of Messrs Lippman Rosenthal & Co., allowed to know how they stand

³⁷Décret en Conseil P.C. 3959 du 21 août 1940.

³⁷ Order in Council P.C. 3959 of August 21, 1940.

with regard to their bank accounts in Canada, although I concluded from an answer given to a question raised by me, that the Custodian would not object to the managers approaching the Bank for the purpose of persuading them that they are the lawful representatives and consequently that he would not object either to information being given to them with regard to accounts.

I wish to stress in this connection that in England never such like difficulties were experienced on the part of the British authorities.

After all, you will agree with me that the Canadian Order-in-Council No. P.C. 3959 as well as the Netherlands decree A 1, vesting property rights in certain assets in the State of the Netherlands, are both aimed at the same purpose: to keep such assets out of the enemy's hands and away from his influence and control. If the principles of these two measures are difficult to reconcile, their application in practice might at any rate be made subject to one primary consideration: how to attain our object with least inconvenience to the interested parties or their *bona fide* representatives. On this basis there is much room for cooperation. If in concrete cases it is suggested to me that the Netherlands authorities may be misinformed as to the *bona fides* of certain persons or the merits of certain claims, I am, as I always have been, quite prepared either to clear the matter up or to convince the Netherlands authorities concerned that it is preferable not to intervene.

I regret however to say that approaches on these lines have been few.

All these incidental difficulties have made me wonder whether it is really necessary to continue acting in an atmosphere of aloofness such as I have tried to describe. If it were possible to bring about fruitful cooperation, it would undoubtedly be of advantage to both parties.

Yours sincerely,

F. E. H. GROENMAN

1519.

DEA/614-A-40

Le ministre des Pays-Bas au secrétaire d'État aux Affaires extérieures

Minister of The Netherlands to Secretary of State for External Affairs

No. 127

Ottawa, January 25, 1943

Sir,

To my regret I have to revert to the subject of the application of Order-in-Council P.C. 3959 in regard to the interests vested in the Netherlands Government by the Royal Decree A 1, in respect of which a situation has arisen which causes me some alarm.

In your note of August 4th, 1942, No. 52, you intimated that there is no doubt as to the attitude of the Canadian Government in relation to the *validity* of the measures legally enacted by the Netherlands Government.

It has however come to my knowledge that the Custodian has written to the Barclays Bank at Montreal, that if he authorized Canadian Banks holding funds

for Messrs Lippmann Rosenthal & Co. under his control, to supply statements to the managers *appointed by the Netherlands Government*, it would be contrary to the general policy and might be construed as a *recognition of their rights*.

Again you intimated that companies transferred would be recognized and that the difficulties would be examined in cooperation between the Canadian and Netherlands authorities. I refer to the above letter of August 4th, 1942.

It has come to my notice however that the Custodian has left a request for release of assets in Canada from one of these companies, Rembours and Industrie Bank, unanswered for over a year.

No attempt to examine difficulties in cooperation with the Legation has been made.

Again you intimated in your letters respectively of November 4th, 1942, No. 86^t and November 17th, No.90^t, that the authorities were not averse to the appointed Managers of Lippmann Rosenthal & Co. approaching Barclays Bank for the purpose of persuading that Bank that they are the lawful representatives of said Company.

What I really asked was: "may I take it that it is left to the appointed managers to persuade Barclays Bank that they are the lawful representatives of Lippmann Rosenthal & Co. and that, if they succeed in doing so the Canadian authorities will not prevent the Bank from giving information?"

After some correspondence I received an answer from you, stating that, without prejudice to the Custodian's rights in this matter, he will not object to the Managers approaching Barclays Bank for the purpose of persuading that Bank that they are the lawful representatives of Lippmann Rosenthal and Company. As the second part of my question was left unanswered, I had no reason to believe that the attitude of the Custodian in respect thereof would be different from what he knew was my supposition.

Nevertheless, the Custodian has apparently informed the Bank of Montreal that he declined to authorize them to send to the Managers the statement and details for which they asked.

Apart from the above, which reflects the official attitude in the matter, it is interesting to note that Lippmann Rosenthal & Co. were advised by Barclays Bank as well as by the Royal Bank of Canada that these Banks would be ready to give consideration to the request for information, if the Managers would submit to them a request signed by the authorized officers of Lippmann Rosenthal & Co. as mentioned in the list of signatures on file.

You will no doubt be aware that one of the essential purposes of the Decree A is to prevent business intercourse between Netherlanders abroad and those in occupied territory. These two Banks however formulate requirements, the fulfilment of which would necessitate such intercourse.

I should be grateful to you if through your kind assistance a solution for all these various incidental difficulties could be found on a basis likely to promote harmonious cooperation in future.

I have etc.

F. E. H. GROENMAN

1520.

DEA/614-A-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] January 26, 1943

I am enclosing a rather querulous letter from the Netherlands Minister³⁸, complaining about the difficulties he has had with the Custodian's Office. Some of the difficulties I think are really nothing, others Mr. Groenman is a little inclined to magnify. I attach a draft letter, for your signature, to Groenman, together with a copy of a preliminary note by Mr. Angus¹, examining the specific points which the Netherlands Minister has drawn to our attention. We will take them up at once with the Custodian's Office.

N. A. R[OBERTSON]

1521.

DEA/614-A-40

*Le Premier ministre au ministre des Pays-Bas
Prime Minister to Minister of The Netherlands*

Ottawa, January 30, 1943

Dear Mr. Groenman,

I am hastening to acknowledge your unofficial and confidential letter of January 22nd without waiting for the official Note which you are preparing on the subject of the application of P.C. 3959. I share your pleasure in the fact that relations between Canada and the Netherlands are of the most amicable character and I am happy that you should attribute this, in part at least, to the spirit of active goodwill towards the Netherlands which animates the Canadian Government.

I greatly regret that you should feel that there is anything in the attitude of the Custodian's Office which can be described as striking a discordant note and I am confident that your feeling on this point results from a misunderstanding, or a series of misunderstandings, which can be cleared away. Before any points can be discussed in detail I shall have to await your official Note, and to consult with my Colleague, the Honourable Mr. McLarty, the Secretary of State, under whose direction the Custodian activities lie.

In the meantime, however, I can deal with one of the points which you mention. The practice of the Department of External Affairs in transmitting statements from the Custodian should not be interpreted as implying any dissent from these statements, or any difference in view between the Department of

³⁸ Document 1518.

External Affairs and the Custodian. The Department acts as a channel of communication and when questions of major policy are not concerned, it is in point of fact transmitting inquiries from you to the Custodian and in turn transmitting replies.

In conclusion let me repeat that I am confident that a frank discussion can remove the unfortunate misunderstandings which appear to have existed and dissipate what you have described as an atmosphere of aloofness.

Yours sincerely,

W. L. MACKENZIE KING

1522.

DEA/614-A-40

*Le sous-secrétaire d'État aux Affaires extérieures
au sous-secrétaire d'État*

*Under-Secretary of State for External Affairs
to Under-Secretary of State*

Ottawa, February 17, 1943

A conference was held this afternoon with the Netherlands Minister who was given, on an entirely unofficial basis, a memorandum prepared by the Legal Division of the Department of External Affairs, of which I enclose a copy.¹ As a result of the discussion which ensued a tentative agreement was reached that the best results could be obtained by forming a consultative committee of three representing the Netherlands Legation, the Custodian and the Department of External Affairs. This committee would discuss all matters relating to Netherlands assets and would enable the Netherlands Minister to obtain full information concerning them. It would thus give effect to your suggestion that in the Lippman-Rosenthal case information might be supplied through the Netherlands Minister to the interested parties.

The Netherlands Minister welcomed the proposed arrangement which would dispose of his attempts to secure recognition for the Netherlands decrees and which would be preferable from his standpoint to his suggestion that freezing should replace vesting. It is suggested that the proposed committee might begin by meeting once a month, though it might easily happen that after a few meetings the intervals could be increased. It is my understanding that this proposal is in conformity with the suggestions which you made at yesterday's meeting and I should be glad to have your confirmation of it.

The tentative agreement reached with the Netherlands Minister leaves three matters outstanding, of which I hope that it will be possible to dispose fairly quickly. These are:

- (1) The answer to Note 550 of March 24, 1942.¹
- (2) The answer to Note 2731 of October 17, 1941;²
- (3) A statement of the present position of the Rembours-en-Industriebank.

¹ Voir le document suivant, troisième paragraphe.

² See following document, third paragraph.

In the first two cases this Department is awaiting a reply from Mr. Mathieu.⁴⁰ The third case is dealt with in your memorandum¹ but the final act in that case was a letter on September 24th, 1942,¹ stating that a decision had not yet been reached. The Netherlands Minister not unnaturally inquired if a decision had since been reached and if not, if he might be informed of the nature of the difficulties.

N. A. ROBERTSON

1523.

DEA/614-A-40

*Le sous-secrétaire d'État au sous-secrétaire d'État
aux Affaires extérieures*

*Under-Secretary of State to Under-Secretary of State
for External Affairs*

Ottawa, February 25, 1943

I received in due course your letter of the 17th and have discussed it with the officers in the Custodian's Office.

I am quite agreeable to the proposed consultative committee. I think that for the present I myself had better be named as the representative of the Custodian on this committee, with the understanding that G.W. McPherson, Executive Assistant in the Custodian's Office will be my substitute at meetings which I may find it impossible to attend.

I am writing you a separate letter¹ concerning the matter raised in the Netherlands Minister's note 550 of March 24, 1942.¹ We cannot, however, locate a copy of note 2731 of October 17, 1941.⁴¹ I wonder if you can supply a copy of this note. We have wondered whether by any chance it is confused with note 2704 of the 24th October, 1941.

I suggested in my memorandum¹ that I should like to mention the Rembours-en Industriebank case to the Netherlands Minister. If, however, the Minister will forward an official note that the seat of this company was transferred from occupied territory and that the Netherlands Government is satisfied that there is no enemy interest, we shall be disposed to release the funds.

As I mentioned in the conversation which I had with you in your office, we have on the file a report from Price Waterhouse & Co. in London which was of an unfavourable nature concerning some of the individuals who purported to control the company and it appeared to be a case where we should proceed cautiously. The amount involved, however, is not large and if the Netherlands Government is prepared to take responsibility along the lines I have suggested, I see no reason why we cannot release.

E. H. COLEMAN

⁴⁰ Séquestre adjoint suppléant des biens ennemis.

⁴¹ La note 2731, non reproduite, était datée du 27 octobre 1941.

⁴⁰ Assistant Deputy Custodian of Enemy Property.

⁴¹ Note 2731, not printed, was dated October 27, 1941.

1524

DEA/614-A-40

*Mémorandum de l'adjoint spécial en temps de guerre
du sous-secrétaire d'Etat aux Affaires extérieures*

*Memorandum by Special Wartime Assistant to
Under-Secretary of State for External Affairs*

[Ottawa,] March 31, 1943

I attended the first meeting of the Advisory Committee on Netherlands assets in the Custodian's Office at 3:00 p.m. on March 30.

The Custodian furnished the Secretary of the Netherlands Legation with a statement of the Lippmann Rosenthal position, which had been obtained from the bank. The Custodian also furnished a statement of funds in his possession held on account of Netherlands owners.

The matter of the *Oranje Linie* was mentioned as on the way to settlement.

There was friendly discussion of the general question of the payment of dividends by Canadian companies to Netherlands corporations transferred to free territory. The difficulties were explained and it was suggested that particular cases should be brought forward for discussion.

H. F. A[NGUS]

PARTIE 11/PART 11

Pologne/Poland

1525

DEA/910-39

*Mémorandum du sous-secrétaire d'Etat aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] May 18, 1942

Mr. Falter, who was in Ottawa last year as a special representative of the Polish Ministry of Finance and now has his headquarters in New York, called at the Department this morning, accompanied by Mr. Michalski of the Polish Legation. Mr. Towers was with me to receive them.

Mr. Falter explained that the Polish Government had decided not to proceed with their rather ambitious plans for training centres in Owen Sound and Windsor.⁴² The enlistment of Poles on this continent had been much lower than they had expected, and had been practically stopped altogether by the terms of the United States Draft Law, which applied conscription not only to declarant

⁴¹ Voir le volume 8, document 853.

⁴² See Volume 8, Document 853.

aliens but to nationals of Allied countries resident in the United States. At the same time, though the recruiting here had fallen off, the Poles had been able to form quite a substantial army in Russia, and another large force was mobilizing in Syria. The officer cadres they expected to send to this continent to train troops would therefore be needed in the Middle East. In the circumstances, the Poles had closed down the training centre at Owen Sound and were reducing the Windsor office to a small assembly station where volunteers could be brought together before being despatched in small parties to the United Kingdom.

When the Poles had received permission to go ahead with their original training programme in Canada, they had agreed to deposit a substantial quantity of gold (five or six million dollars) in the bank of Canada as security for their military expenditures in this country. Now that this programme is to be abandoned, they would like to feel free to transfer their gold from the Bank of Canada if it were needed elsewhere. I told him that in the circumstances there would be no difficulty at all about their doing this.

Mr. Falter said that in addition to the Lend-Lease assistance they were receiving from the United States, which covered the provision of military supplies and equipment, they were also securing under Lend-Lease foodstuffs and clothes for the Polish refugees in Russia and for the Polish troops who are being reassembled in Syria. They are also on the point of completing with the United States arrangements for a Government loan which will cover Polish Governmental non-military expenditures on this continent.

1526.

DEA/58-Bs

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures
High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 934

London, May 4, 1943

IMMEDIATE. MOST SECRET. With reference to Dominions Office telegram Circular D. 262, May 3rd, regarding protection of Polish interests in Soviet Union.

You will have seen from this telegram the approach made by Polish Government to the United Kingdom Government and the United Kingdom reply declining Polish request.

You will also have noted that Polish Government has approached United States Government and Lord Halifax was instructed to see Mr. Cordell Hull and support most strongly Polish appeal. The United States Government, however, have now definitely refused Polish request on following grounds.

(1) That for either the United Kingdom or the United States to assume responsibility would inevitably prejudice relations with the Soviet, and

(2) That if either Government accepted this task, the result would be damaging to the appearance and reality of Anglo-American solidarity and likely to cause prejudice to the larger issues. (See today's Dominions Office telegram on this subject reporting more fully considerations advanced by Mr. Cordell Hull in conversation with Lord Halifax.)

Apart from the difficulties referred to above and in Dominions Office telegram Circular D. 262, May 3rd, United Kingdom Government are particularly influenced by following considerations:

(a) Relations between United Kingdom and Soviet Government have appreciably improved in recent months and if United Kingdom were now to approach Soviet Government constantly with the many and very real Polish grievances, a very heavy strain would be placed on these relations.

(b) Owing to the fact that Russia claims as Soviet citizens all former inhabitants of the Eastern Provinces of Poland which are now claimed as Soviet territory by the Soviet Government, while the Poles regard as Polish citizens all who enjoyed Polish citizenship in pre-war Poland, United Kingdom would, in protecting Polish interests, be forced into taking up a definite attitude on the Polish-Soviet frontier dispute.

As regards alternative Protecting Powers, as indicated in paragraph 2 of Circular D. 262, United Kingdom Government feels that to go outside of ranks of United Nations and to appeal to a neutral would give a further handle to German propaganda to detriment of United Nations. In any case no doubt German propaganda would make the most of unwillingness of United Kingdom in particular to accept this duty.

As regards neutrals, there are very few represented at Moscow, the only possible candidates being Sweden and Turkey, who in view of their delicate relations with the Soviet Government would be most unlikely to undertake the task.

In the circumstances, the United Kingdom Government after careful consideration feel the best course would be to make utmost effort to find some other member of United Nations willing and able to undertake the task. I have been approached by the United Kingdom Government to ascertain whether the Canadian Government would be willing to undertake protection of Polish interests in the Soviet Union if approached by Polish Government. This approach of the United Kingdom Government should not be construed as request but only to ascertain views of Canadian Government. As matter is pressing, I should be grateful for an early reply.

MASSEY

1527.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, May 5, 1943

SOVIET-POLISH RELATIONS

13. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS reported that the U.K. government had enquired informally whether Canada would be prepared to act as the Protecting Power for Polish interests in the U.S.S.R. if officially requested so to do by Poland.

The role of Protecting Power would admittedly be very delicate. The United Kingdom did not wish to assume the role for fear of impeding its efforts as an intermediary in the existing difficulties. The United States, likewise, felt that assumption of this position might react unfavourably upon the attitude of the U.S.S.R. to the United States. To employ a neutral would offer further propaganda opportunity to the Axis; moreover, the only two neutrals available, Sweden and Turkey, would not be suitable in view of their own position vis-à-vis the U.S.S.R.

14. THE PRIME MINISTER expressed the opinion that it would be unwise for Canada, a small nation, with but a newly established Legation in Russia, to involve herself in the most difficult political situation in Europe. Further, our own relations with the Soviet would suffer; yet we would have little prospect of success.

15. THE MINISTER OF JUSTICE, while agreeing as to the difficulties, felt that it would be unfortunate and capable of dangerous exploitation by the Axis if no one among the United Nations could be found to represent the interests of Poland.

16. THE WAR COMMITTEE, after further discussion, agreed that the U.K. government be informed that, while fully appreciating the importance of finding a suitable Protecting Power, if possible among the United Nations, the Canadian government did not find it possible to undertake the task.

1528.

DEA/58-Bs

Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne

Secretary of State for External Affairs
to High Commissioner in Great Britain

TELEGRAM 713

Ottawa, May 5, 1943

IMMEDIATE. MOST SECRET. Your telegram No. 934 of May 4th.

Question of Canada assuming representation of Polish interests in the Soviet Union was considered this morning by the War Committee which decided that

it would not be possible for us to accept if we were approached by the Polish Government. Please so inform the United Kingdom Government stating that we fully appreciate the importance of finding a suitable Protecting Power, if possible among the United Nations, but have concluded that Canadian Government could not undertake this most difficult task.

1529.

DEA/58-Bs

*Le secrétaire d'État par intérim aux Affaires extérieures
au ministre aux États-Unis*

*Acting Secretary of State for External Affairs
to Minister in United States*

TELETYPE EX-1855

Ottawa, May 18, 1943

Following for Prime Minister and Robertson from Wrong, Begins: Polish Minister has just presented a note in which, after referring to his discussion with the Under-Secretary on May 16 and mentioning his informal suggestion that the Canadian Government might share jointly with Australia the representation of Polish interests in the U.S.S.R., he continues as follows:

Quote. I have now received instructions from my Government officially to approach the Government of Canada with an analogous request, which is being made after consultation with the United Kingdom Government.

It is earnestly hoped that the Government of Canada will see their way clear favourably to consider this request, the purpose of which is mainly of an humanitarian character. Unquote.

He has also left with me a personal letter to the Prime Minister which continues as follows, after referring to his formal note: Quote.

I have further been instructed by my Prime Minister, General Sikorski, to approach you personally in his name with an appeal for your favourable decision, as a tried and true friend of Poland, at the time of her greatest trial.

A sizeable portion of relief administered to the utterly destitute Poles in the U.S.S.R. came from Canadian welfare organizations, and the continuance of this humanitarian work under the supervision of the Canadian Legation would also for this reason be a desirable solution.

The sympathetic consideration by the Canadian Government of this earnest request to take charge of Polish interests in the U.S.S.R. jointly with the Government of Australia — until such time as the diplomatic relations between the Polish Government and the Government of the Soviet Union are resumed — would earn the profound gratitude of the entire Polish Nation. Unquote.

Mr. Podoski stated that he had not proposed to his Government that Canada might be asked to share this duty with Australia; the idea had occurred independently to the Polish Government in London. No further communication has been received from the United Kingdom Government but you will observe that Mr. Podoski states that the suggestion has been put forward after consultation with them.

He asked me to refer the matter urgently to you in Washington. I told him that you might not be able to give it consideration for a day or two. Ends.

1530.

DEA/58-Bs

*Mémorandum du sous-secrétaire d'État adjoint aux Affaires extérieures
à l'adjoint spécial en temps de guerre du sous-secrétaire d'État
aux Affaires extérieures*⁴³

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Special Wartime Assistant to Under-Secretary of State
for External Affairs*⁴³

SECRET

[Ottawa,] May 20, 1943

Mr. Robertson told me on the telephone this morning that the Prime Minister had considered our message EX-1855 and had decided to refuse the Polish request. The matter had not been raised with him by Mr. Churchill or the President. In addition to the reasons previously advanced, Mr. King felt that a sort of condominium with Australia in the protection of Polish interests would give rise to difficult problems.

I said to Mr. Robertson that I thought the reply to Mr. Podoski's note and personal letter should not be despatched until the Prime Minister had returned to Ottawa on Monday. It would, in particular, be necessary for an answer to go to General Sikorski's message in the name of the Prime Minister. Would you take a shot at preparing a note to the Polish Minister and also a letter in response to General Sikorski's message?

If Mr. Podoski raises the question with me before the Prime Minister's return, I think that I should tell him that the Canadian Government is not prepared to accept this duty, but that a formal reply must await Mr. King's return.

H. W[RONG]

1531.

DEA/58-Bs

*Le sous-secrétaire d'État aux Affaires extérieures
au ministre de Pologne*

*Under-Secretary of State for External Affairs
to Minister of Poland*

PERSONAL

Ottawa, June 14, 1943

My dear Victor [Podoski],

We have been remiss in not replying sooner to your note of May 18th[†] on the representation of Polish interests in the U.S.S.R. I enclose a formal reply[†] explaining that the Government does not feel able to accept the suggestion of joint representation by Canada and Australia. In my view it would be very difficult to

⁴³ G. de T. Glazebrook.

operate such an arrangement and I think it is doubtful whether the joint representation of Polish interests would be as effective as the representation by Australia alone.

The Prime Minister appreciated the message from General Sikorski which was transmitted in your personal letter to him of May 18th.[†] Would you inform General Sikorski in answer to this message that Mr. King welcomes this expression of his confidence and is sorry that compelling reasons prevent the Canadian Government from accepting these responsibilities? He hopes that diplomatic relations between the Polish Government and the Government of the Soviet Union will soon be resumed and that in the meantime the humanitarian work for the relief of destitute Poles in the U.S.S.R. can be continued under the supervision of the Australian Legation.

Yours sincerely,

N. A. ROBERTSON

PARTIE 12/PART 12
UNION SOVIÉTIQUE/SOVIET UNION

1532.

DEA/2462-40

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

TELEGRAM 1104

London, April 22, 1942

SECRET. Following for the Prime Minister, Begins: Question has been raised informally as to whether Dominion Governments would wish to enter into treaty relations with the Soviet Government along lines of proposed Anglo-Russian treaties, the text of which you have received in Dominions Office telegram Circular D. 213 of April 20th.[†] This might be effected either (a) by inclusion of Dominions in preamble and as separate signatories of treaties, or (b) by subsequent exchange of notes between Dominions and Soviet Government providing for Dominion Governments accession to treaties. Under either of the above procedures the understanding would be that action would not be taken by any one Dominion unless all four Dominion Governments were in agreement so to act.

It would be helpful if I might have your views for my guidance. Matter will not come to a formal proposal from here unless United Kingdom Government is assured that all four Dominion Governments would welcome opportunity to enter into such treaty relations with the Soviet Government as are suggested above.

Stalin asked Eden in Moscow whether the Dominions would be signatories to these treaties and Maisky raised the question again recently in London without, however, pressing the point. Ends.

MASSEY

1533.

PCO

Extrait du procès-verbal du Comité de guerre du Cabinet
Extract from Minutes of Cabinet War Committee

SECRET

Ottawa, April 29, 1942

...

PROPOSED ANGLO-RUSSIAN TREATIES

2. THE PRIME MINISTER reported that the question had now been raised, informally, as to whether the Dominions should become parties to the proposed military and political treaties. However, no formal request had yet been made, and it was thought that no one Dominion should participate unless all four were agreed that it was desirable so to do.

(Telegram No. 1104, Canadian High Commissioner, London, to External Affairs, April 22, 1942[†]; Secretary's note, April 28, 1942 — C.W.C. document 153[†]).

3. MR. KING expressed the opinion that Canada should not participate in a treaty with the U.S.S.R. which involved any settlement or guarantee of the pre-war Russian frontiers. The United States were not prepared to do so, though they would not oppose the negotiations, or take exception to the treaties.

The United Kingdom, feeling that arrangements of this kind with Russia were of vital importance, had decided to go ahead, in any event.

4. THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS described the effect of the draft treaties with respect to the 1940 frontiers, the restoration of which, with the specific exception of Poland, would constitute a common principle of Anglo-Russian policy in the reconstruction of Europe. This would involve the absorption of the Baltic States and the reacquisition of Bessarabia. A factor in relation to Canadian policy was the number of immigrants in this country from the boundary lands affected.

5. THE MINISTER OF NATIONAL DEFENCE FOR NAVAL SERVICES feared that the announcement of these provisions, in essence opposed to the principles of the Atlantic Charter⁴, would create apprehension in democratic countries.

6. The War Committee, after further discussion, agreed that Canada should not participate in treaty relations with the Soviet government along the lines of the proposed Anglo-Russian treaties.

...

1534.

DEA/2462-40

Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne
Secretary of State for External Affairs
to High Commissioner in Great Britain

Ottawa, May 1, 1942

TELEGRAM 868

SECRET. Your telegram No. 1104 of April 22.

Canadian Government does not wish to enter into treaty relations with the U.S.S.R. along lines of proposed Anglo-Russian Treaties.

[†]Voir le volume 7, document 327.

⁴See Volume 7, Document 327.

1535.

DEA/3833-40

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] June [n.d.], 1942

Attached is a useful memorandum by Glazebrook on the new treaty between the United Kingdom and the U.S.S.R., signed last week in London. The text of the treaty as finally established is a great deal more satisfactory from every point of view than seemed possible some weeks ago. It seems to me to be difficult to take exception to its present provisions, given the special relationship which the war has created between the U.S.S.R. and the other nations fighting against Hitlerism.

Mr. Glazebrook's memorandum examines (on pages 5 and 6) the possibility of Canada adhering to the treaty, or, alternatively, supporting it without adhering to it. I do not think we should consider adhering to the treaty. We were not parties to its negotiation. There is no provision in the treaty as it stands for adherence by third countries, and there is no suggestion that countries which are not members of the British Commonwealth should adhere to it. Apart from such diplomatic objections to our adherence, I do not think that Canada should, at this stage, assume post-war obligations in other parts of the world which would be different from or go further than those that the United States is prepared to assume.

[PIÈCE JOINTE/ENCLOSURE]

W.L.M.K./Vol. 374

*Mémorandum de l'adjoint spécial en temps de guerre
du sous-secrétaire d'État aux Affaires extérieures*

*Memorandum by Special Wartime Assistant to
Under-Secretary of State for External Affairs*

SECRET

[Ottawa,] June 2, 1942

TREATY BETWEEN THE UNITED KINGDOM AND THE U.S.S.R.

PART I — THE TREATY

Negotiations over a period of six months have now resulted in the signature on May 26 of a treaty entitled "Treaty between the U.S.S.R. and the United Kingdom of Great Britain and Northern Ireland of alliance in the war against Hitlerite Germany and her associates in Europe and of collaboration and mutual assistance thereafter".

TEXT

“Desiring to confirm the stipulations of the Agreement between His Majesty’s Government in the United Kingdom and the Government of the U.S.S.R. for joint action in the war against Germany, signed at Moscow on the 12th of July, 1941, and to replace them by a formal treaty;

Desiring to contribute after the war to the maintenance of peace and to the prevention of further aggression by Germany or the States associated with her in her acts of aggression in Europe;

Desiring, moreover, to give expression to their intention to collaborate closely with one another as well as with the other United Nations at the Peace Settlement and during the ensuing period of reconstruction on the basis of the principles enunciated in the Declaration made on the 14th of August, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom of Great Britain and Northern Ireland⁴⁵ to which the Government of the U.S.S.R. has adhered;

Desiring finally to provide for mutual assistance in the event of an attack upon either High Contracting Party by Germany or any of the States associated with her in acts of aggression in Europe.

PART I

Article 1. In virtue of the alliance established between the United Kingdom and the Union of Soviet Socialist Republics, the High Contracting Parties mutually undertake to afford one another military and other assistance and support of all kinds in the war against Germany and all those States which are associated with her in acts of aggression in Europe.

Article 2. The High Contracting Parties undertake not to enter into any negotiations with the Hitlerite Government or any other Government in Germany that does not clearly renounce all aggressive intentions, and not to negotiate or conclude except by mutual consent any armistice or peace treaty with Germany or any other State associated with her in acts of aggression in Europe.

PART 2

Article 3. (i) The High Contracting Parties declare their desire to unite with other like-minded States in adopting proposals for common action to preserve peace and resist aggression in the post-war period.

(ii) Pending the adoption of any such proposals they will, after termination of hostilities, take all the measures in their power to render impossible a repetition of aggression and violation of the peace by Germany or any of the States associated with her in acts of aggression in Europe.

Article 4. Should one of the High Contracting Parties during the post-war period become involved in hostilities with Germany or any of the States mentioned in Article 3 (ii) in consequence of an attack by that State against that party, the other High Contracting Party will at once give to the High Contracting Party so involved in hostilities all the military and other support and assistance in his power. This Article shall remain in force until the High Contracting

⁴⁵ Voir le volume 7, document 327.

⁴⁵ See Volume 7, Document 327.

Parties, by mutual agreement, shall recognize that it is superseded by the adoption of the proposals contemplated in Article 3(i). In default of the adoption of such proposals, it shall remain in force for a period of twenty years, and thereafter until terminated by either High Contracting Party, as provided in Article 8.

Article 5. The High Contracting Parties, having regard to the interests of the security of each of them, agree to work together in close and friendly collaboration after the re-establishment of peace for the organization of security and economic prosperity in Europe. They will take into account the interest of the United Nations in these objects, and they will act in accordance with the two principles of not seeking territorial aggrandisement for themselves and of non-interference in the internal affairs of other states.

Article 6. The High Contracting Parties agree to render one another all possible economic assistance after the war.

Article 7. Each High Contracting Party undertakes not to conclude any alliance and not to take part in any coalition directed against the other High Contracting Party.

Article 8. The present treaty is subject to ratification in the shortest possible time and the Instruments of Ratification shall be exchanged in (. . .) as soon as possible.⁴⁶

It comes into force immediately on the exchange of the Instruments of Ratification and shall thereupon replace the Agreement between the Government of the Union of Soviet Socialist Republics and His Majesty's Government in the United Kingdom, signed at Moscow on the 12th of July, 1941.

Part 1 of the present treaty shall remain in force until the re-establishment of peace between the High Contracting Parties and Germany and the Powers associated with her acts of aggression in Europe.

Part 2 of the present treaty shall remain in force for a period of twenty years. Thereafter, unless twelve months' notice has been given by either party to terminate the treaty at the end of the said period of twenty years, it shall continue in force until twelve months after either High Contracting Party shall give notice to the other in writing of his intention to terminate it."

Announcement of Treaty. It was agreed that the matter should be kept secret until the return of the Soviet delegation to the U.S.S.R.

PART 2 — ANALYSIS

The treaty as a whole is a compromise between United Kingdom and Russian policies, but is much closer to the former than seemed possible from reports of the negotiations.

Frontiers — The argument consistently put forward by Stalin was that, in default of direct military assistance, the United Kingdom should commit herself to defined post-war frontiers for the U.S.S.R. Poland, it was agreed, was to be omitted from mention, but the Baltic States, parts of Finland, and Bessarabia were to be included within Russia.

⁴⁶ Les instruments de ratification furent échangés à Moscou le 14 juillet 1942.

⁴⁶ The Instruments of Ratification were exchanged in Moscow on July 14, 1942.

Such a course would have violated the Atlantic Charter in spirit if not in letter; would have been at best unsupported by the United States; and would have aroused the antagonism or suspicion of small states and national groups.

The omission of all direct reference to territorial commitments must be regarded not only as a success for United Kingdom diplomacy but as promising a greater degree of agreement amongst the United Nations.

Security — Both the United Kingdom and the United States have long accepted in principle the need of the U.S.S.R. for security against aggression after the war. The proper means to that end were, however, in dispute. On the one hand, the Russians asked for strategic frontiers; and, on the other, the United States proposed only to support — after the war — Russian efforts to achieve security. It was the aim of the United Kingdom Government to find a settlement that would satisfy the first without antagonising the second.

In the United Kingdom draft of late April, territorial aggrandisement and interference in the Internal affairs of European peoples were abjured, but “full regard” was to be had to “the desire of the U.S.S.R. for the restoration of its frontiers violated by the Hitlerite aggression.”

Mutual Assistance — In the treaty as signed a course different from any of those previously proposed is adopted. Two lines are laid down:

(1) A bilateral guarantee of assistance in case of attack. This guarantee is to remain in force for twenty years, or longer if not terminated by either party, unless the following alternative comes into effect:

(2) A system of collective security. No machinery is suggested, but it is to be multilateral, and to be “for common action to preserve peace and resist aggression.”

General Comment — The present treaty is the alternative proposed by the United Kingdom after failure to agree with the U.S.S.R. on the details of a treaty embodying territorial terms. While it creates a defensive alliance of a type not originally envisaged by the United Kingdom, it does not otherwise conflict with United Kingdom policy.

Moreover, it can hardly be asserted that it is directed against the interests of others of the United Nations, or of neutral States.

PART III — CANADIAN POLICY

The treaty is in no sense binding on the Dominions, nor has any suggestion recently been made that the Dominions should adhere to it. It may be presumed, however, that the position remains as described by the Canadian High Commissioner on April 22, viz., that a formal proposal might be made if it were clear that the Dominions would welcome the opportunity to enter into such treaty relations.

The following objections were pointed out (in a memorandum of April 14)† to the treaty as earlier drafted:

- (1) That closer association with the U.S.S.R. would be criticized in Canada.
- (2) That it would destroy some small nations and threaten others.
- (3) That it was contrary to the Atlantic Charter.

(4) That it would drive a wedge between the United Kingdom and the United States.

Of these only the first objection would still apply. It is one that is based more on prejudice than reason, and could, to some degree, be reduced by planned publicity.

One of the following courses might be followed by the Canadian Government:

(1) *To adhere to the Treaty*

The decision no longer involves adopting a policy conflicting with that of the United States; nor one actively opposed by certain racial minorities in Canada. It is probable that any *rapprochement* with the U.S.S.R. would be unwelcome to the majority of the Ukrainians, Poles, Lithuanians, Latvians, and Estonians. There would be, however, no valid grounds for criticism of the terms of the treaty.

The real issue is whether the Canadian Government wishes to be a party to a defensive alliance which may or may not be absorbed in a wider framework of collective security. The principle of mutual assistance against aggression after the war will undoubtedly be considered by the United Nations at some stage. That consideration may be delayed; and it can be held that the present case does not demand a decision on the wider question of post-war international relations.

It is not, however, an academic question even at this time. The treaty may lead to close collaboration between the United Kingdom and the U.S.S.R. during and after the war. It may develop into an alliance of the Great Powers, so strong as to dominate world affairs. A present commitment might be justified by membership in a bloc so influential.

If adherence were decided on, or even considered, the other Dominions might be consulted.

(2) *To support the Treaty without adhering to it*

To have supported the treaty as earlier drafted would no doubt have been considered necessary, but could not have been done without difficulty.

The circumstances have now entirely changed, and the Canadian Government can, without embarrassment, express its unqualified approval. It is the more important that a member of the British Commonwealth and one of the United Nations should so express itself since a treaty has from the first been regarded as recognition of the part played in the common cause by the U.S.S.R. A strong lead by Canada might not be without influence on the other American nations.

To secure a favourable public opinion toward the treaty (both in Canada and the United States) the following steps are suggested:

- (a) A full explanation by the Prime Minister in the House of Commons.
- (b) The above explanation would form the basis of newspaper comment, but there might also be releases prepared by the Bureau of Public Information.

1536.

PCO

*Extrait du procès-verbal du Comité de guerre du Cabinet**Extract from Minutes of Cabinet War Committee*

SECRET

Ottawa, June 11, 1942

...

ANGLO-RUSSIAN TREATY

8. THE PRIME MINISTER reported that word had been received of the successful conclusion of negotiations between the United Kingdom and the U.S.S.R. A treaty had been signed on May the 26th, and announcement of this event was being made today in London.

The Russians had withdrawn from their earlier demand that, in default of direct military assistance, the United Kingdom should commit herself to a guarantee of defined post-war frontiers for the U.S.S.R. They had accepted the alternative of a bilateral guarantee of assistance, to remain in force for twenty years, unless replaced by a system of collective security for the preservation of peace. The treaty, as signed, involved, therefore, no conflict with the U.S. policy.

The U.K. government had suggested that it would be helpful if the Dominions could make it clear that they approved of the Treaty, to which, however, no actual adherence on their part was now proposed. The line to be taken, as regards publicity for the Treaty, was contained in telegrams from the Dominions Office. The text of the Treaty and information concerning the negotiations had been communicated fully by the U.K. government.

(Circular telegrams D. 289, 290, 291, and 292, June 1942, Dominions Office to External Affairs).[†]

9. MR. KING said that it was proposed to accede to the U.K. request and express the Canadian government's general approval of the Treaty in a communication to Mr. Churchill, which would be made public in the House of Commons. A draft telegram[†] was submitted for consideration.

10. The War Committee, after discussion, approved, with certain amendments, the draft telegram submitted, and agreed that it be made public in the House of Commons, and tabled with the text of the Anglo-Russian Treaty.⁴⁷

...

1537.

DEA/2-Qs

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre**Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] May 6, 1943

The Soviet Minister came to see me today to ask about how arrangements stood for Canadian participation in the Third Soviet Protocol. I explained the

⁴⁷ Voir Canada, Chambre des Communes, *Débats*, 1942, volume 3, p. 3356.

⁴⁷ See Canada, House of Commons, *Debates*, 1942, Volume 3, p. 3252.

procedure we had in mind, and said I did not think the separate adherence of Canada to the Protocol would materially change the arrangements for supplying materials and munitions to the Soviet Union. The most important feature of the new arrangement would probably be its political and psychological aspect, under which Canadian aid to the Soviet Union and to others of the United Nations would be furnished direct instead of through the United Kingdom or the United States as intermediaries.⁴⁸

He asked if there had been any developments with regard to the establishment of the International Relief Organization. His latest information was that the Soviet Government had informed Litvinov that they welcomed the arrangement under which Canada would become Chairman of the Suppliers Committee. In due course this would be communicated by Litvinov to the other members of the Ambassadors Committee in Washington.

We had some conversation about the Soviet-Polish difficulties. He did not regard the frontier question or the position of Polish nationals in the Soviet Union as insoluble or even very formidable questions. Given goodwill and mutual loyalty, he thought acceptable agreements could be reached on both these points. What was really serious and disturbing was the general attitude of the Polish Government. Their hostility to the Soviet Union had led them into playing the enemy's game by their appeal to the International Red Cross, which could only have been calculated to hopelessly embitter a difficult situation. He complained of the Polish press in the United Kingdom protesting all the time against Russian actions and passing over the behaviour of the Germans and taking the line that Poland's interest was to see Germany and Russia exhaust each other without participating too actively on either side of the struggle. He felt there were pro-Fascist elements in the Polish Government and the Polish press which were actively disloyal to the cause of the United Nations, and until they were purged he did not see how a real reconciliation could be effected between the Polish and Soviet Governments.

Mr. Gousev went on to talk about resolutions he had noticed in Canadian-Ukrainian newspapers, passed by Ukrainian Nationalist organizations, advocating an independent Ukraine and consequentially the dismemberment of the U.S.S.R. He said that this attitude of Ukrainian organizations was pro-fascist, and did not understand why, if we had a censorship in force, we allowed newspapers in Canada to publish articles advocating the breaking up of the territories of our ally, the Soviet Union.

I replied that, though the Ukrainians were a very large bloc in Canada, more numerous really than either the Poles or the Russians, they were not a factor in influencing Canadian Government policy, and too much importance should not be attached to speeches and resolutions of the Ukrainian Nationalists. Ukrainian nationalism, like Irish nationalism, was a pretty sturdy growth. Ukrainian immigrants in Canada were mostly from the Western Ukraine, territories that had formerly been part of Austria-Hungary and latterly had been under Polish rule. Their nationalism had, in the years between the wars, been primarily

⁴⁸ Voir les documents 394 et 395.

⁴⁸ See Documents 394 and 395.

aimed at separation from Poland though, like all national movements, they aspired to union as well as to independence. He objected to the Canadian Ukrainian Nationalists undertaking to speak on behalf of 50,000,000 Ukrainians, at least 30,000,000 of whom must be citizens of the U.S.S.R., who had fought very bravely in resisting the Nazi invasion and who were completely loyal Soviet citizens. He pressed his point about the anti-Soviet articles in Canadian-Ukrainian papers, stigmatizing them as pro-Fascist. I said that undoubtedly there were some elements in the Ukrainian Nationalist Movement which could be so described, but the great bulk of the Canadian Ukrainians were not in any sense pro-Fascist. We would be much happier if they would look at the world through Canadian eyes and think of themselves solely as Canadian citizens, but the process of assimilation took time. There was no doubt that many Ukrainian Canadians had cherished hopes for the formation of a separate Ukrainian state.

I explained that we were very reluctant as a democracy to use the censorship powers taken under the Defence of Canada Regulations unless the successful conduct of the war required it. As a matter of policy, the Government did not invoke the censorship to suppress editorial opinion however critical it was, even of the Canadian Government. It would be difficult to apply a different censorship rule to criticisms of Allied Governments. Such criticisms, though often irritating, were not really important and the use of the censorship to suppress them might well do much more damage to the general interest than could the offending articles themselves.

1538.

W.L.M.K./Vol. 246

*Mémoire du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

[Ottawa,] May 25, 1943

There has been of course a great deal of press comment on the dissolution of the Communist International, but as far as I can see no responsible political leader has himself made a direct comment on this development.⁴⁹

If you feel you have to say something, you might say that it appears to be a sensible move which has been welcomed everywhere except in the Axis countries.

It is I think important not to refer to the decision as one taken by Stalin or by the Soviet Government. The latter has endeavoured for years, and without much success, to convince the rest of the world that the Comintern was entirely separate from the Soviet Government. Out of deference to Russian susceptibilities this fiction might well be preserved in any references to its dissolution.

N. A. R[OBERTSON]

⁴⁹ Note marginale:⁴⁹ Marginal note:

Churchill has. K[ING]

1539.

PCO

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs
to Prime Minister.*

[Ottawa,] June 1, 1943

You may be interested in looking through the attached despatch to our Minister at Kuibyshev.¹ It gives a full and useful account of the Ukrainian political organizations in Canada and their press affiliates. The position of the Ukrainian Nationalist organizations in Canada is becoming more delicate and more difficult as the war develops. Their historic feud with the Poles is in danger of becoming a row with the Russians, which is a more serious question.

The Ukrainian-Canadian Committee is arranging a national convention in Winnipeg towards the end of June, to which it has invited you and two or three members of the Cabinet. Under present conditions I doubt whether any Minister should accept such an invitation. However careful and correct his remarks, his presence at such a meeting would be construed as some kind of Canadian endorsement of Ukrainian nationalism, which has among its objectives the separation of the Ukraine from the U.S.S.R.

If you have read my letter to Grierson⁵⁰ of May 16th¹, you will see that the Government's contacts with the foreign language press and foreign language groups generally are pretty confused and unsatisfactory. I hope to get the War-time Information Board to straighten out the press side of the picture, but I am more worried about the possible mischief which may develop from the activities of the Foreign Groups Division of the Department of National War Services. Thorson⁵¹ and Judge Davis took a personal and informed interest in this work and were able to give it closer supervision than it has received recently. The work this section is trying to do is, I think, important for Canada, but I do not think they have quite the right men for the job; it is a difficult job in which the wrong men can do a good deal of mischief.

N. A. R[OBERTSON]

⁵⁰ Commissaire du gouvernement à la cinématographie, Office national du film, et directeur général, Commission d'information en temps de guerre.

⁵⁰ Government Film Commissioner, National Film Board, and General Manager, Wartime Information Board.

⁵¹ Président, Cour de l'échiquier du Canada. Ministre des Services de guerre nationaux, 1941-42.

⁵¹ President, Exchequer Court of Canada. Minister of National War Services, 1941-42.

PARTIE 13/PART 13
ESPAGNE/SPAIN

1540.

W.L.M.K./Vol. 272

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures
au Premier ministre**Memorandum from Under-Secretary of State for External Affairs
to Prime Minister*

MOST SECRET

[Ottawa,] September 11, 1943

You may remember that when the Spanish Government approached us rather more than a year ago with a view to their appointing a career consular officer in Vancouver, to carry out their work as Protecting Power in Canada for Japanese interests, we made confidential enquiries in London and Washington about the *bona fides* of the officer they proposed to appoint. We made special enquiries on this point because we had had general warning that Spanish diplomatic and consular officers, particularly in South American and Latin American countries, were believed to be acting as agents for the Axis. On receipt of information from United Kingdom sources that they believed Señor Kobbe to be a friendly and reliable person, we issued his exequatur in the usual way. Subsequently, very secret advice was received [. . .] that Kobbe would bear watching. We had, however, no grounds on which we could reasonably object to the establishment by Spain of a consular office in Vancouver and no evidence which we could adduce that Señor Kobbe was an unacceptable officer. We have, however, been taking special precautions ever since his installation in Vancouver to see if he was up to any mischief. [. . .] There was nothing in his correspondence or contacts to suggest that Kobbe was an Axis agent. However, some ten days ago, [. . .] a letter [. . .] to the Spanish Consul General in Montreal [. . .] was found to contain an enclosed letter for Kobbe in which there were two special codes, by which he could transmit special secret information to a cover in the Spanish Foreign Office in Madrid for forwarding to Japan. The codes consist of lists of Japanese proper names, each of which is given a value, which the secret agent might find it convenient to use in reporting ship and troop movements, defence installations, etc. Enclosed with the letter were \$1,000 in United States notes, covering special expenses, and formulae for manufacturing secret ink for his own use and for developing communications in secret ink in letters addressed to him.

[. . .]

This is a very important matter, raising serious questions of policy, both for us and the United States and United Kingdom Governments. The evidence of Kobbe's complicity is complete, and, what rarely happens in espionage cases, the evidence against him is of a character that could be produced in court if it were thought in the public interest to prosecute him.

The case confirms what a good many people have suspected — that Spanish diplomatic and consular facilities are being used in the interests of the Axis powers. [. . .] It is pretty clear [. . .] that the sender is an official of the Spanish Foreign Office. I am inclined to think the best thing to do is to inform the United Kingdom Government of the facts [. . .] and allow them to use this information to put the screws on Franco. In the present phase of the European political situation, the threat of exposure of Spanish collusion with the Axis may be a very useful lever in securing further concessions from Spain, or, if this course seems more desirable, could be used to discredit the present dictatorial regime completely.⁵²

N. A. R[OBERTSON]

1541.

DEA/123s

*Le haut commissaire en Grande-Bretagne au
secrétaire d'État aux Affaires extérieures*

*High Commissioner in Great Britain to
Secretary of State for External Affairs*

DESPATCH A. 370

London, November 13, 1943

MOST SECRET

Sir,

With regard to your despatch No. 945 of September 20th¹, which was the subject of your telegram No. 3029 of the 12th November¹, concerning the activities of Fernando de Kobbe Chinchilla, the Spanish Consul in Vancouver, I passed on this information to Mr. Eden for any action which he might see fit to take in the matter.

2. I have now heard from Sir Alexander Cadogan to the effect that the United Kingdom Government have long been seeking quotable evidence that the Spanish Government were giving assistance to the Japanese in intelligence matters; a fact which they have for a long time suspected. They are therefore very glad to have this evidence of the guilt of the Spanish Consul at Vancouver, which provides a peg on which they propose to hang very strong representations to the Spanish Government that an end shall be put to all illegal assistance to our enemies by Spanish Consular and diplomatic officials abroad.

3. I am enclosing a copy of the proposed instructions to be sent to the British Ambassador at Madrid. As you will see it is suggested that the Spanish Government shall be asked for a categorical assurance that the Spanish bags will only be used for correspondence of direct interest to the Spanish Government, and that Señor Kobbe shall be withdrawn immediately.

4. In view of the fact that the Canadian Government are associated with these requests, the Foreign Office have asked whether the terms of these pro-

⁵² La note suivante était écrite sur ce memorandum:

⁵² The following note was written on the memorandum:

I agree with suggested procedure. W. L. M[ACKENZIE] K[ING]

posed instructions would meet with the approval of the Canadian Government. The United Kingdom Government are anxious that this *démarche* should be made at Madrid in the very near future and they therefore would much appreciate an early expression of the views of the Canadian Government in this matter.

I have etc.

C. S. A. RITCHIE
for the High Commissioner

[PIÈCE JOINTE/ENCLOSURE]

*Projet de dépêche du secrétaire d'État aux Affaires étrangères de
Grande-Bretagne à l'ambassadeur de Grande-Bretagne en Espagne*

*Draft Despatch from Secretary of State for Foreign Affairs
of Great Britain to Ambassador of Great Britain in Spain*

MOST SECRET

Sir,

I transmit to Y.E. herewith a copy of a letter from the High Commissioner for Canada in the U.K.[†] covering a copy of a despatch from the Canadian Department of External Affairs[†] regarding the Spanish Consul at Vancouver who is apparently acting as a Japanese agent.

You will see that the Canadian Government have decided for the present to take no action against the Spanish Consul at Vancouver since they feel that it may be possible for H.M.G. in the U.K. to make better use of this material in our general relations with the Spanish Government. In the meantime, Señor de Kobbe is being closely watched without being interfered with. The evidence obtained by the Canadian Government implicates not only the Spanish Consul at Vancouver but also one of the Japanese agents in Spain and shows that Japanese espionage material has been passed through the Spanish bag presumably with the knowledge of the Ministry of Foreign Affairs. The discovery of this evidence therefore provides an excellent opportunity for a general attack upon the assistance given to the Japanese Government by Spanish officials with or without the knowledge of the Spanish Minister for Foreign Affairs himself, and I shall be glad if you will now take this matter up with the Spanish Government.

3. If, therefore, Y.E. sees no objection, I request that you will address representations to the Spanish Government on the following lines. You should inform them that H.M.G. in Canada have obtained evidence from correspondence passing through the open mail which provides indisputable evidence that the Spanish Consul at Vancouver is indulging in espionage on behalf of the Japanese Government, and you should hand to the Spanish Government the enclosed photostat copies of the correspondence[†] seized by the Canadian censorship. In view of this evidence there can be no question of the Canadian Government agreeing to the continued stay of this person as Spanish Consul at Vancouver and they expect the Spanish Government to withdraw him forthwith and to conduct a most searching investigation into his case. The Spanish Government will realise that the Canadian Government in merely asking that

this man shall be withdrawn are acting with extreme moderation since they would be fully justified in removing this man's diplomatic immunity and prosecuting him in the courts on charges of espionage which would have done the gravest harm to the international reputation of the Spanish Diplomatic Service and to that of the Spanish Government as a whole.

4. In these circumstances H.M.G. in Canada and H.M.G. in the U.K. expect that the Spanish Government will make the most searching investigation into the circumstances of this case with a view to ascertaining how it came about that Señor de Kobbe was recruited into the Japanese Intelligence Service and permitted to receive instructions from the Japanese Government through the Spanish Foreign Office. It is obvious that Señor de Kobbe could not have received his instructions without the connivance of officials in the Spanish Foreign Ministry. This raises in the minds of H.M.G.s in the U.K. and in Canada the question whether activities such as those which have been so fortunately discovered in respect of the Spanish Consul at Vancouver may not be repeated in the case of other Spanish representatives abroad whose correspondence has not so far passed through the censorship controls of the United Nations.

5. In taking action on these instructions you should leave the Spanish Foreign Minister in no doubt as to the extremely disagreeable impression which the discovery of this evidence has made upon H.M.G. H.M.G. cannot believe that this is an isolated case, and its discovery goes far to remove the excellent impression which has been made by certain outward signs that the Spanish Government apparently intend to pursue a policy of stricter neutrality in future, such as the internment of German U-boats and the first although still inadequate steps to control unneutral German activities in Morocco and the area around Gibraltar. If you see no objection you should also inform the Spanish Government that you have received many reports showing that Alcazcer de Velasco³³ and the Marques de Rialp³⁴ are collaborating closely with the Japanese and that in view of the opportunities these two persons may have officially or unofficially of obtaining information from the Ministry of Foreign Affairs you hope that the Spanish Government will investigate their behaviour very closely. As regards the investigation to be conducted by the Spanish Government H.M.G. hope that they will be prompt and exhaustive and that they may be provided at an early date with an assurance that all the correspondence passing in Spanish diplomatic bags is guaranteed by the Spanish Government and by the Spanish Minister for Foreign Affairs personally to contain only correspondence of interest to the Spanish Government. H.M.G. will also be glad to be informed of the results of the enquiry into the de Kobbe case and of the action taken against this person.

³³ Agent de presse, 'ambassade d'Espagne en Grande-Bretagne.

³⁴ Chef, bureau de l'information et de la presse, ministère des Affaires étrangères d'Espagne.

³³ Press Officer, Embassy of Spain in Great Britain.

³⁴ Head, Information and Press Office, Ministry of Foreign Affairs of Spain.

1542.

DEA/123s

*Le secrétaire d'État aux Affaires extérieures
au haut commissaire en Grande-Bretagne*

*Secretary of State for External Affairs
to High Commissioner in Great Britain*

DESPATCH 1223

Ottawa, November 23, 1943

MOST SECRET

Sir,

With regard to your despatch No. A. 370 of November 13th, 1943, concerning the activities of Fernando de Kobbe Chinchilla, I should be grateful if you would inform the Foreign Office that the Canadian Government appreciate reference to them of the proposed instructions to His Majesty's Ambassador in Madrid.

The proposed instructions meet with our approval, but I should like to suggest the following minor changes:

(1) Paragraphs 3. Delete the second sentence and substitute the following: "You should inform them that His Majesty's Government in Canada have obtained indisputable evidence that the Spanish Consul at Vancouver is indulging in espionage on behalf of the Japanese Government, and you should hand to the Spanish Government the enclosed photostats. In view of this evidence"

This change is suggested because we consider that it would be preferable at this stage to exclude all references to censorship and to the manner in which the evidence was obtained. In view of the seriousness of the matter the Spanish Government could scarcely raise the question whether the evidence was obtained legitimately. Should they do so we would be glad if His Majesty's Ambassador in Madrid could be instructed to say that the evidence was obtained by the Canadian authorities in the course of certain security measures taken for particular purposes arising out of the fact that Canada is a country at war. You will notice that I have added a paragraph 6 to the proposed instructions to Sir Samuel Hoare to this effect.

In view of the deletions of all mention of censorship from the representations which His Majesty's Ambassador will make to the Spanish Government, I should be grateful if no photostats of any of the envelopes are sent to Madrid. The photostats now in the possession of the Foreign Office include pictures of the envelopes contained in the large cover from the External Affairs Department, Madrid, (see item 2 of paragraph 4 of despatch No. 945) but they do not include pictures of that large envelope itself nor pictures of the covering envelope from the Spanish Consul General in Montreal to the Consul in Vancouver (see item 1 of paragraph 4 of despatch No. 945). This last envelope, as a matter of fact, is now in our possession and if it ever became necessary so to do we could produce a photostat copy of it with or without, as circumstances might require, a censorship label attached. No label was attached, of course, when it

was delivered in the ordinary mails to Mr. Kobbe.

[...]

(2) Paragraph 3, last sentence. Delete "removing this man's diplomatic immunity and" and substitute "Spanish Foreign Service" for "Spanish Diplomatic Service", so that the sentence reads:

"... since they would be fully justified in prosecuting him in the courts on charges of espionage which would have done the gravest harm to the international reputation of the Spanish Foreign Service and to that of the Spanish Government as a whole."

The Canadian government does not recognize that foreign Consuls have diplomatic immunity. We simply grant them certain privileges as a matter of grace.

(3) Paragraph 4, first sentence. Delete "the circumstances of" so that the sentence reads: "... searching investigation into this case ..."

(4) Paragraph 4, last sentence. Delete "whose correspondence has not so far passed through the censorship controls of the United Nations", so that the paragraph ends with the words "Spanish representatives abroad". This deletion is suggested for the reason given in (1) above.

(5) Paragraph 5. Delete last two sentences, from "As regards the investigation ... " to the end of the paragraph, and substitute:

"As regards the investigation to be conducted by the Spanish Government, His Majesty's Governments in the United Kingdom and in Canada hope that they will be prompt and exhaustive. They confidently expect an immediate assurance that all the correspondence contained in Spanish diplomatic bags will relate only to the official business of the Spanish Government and matters with which it is properly concerned as Protecting Power. His Majesty's Governments will also be informed of the results of the enquiry into the de Kobbe case and of the action taken against this person."

It would be appreciated if we could be informed at once of the Spanish Government's reply to these representations and of Sir Samuel Hoare's comments thereon.

I have etc.

N. A. ROBERTSON
for the Secretary of State
for External Affairs

APPENDICE/APPENDIX

*Table du mémorandum du sous-ministre des Finances
du 7 janvier 1943 (Document 1151)¹*

*Table from Memorandum by Deputy Minister of Finance
of January 7, 1943 (Document 1151)¹*

NET IMPAIRMENT OF CANADA'S U.S. DOLLAR POSITION AND INDEBTEDNESS

	Sept. 16, 1939 to Dec. 31, 1939	Year 1940	1st half 1941	Total Sept. 16, 1939 to June 30, 1941
1. Depletion of Liquid Reserves				
(a) Official	-45	-24	75	6
(b) Private	37	91		128
Total	-8	67	75	134
2. Liquidation of other U.S. assets				
(a) Sales and redemptions of U.S. securities	13	27	11	51
(b) Other liquidations ²	2	8	5	15
Total	15	35	16	66
3. Total depletion of U.S. \$ assets ² and ³	7	102	91	200
4. New capital inflow				
(a) Purchases of Canadian securities by U. S. investors	4	7	12	23
(b) Other investments ³	1	6	5	13
Total	5	13	18	36
5. Total impairment of position and indebtedness	12	115	109	236
6. Capital payments ⁴	6	38	15	59
7. Net impairment of position and indebtedness	6	77	94	177

¹ Les notes 2, 3 et 4 étaient dans l'original.

¹ Footnotes 2, 3 and 4 were in the original.

² Includes sales and redemptions of foreign U.S. dollar securities (other than U.S.), repayment of principal on mortgages, loans and sale of direct investments abroad.

³ Includes borrowings from non-residents, direct investment in Canada, and transfers of non-residents' bank accounts to Canada.

⁴ Includes security redemptions, principal repayments and small amounts of capital outflow allowed on compassionate grounds.

APPENDIX

1875

	2nd half 1941	Year 1942 (estimate)	Total July 1, 1941 to Dec. 31, 1942	Grand Total (estimate)
1. Depletion of Liquid Reserves				
(a) Official	68	-131	-63	-57
(b) Private	3	-2	1	129
Total	71	-133	-62	72
2. Liquidation of other U.S. assets				
(a) Sales and redemptions of U.S. securities	13	21	34	85
(b) Other liquidations ²	4	11	15	30
Total	17	32	49	115
3. Total depletion of U.S. \$ assets ² and ³	88	-101	-13	187
4. New capital inflow				
(a) Purchases of Canadian securities by U.S. investors	19	113	132	155
(b) Other investments ³	9	25	34	47
Total	28	138	166	202
5. Total impairment of position and indebtedness	116	37	153	389
6. Capital payments ⁴	12	22	34	93
7. Net impairment of position and indebtedness	104	15	119	296

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be clearly documented and supported by appropriate evidence. This includes receipts, invoices, and other relevant documents that can be used to verify the accuracy of the records.

Furthermore, it is noted that regular audits are essential to ensure the integrity of the financial data. These audits should be conducted by independent parties to provide an objective assessment of the records. Any discrepancies or irregularities should be promptly investigated and resolved to prevent any potential issues.

In addition, the document highlights the need for transparency and accountability in all financial dealings. This involves providing clear and concise explanations for all entries and being open to scrutiny. By maintaining high standards of record-keeping, organizations can build trust and ensure the long-term success of their operations.

The second part of the document focuses on the specific procedures for handling financial transactions. It outlines the steps that should be followed from the initial receipt of funds to the final recording in the accounts. This includes verifying the source of the funds, ensuring that all necessary documentation is obtained, and promptly entering the transaction into the accounting system.

It also discusses the importance of separating personal and business finances to avoid any confusion or potential conflicts of interest. This can be achieved by using separate bank accounts and credit cards for business-related activities. By clearly distinguishing between the two, organizations can maintain accurate records and simplify the process of tax reporting.

Finally, the document provides guidance on how to deal with unexpected financial events, such as sudden changes in market conditions or unforeseen expenses. It suggests that organizations should have a contingency plan in place to address these situations and ensure that their financial records remain up-to-date and accurate at all times.

In conclusion, the document stresses that effective financial record-keeping is a critical component of any successful business operation. By following the guidelines and procedures outlined here, organizations can ensure that their financial data is reliable, transparent, and easy to audit. This not only helps in making informed decisions but also contributes to the overall growth and stability of the organization.

It is hoped that these guidelines will be helpful to all those who are responsible for managing the financial affairs of their organizations. By committing to high standards of record-keeping, we can all contribute to a more transparent and accountable financial system.

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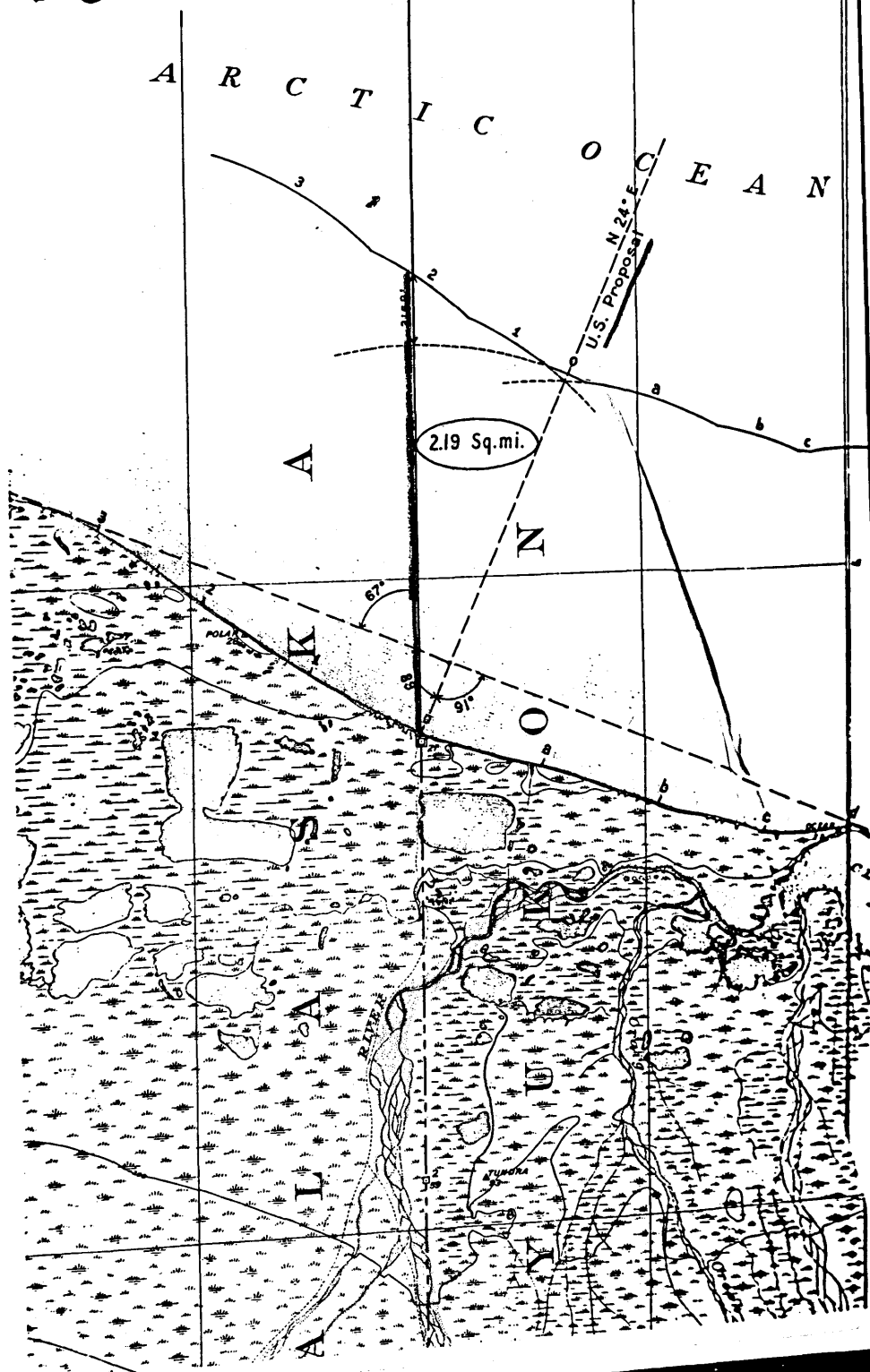
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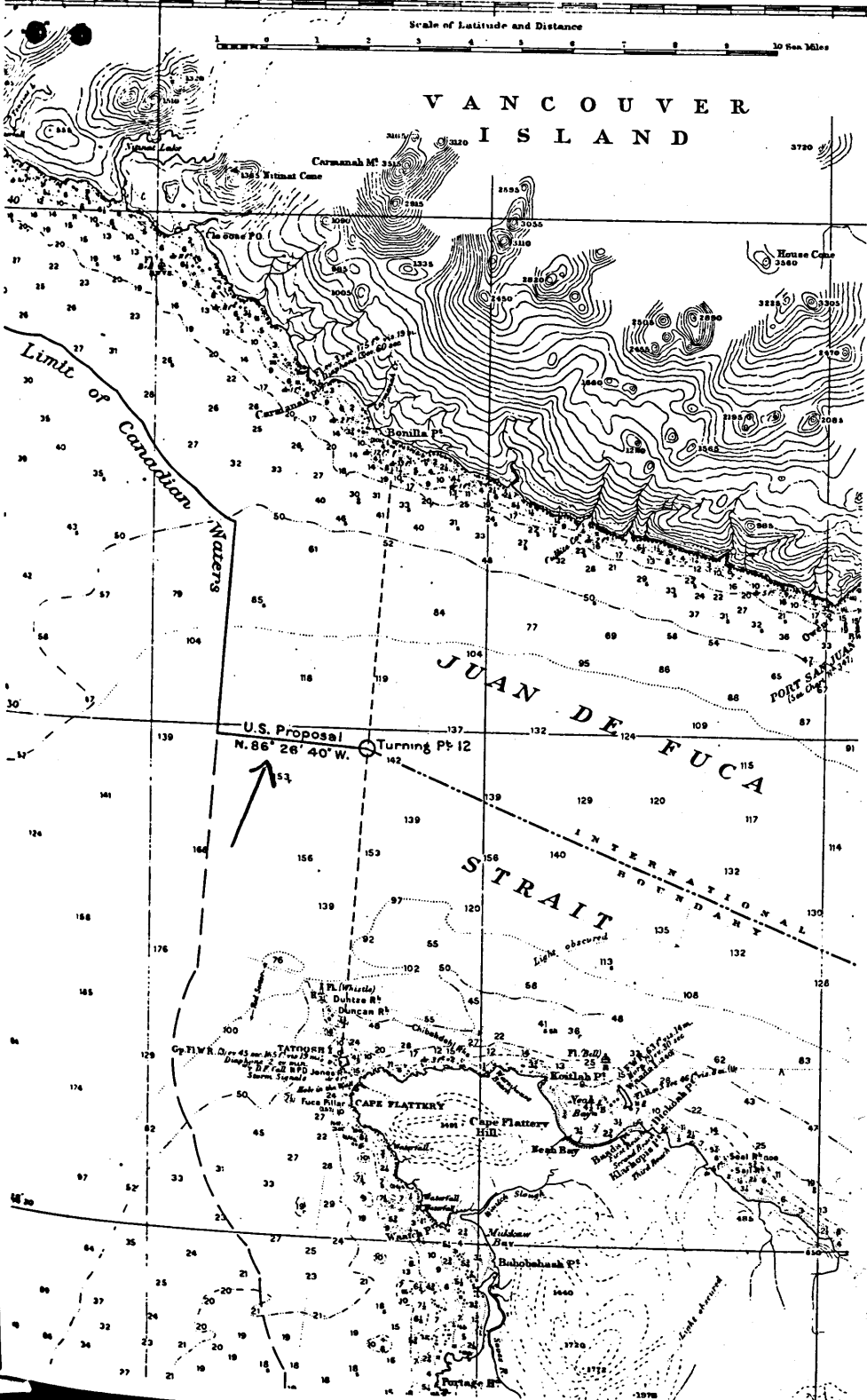
Scale of Latitude and Distance



Scale of Latitude and Distance

10 Sea Miles

VANCOUVER ISLAND



Limit of Canadian Waters

JUAN DE FUCA STRAIT INTERNATIONAL BOUNDARY

U.S. Proposal
 $N. 86^{\circ} 26' 40'' W.$



Turning Pt. 12

I.P. (Wharf)
 S. Duncan Pt.
 Cape Flattery
 Cape Flattery Hill
 Neah Bay
 Babohatch Pt.
 Portage Pt.

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