M
.b2533078

NON - CIRCULATING /
CONSULTER SUR PLACE

43-296-957

Dept. of External Affairs
Min. des Affaires extérieures

FEB 7 1994
FEV

RETURN TO DEPARTMENTAL LIBRARY
RETOURNER A LA BIBLIOTHEQUE DU MINISTERE

DECLASSIFIED = DÉCLASSÉ
EXTERNAL AFFAIRS = AFFAIRES EXTERIEURES

SECRET

CANADIAN EXTERNAL POLICY 1946-1952

An Analysis by Professor F.H. Soward

Throughout the period under review, in contrast to pre-war days, Canada has been willing to play a positive and constructive rôle in international affairs, based upon the general appreciation that isolationism was impossible and the resulting belief in the necessity for the development of a firm structure of international organization. Such a policy has been reflected in our attitude at meetings of the United Nations and particularly in the steps which led to the creation of NATO. At the outset it was hoped that the principle of functionalism, as expressed by Mr. King in 1943, would find adequate recognition in international affairs. As this has not been the case, we have ceased to lay stress upon such a principle, realizing as well that recognition as a middle power also involves embarrassing and sometimes unwelcome responsibilities. Canadian policy has seldom had to be concerned with status as was the case in the twenty years between wars, the major exception of concern with fitting recognition being displayed in the repeated protests over Great Power domination in the attempt to draft a treaty with Germany. The administration of Canadian policy has been much less hampered by the necessity for preserving unity within Canada because of the greater solidarity and unanimity of public opinion. A continuing limiting factor has been the necessity to maintain the armed forces on a voluntary basis. Where domestic considerations have acted as a deterrent in formulating the policy desired by the Department, they have usually arisen from religious or anti-communist considerations. These have left their mark on such questions as the grant of aid, economic or military, to Yugoslavia, the recognition of Communist China, and the exchange of missions with Spain and the Holy See.

2. Because of waning confidence in the possibility of organizing collective security between 1946 and 1948, Canadian emphasis shifted to the development of regional security in the North Atlantic region, the area of most immediate concern to Canada. The active part taken by Canada in creating NATO reflected the driving impetus resulting from alarm at the menace of Soviet imperialism, appreciation of the value to Canada of having the United States and the United Kingdom co-operating in a common defence policy in the same region, and the importance to Canada of Western Europe. In shaping this policy in 1948 there was insufficient emphasis upon the cost to Canada of playing its full part in creating what was publicly described as the "overwhelming preponderance of moral, economic, and military force". Difficulties since then of achieving a satisfactory policy of mutual aid and in expanding the Canadian defence appropriations have been fortunately lessened by the continued public alarm at the threat of war. This concern has intensified the dilemma in NATO of short-term military considerations far outweighing the long-term economic and social objectives. At the outset Canada stressed the importance of NATO as the "dynamic counter-attraction to totalitarian communism", and indicated

its dislike of participation in a merely negative anti-Soviet alliance. Hence the Canadian emphasis upon Article 2. In this field little progress has been made to date.

3. In Canadian policy towards the United States there is the initial paradox that, although this country is more dependent upon the United States than ever before in its history, both economically and politically, it is less directly obligated to the United States than any other country in the free world. It is, therefore, in a stronger position to offer comment and criticism. When criticism is made it is, however, normally done privately and informally in order to avoid an open showdown or to make public formal disagreement. With the United States Canada has worked out a policy of joint defence for North America, but in so doing has had to struggle to maintain its independence and autonomy. In this effort to maintain autonomy, the Department has had less support than might be expected from other departments concerned with the strain upon their budgets of defence costs and with problems of taxation. It has been frequently embarrassed by the "creeping mobilization" defence policies formulated in the Pentagon, on which Canada is seldom informed before far-reaching requests are presented for urgent consideration. The impact of U.S. policies upon Canadian foreign policy is illustrated by our anxiety to avoid any impression of "ganging-up" policies being pursued by the Commonwealth in economics or strategy, and in subordinating our views on such questions as the admission of Greece and Turkey to NATO when such a policy is strongly advocated by Washington. The one major field where we have been most critical of U.S. leadership and have differed most openly has been in the handling of the war in Korea. The record shows that many of our problems in negotiating with the United States have arisen from American clumsiness in emphasis and timing.

4. Canadian policy towards the U.S.S.R. since 1946 has undergone drastic modification. Early in 1946 it was hoped by "consistent, cautious and patient efforts" (Mr. King's phrase) to further co-operation between the Soviet Union and the West. This policy was soon succeeded by one of "firmness tempered with fairness". By 1948 it was hoped that the development of sufficient strength by the West would create an equilibrium between the two worlds and make possible a period of peaceful co-existence of the free world and the Soviet area during which there might be some "mellowing" of Soviet policy. Since Korea, the emphasis has been more and more on the possibility of war when the Soviet Union feels strong enough within to take the risk of challenging the West or believes that it must act before the West becomes too strong.

5. In our relations with the Commonwealth there has been less shift of attitude from pre-war days at the ministerial level than in any other field. This has been reflected in controversies over the nature of consultation, in dislike of formal meetings of the High Commissioners in London, in unwillingness to participate in the Berlin air-lift, and in objections to attempts in Whitehall to formulate "joint defence" plans or "Commonwealth economic strategy". The Canadian emphasis has been upon more informality in association coupled with opposition to attempts at developing inner or outer circles of friendship.

Canada has been keenly aware of the significance of India's rôle in the Commonwealth and played a leading part in furthering India's continued association with it. It has attempted, more cautiously, to promote better relations between India and Pakistan.

6. Canadian policy in Western Europe has been far more dependent upon the United States, especially since the Truman doctrine, than in pre-1939 days. Western Europe has been considered as the first line of defence for all free countries and Canada has treated it accordingly in its NATO policy. In doing so, it prefers to be regarded by Western Europe as a North American power rather than as a Commonwealth country; of this fact its negotiations with the Council of Europe offer an illustration. The Government has been willing to consider closer co-operation of the United Kingdom with Western Europe than any other part of the Commonwealth, including the United Kingdom. It has favoured a policy of selective integration for Western Europe, expressed most definitely in its approval of the Schumann Plan. On occasion, when they impinged upon NATO, Canada has taken some initiative in European matters, as in General Vanier's interview with Mr. Schumann in November, 1950, when France was urged to realize the importance of the United States' position on the re-armament of Western Germany; in advising the United Kingdom Government of the anxieties of France about the British attitude towards the European Army as revealed by President Auriol to Mr. Pearson in December, 1951; and in urging Mr. Stikker, the Netherlands Foreign Minister, to be less suspicious of the implications of a European Army in January, 1952. Such actions have tended to increase our moral commitment to the closest possible association with Western Europe in defence policies. On the other hand, Canada has tried to avoid assuming too direct a rôle in Western European policies, as our attitude on Trieste (except at the time of the Italian election) and Spain indicated. Canadian policy towards Germany has reflected a greater suspicion of that country than in the United States, and also a more sympathetic appreciation of the point of view of France and the Low Countries. It has shifted from opposition to the re-militarization of Germany, which persisted until the summer of 1950, to acquiescence in the re-arming of Western Germany within the EDC and NATO on the ground that this offered "the best choice of risks to take". It is gloomily aware of the explosive nature of the German problem.

7. Canadian policy in the Far East has lacked a coherent pattern. It displayed a show of interest in the future of a democratic China in the early post-war years which quickly gave way to an increasing lack of confidence in the policies of Nationalist China. It has tended to regard the Far East chiefly in terms of the increased international tension between the United States and the Soviet Union and therefore at times to support, as in the Far Eastern Committee, U.S. policies of doubtful wisdom. It has also reflected, increasingly since 1949, an appreciation of the rôle of India in Asia which has not to date been correspondingly felt by the United States.

8. In the field of international economic and financial policy this Department has had the least influence. It had, for example, the greatest difficulty in securing Cabinet approval for assistance to under-developed countries

under the Colombo Plan. It has found it hard to secure adequate consideration for the relationship of political and strategic questions to economic policies. Its influence has been chiefly felt through the part played by its representatives in negotiations at meetings of GATT, in talks between the United Kingdom and Canada, or the United States and Canada. The views of the Departments of Finance, Trade and Commerce, Agriculture, and the Bank of Canada have exercised a determining influence upon policy, based upon powerful considerations of domestic politics and a claim to superior expertise, which have produced decisions more than once with which this Department has not been in agreement.

9. The Department has been very well served by its missions abroad, particularly in London, Washington, and Paris, in their reporting upon international developments. When necessary, it has almost invariably been able to express its views or to receive information from the most important quarters at the right moment. The chief exceptions have been in Washington. Similarly, its officers in Ottawa have displayed in their memoranda and recommendations an awareness of trends in international policy that has usually enabled the Department to play a competent part in international negotiations.

DECLASSIFIED = DÉCLASSÉ
EXTERNAL AFFAIRS = AFFAIRES EXTERIEURES

SECRET

A SURVEY OF CANADIAN EXTERNAL POLICY

CHAPTER ONE

CANADA'S POSITION IN 1946

On September 4, 1946, Mr. L. S. St. Laurent, (1) then Minister of Justice, assumed the portfolio of Secretary of State for External Affairs, thus inaugurating a new era in which the Prime Minister no longer held the post as had been the case since 1912. Mr. St. Laurent had already had considerable experience as acting Secretary of State for External Affairs, had been at San Francisco and had headed the Canadian delegation to the first meeting of the United Nations General Assembly in London. On the day following Mr. St. Laurent's appointment the Prime Minister announced the transfer of the Under-Secretary, Mr. N. A. Robertson, to London as High Commissioner; of the Associate Under-Secretary, Mr. Hume Wrong, to Washington as Ambassador; and the return to Ottawa of the Canadian Ambassador to the United States, Mr. L. B. Pearson, to become Under-Secretary, the biggest shift of senior personnel since the outbreak of war in 1939. It was in keeping with the nature of the growth of the Department and the intimacy and complete understanding which characterized the relations of the three senior officers who took up their new posts that no one ever thought of preparing a formal letter of instructions for the High Commissioner and Ambassador. Similarly it would not have occurred to the retiring Under-Secretary to put on paper an analysis of current problems and policies for his successor. In Canada as in the United Kingdom a policy of "solvitur ambulando" in foreign affairs had long been regarded as natural and satisfactory. As Mr. Wrong remarked

(1) Mr. St. Laurent did not vacate this latter post until December.

...2

at a press conference on September 26, 1946, when asked whether a statement on Canada's foreign policy might be issued, such as the Australian Information Service had recently released: "We could issue a statement of principles, I suppose, but I doubt if it would be of much value. We follow a fairly consistent pattern at the various conferences we attend, but I don't see what is to be gained by attempting to reduce the matter to a simple code". Accordingly the only paper prepared in the Department at the time of this "general post" was a description of the organization of the Department which brought up to date earlier memoranda on the same subject. This memorandum was circulated to all missions in October, 1946.

2. However, Mr. St. Laurent was to depart from precedent and make a public statement on the long-term principles governing Canadian policy which comes nearest to putting on paper Canada's approach to international problems. As the first person invited to give the recently established "Duncan and John Gray Memorial Lecture" at the University of Toronto, Mr. St. Laurent took as his subject "The Foundations of Canadian Policy in World Affairs".

3. In his lecture delivered on January 13, 1947, Mr. St. Laurent laid down five general principles which, he said, "have been defined and articulated in the practice of relations with other countries over many decades". They may be listed as follows:

i) <u>External policies must not destroy Canadian unity</u>. For that reason the speaker argued that "external relations should not be allowed to become a matter of party political controversy at home", which implies presumably a "multi-partisan" policy. He laid down as a fundamental rule of action that "...the

government in office should ever strive to speak and act on behalf of the whole of Canada and in such a manner as to have the support of all the Canadian peoples regardless of party affiliations at home".

ii) External policy should be based on Canada's belief in political liberty. This belief, which was described as "an inheritance from both our English and French backgrounds" would affect policy in causing the Canadian people "to distrust and dislike governments which rule by force and which suppress free comment on their activities". It would also induce Canada to seek and find friends amongst those of like traditions, and to realize that "a threat to the liberty of Western Europe, where our political ideas were nurtured, was a threat to our way of life". Mr. St. Laurent conceded that this concept had not been as well comprehended or expressed by groups and individuals with as much clarity and coherence as might be desired.

iii) External policy should reflect respect for the rule of law. This was an important concept of which Canadians had been forcibly reminded "by the hideous example of the Fascist states of the evil which befalls a nation when the government sets itself above the law". It implied that the freedom of nations depended upon the rule of law among states. Canada had given concrete proof of her acceptance of this principle by being willing to accept the decisions of international tribunals, courts of arbitration and other bodies of

...4

a judicial nature. It was a policy which the Canadian people unanimously supported.

iv) External policy should be based upon some conception of human values. These values, which had been accepted in the domestic development of Canada, were indicated as stressing the importance of the individual, the place of moral principles in the conduct of human relations and standards of judgment which transcended mere material well-being. It should be the aim of Canadian policy to protect and nurture such values in world affairs.

v) External policy should be based upon a willingness to accept international responsibilities. Mr. St. Laurent conceded that the growth of a sense of political responsibility on an international scale had been less rapid "than some of us would like" but claimed such a growth had been perceptible. He added, at this point, the emphatic observation "If there is one conclusion that our common experience has led us to accept, it is that security for this country lies in the development of a firm structure of international organization."

4. From these general considerations, of which the first and fifth had perhaps the most direct relevance to Canadian policy in the preceding quarter century, Mr. St. Laurent turned to describe how their applications had resulted in certain general conclusions for which he claimed national agreement.

5. The Commonwealth, "an achievement in which Canadians can take special pride" was described as "an association of free peoples, capable of common action in an emergency,

...5

greater and more striking than that of any formal military or diplomatic alliance that the world has ever known". Canadians were anxious to preserve it as an instrument of co-operation for good in peace and war but would resist, as in the past, "any efforts to reduce to formal terms of specific commitments this association.." and any developments which might be "inconsistent with our desire to participate fully in the task of building an effective international organization on a wider scale". Like any other minister in a Commonwealth government Mr. St. Laurent placed upon relations with the United Kingdom "a very special value and significance".

6. In discussing relations with the United States the lecturer began by recognizing that Canadians were not accustomed to thinking in terms of our having a policy in regard to the United States. But he reminded his audience that there was much more to Canadian-American relations than "mere empirical neighbourliness". The major areas of disagreement had been reduced and the common border defined to the mutual satisfaction of both countries with the Canadian people having taken "a final decision to remain outside the United States" and the people of the United States having accepted a free and independent federation to their north. But this fortunate state of affairs required "constant and imaginative attention on both sides" since "the relationship between a great and powerful neighbour and its smaller neighbour at best is far from simple". Mr. St. Laurent also suggested that, besides working steadily to clear up any problems that might arise, Canada had shown her readiness to accept responsibilities as a North American nation in enterprises for the welfare of the continent as a whole. But, in so doing, Canada had not withdrawn from the wider world and realized that "regionalism of any kind would not

...6

provide the answer to problems of world security".

7. Relations with France were described as based upon the fact that that country was "one of the fountain-heads of our cultural life". It was claimed that France and Canada shared common objectives in world affairs, and that Canada had never doubted the greatness of France even when her future seemed most obscure. Support was pledged to the recovery of France "not merely out of sympathy but because we know that her integrity is a matter of great consequence to us".

8. The lecture did not describe Canadian policy towards any other country or group of countries, thereby avoiding any comment on the problem of the role of the USSR in the international community which was then very much in the minds of the Minister's advisers. It turned rather to examine the Canadian attitude towards international organizations. Here co-operation in the development of what was termed "constructive international action" was conditioned by the qualification that Canada must act as a "secondary power". "There is little point" said Mr. St. Laurent "in a country of our stature recommending international action if those who must carry the major burden of whatever action is taken are not in sympathy". But Canada was willing to play a fitting part whenever effective action was contemplated. Of this the speaker gave several illustrations.

9. Canadian international economic policy did not receive much analysis. Assistance to countries in Europe and Asia through UNRRA, Mutual Aid and Export Credits was justified on the ground that economic and political reconstruction must go hand in hand and that Canada depended upon foreign trade for prosperity. For these reasons it should be Canada's policy "to support every international organization which contributes to the economic and political stability of the world".

10. As the title of the lecture indicated, these

...7

suggestive comments were, of course, designed to describe the bases upon which the superstructure of policy had been erected. They were not intended as a realistic description of current policy. The observations upon relations with the Commonwealth, the United States, and new international organizations reflected Canadian experience, and, to some extent, foreshadowed trends of policy. They did not and could not spell out in detail what was happening to Canadian policy in the troubled world which had been so greatly altered by the Second World War. It is only by describing certain decisions taken during 1946 and by summarizing the observations of some of the Ministers and senior advisers who attended the numerous international conferences that took place during the year that we can find indications of how Canadian policy was being modified to meet new conditions.

11. By the summer of 1946 it was becoming clear in the field of economic policy that Canadian willingness to play a leading part in reconstruction had reached its limit of effectiveness in terms of acceptance of the burdens involved. Approval in April, 1946, of the loan to the United Kingdom of $1,250,000,000 "not in any sense an act of charity" but "an investment in the future of Canadian trade", as the Minister of Finance described it, ended the series of financial agreements for that purpose which were inaugurated in March, 1945. At various times during 1946 the government discouraged applications for further assistance from France and Czechslovakia, and refused to consider new requests, presented in varying degrees of urgency by countries like Greece, Denmark, Finland, Hungary and Turkey. By the end of the year the United Kingdom had made drawings from the loan twice as great as had been anticipated and the government was to run into difficulties in its balance of payments in 1947.

...8

12. In somewhat similar vein the government had also come to the conclusion that, like the United States and the United Kingdom, with which it had discussed the position in Washington, it could not agree to the raising of more funds for UNRRA whose activities were to terminate on December 31, 1946, in Europe and March 31, 1947, in the Far East. It was realized that further aid was still needed and that, as a departmental memorandum of July 9, 1946, points out, "Canadian participation in some form of relief activities would remove the pressure on the Government for the grant of export credits which are, from a trade point of view, unjustified". But the United States was tending more and more to examine relief problems from the political as well as the humanitarian point of view. In so doing it reflected the impact upon its policy of the increasing deterioration of relations with the USSR. The American position was bluntly put by Mr. Byrnes on November 13, 1946, when he publicly declared "I should say that it is our position that whatever the United States does in the way of relief should be done by the United States unilaterally. We want to give aid as the United States and not as a member of an international organization". In other words food was becoming a weapon of international politics, contrary to Mr. Pearson's hopes as expressed in the Atlantic City meeting of the UNRRA Council in the spring of 1946. At the Geneva meeting of the Council in August, Mr. Pearson endeavoured to find middle ground between the uncompromising position of the United States on no further relief through UNRRA in 1947 and the attempt of some European delegates as he put it "to manoeuvre the discussions in such a way that the three main contributing countries (the United States, the United Kingdom and Canada) would be charged with the responsibility of ending UNRRA and refusing to recognize

...9

the necessity for any kind of international relief". He was successful after discussions with his British and American colleagues in securing approval for a resolution which met the European argument in part by conceding the continuing necessity for international relief, and the American by recommending no action by UNRRA other than turning the whole problem over to the U.N. Assembly which could, if it saw fit, establish some agency with functions to be determined. In speaking to this resolution in the Council, Mr. Pearson did state, however, that "...so far as our Delegation is concerned we have no intention of abandoning international co-operation in the field of relief or rehabilitation or even reconstruction when the need for it was demonstrated". On the other hand he had not committed Canada to any specific programme.

13. Although relations with the Commonwealth and the United Kingdom did not depart from the principles laid down in the St. Laurent lecture, there had been an opportunity for their re-examination during the meetings of Prime Ministers that were held in April and May of 1946. Prior to these meetings, at which it proved impossible for all the Prime Ministers to be present at the same time, there had been speculations in the London press upon the possibility of important decisions being made upon questions of "Imperial Defence". When the Canadian High Commissioner asked for guidance, he was told in a telegram of March 23rd that Canada would prefer to see such a phrase dropped from the current vocabulary. Reference was made to the "waning faith in the capacity of the United Nations Organization to be an effective guardian of peace and security" but the High Commissioner was told that "Canadian public opinion, however, in defence matters is not based on the conception of defending imperial interests as such, a conception which carries with it the idea of the acceptance of a share for responsibility

...10

for defence in areas as remote from Canada as the Persian Gulf and the Bay of Bengal". The telegram continued:

> "We are, of course, deeply concerned that the security and strength of the whole British Commonwealth should be maintained but cannot conceive this as being effectively safeguarded by exclusive Commonwealth arrangements. The strategic interests of the Commonwealth are so diverse that their protection requires the co-ordination of defence between individual Commonwealth countries and foreign states".

14. At the meetings which he attended in London Prime Minister King took up a cautious position. He reminded his colleagues that he had told United Kingdom ministers before he left Ottawa that he would not be in a position to discuss in any detail questions of defence or finance and added the familiar warning that he was "not in a position to make any commitments at the present time". Mr. King pointed out that Canada's obligations were already "very much greater" than they had been before the war and that any contribution made to the military forces at the disposal of the United Nations Organization must affect the decisions and the extent of the Canadian contribution in the field of specific Commonwealth obligation. He also added significantly: "The United States had vast resources. Had not the time come to ask them to assume greater security responsibilities in Europe?"

15. Mr. King's remarks were prompted by discussion of a pessimistic appraisal of the international situation in a United Kingdom paper and by Mr. Bevin's expressed anxiety for "some redistribution of responsibilities so that each member might assume special obligations in respect of that part of the world in which it was chiefly interested". Mr. Bevin had said that "it would be a great reassurance to him if he knew that each member of the Commonwealth had a certain force ready which, at the direction of the responsible government could in

an emergency be speedily mobilized and concentrated to take the strain in a particular area". The Canadian Prime Minister was further moved to express his views by an observation of Field Marshal Smuts that "the objective of every member of the Commonwealth must be the support of our group of nations as a Great Power". This assertion, reminiscent of Lord Halifax's statement of 1944, moved Mr. King to insist that "The surest way to win the support of the Dominions was to trust them to accept the obligations which they believed to be natural and right", and that "if there had been a highly centralized policy there might have been a very different response from the Dominions". He affirmed his belief in the closest co-ordination and closest understanding which can be achieved but placed on record his opposition to "reversing the tendencies of the last twenty years". In the ensuing discussion Lord Addison summed up the situation as indicating unanimous support for the principles enunciated by the Canadian Prime Minister, which he described as "of the first importance", and proceeded to define the Commonwealth as "an association of independent states living and working according to Commonwealth ideals". In the same way and in contrast to the discussions of 1944, Mr. King found general acceptance for his endorsement of the existing system of Commonwealth consultation which he described as "of great efficiency". In its operation he expressed his strong preference for consultation by written messages. One of the few decisions taken on matters of defence and consultation was to continue the wartime practice of having liaison officers from the Armed Services attached to the Offices of the High Commissioners as had been done by the United Kingdom. Of this policy more was to be heard in later meetings.

16. In the field of commercial policy the Prime Ministers did little, since the preparatory talks on international trade were scheduled to take place later in the year and the experts

...12

were still at work in their respective capitals. On the general problem of the relation of Imperial Preferences to trade negotiations Mr. King described the Canadian Government as welcoming any progress towards increased freedom of trade but as being of the opinion that "changes in preference must depend upon changes in tariffs". In line with previous policy in other fields he suggested that it would probably be a mistake "to formulate a specifically Commonwealth approach to the various questions of general commercial policy".

17. For the Prime Ministers' meetings the Chiefs of Staffs of the United Kingdom had prepared a paper, dated April, 1946, in which they expressed the view that "Recent developments make it appear that Russia is our most probable potential enemy, far more dangerous than a revived Germany". With this pessimistic appraisal those responsible for formulating policy in government circles in Canada were in more general agreement than the general public could have realized at the time. Concern over the aims, attitude, and tactics of the USSR had developed even before the spy cases, which had, of course, intensified doubts about the desire of the Soviet Union for friendly co-operation with its wartime allies. In San Francisco, London and Paris over a period of eighteen months External Affairs officers had had extensive opportunities to see the Russians in action. The experience had been an enlightening and depressing one which had given them a healthy respect for the calibre of some of the Soviet representatives. There are references in departmental documents to "the sour discussions of the Council of Foreign Ministers (September, 1945), to the belief that "The Anglo-Soviet alliance had vanished into thin air as a basis for a working understanding" (February, 1946) and to the essential problem of "what the United Nations could do to lessen the danger that the mounting tension between the Soviet world and the Western powers will lead eventually to war" (August, 1946). By October those

...13

present at a meeting of the Canadian delegation to the United Nations General Assembly in New York were described as being "profoundly gloomy" about the chances of avoiding war with the Soviet Union.

18. It should be noted that such a distrust of Soviet policy had not yet produced a recommendation that Canada should participate fully in a Western bloc prepared to combat the Soviet Union by both words and deeds. Thus the Prime Minister displayed a significant reaction to the Canadian spy case when he told the meeting of the Commonwealth Prime Ministers that "if an impression should get abroad that the democracies were displaying impatience and lack of understanding in their relations with Russia they might find among their people sympathy of a surprising magnitude with Russian ideals". He suggested that "if there should be an eventual breakdown of negotiations owing to Russia's attitude, negotiations should be so conducted that it should be manifestly Russia that was in the wrong". He hoped that "a policy of consistent, cautious and patient effort might in the end bring success". At the Paris conference on the drafts of the minor peace treaties the Canadian delegation were inclined to take a somewhat similar line. They were impressed by the solidity of the Soviet voting bloc and "the deep and dangerous divisions between the Great Powers". They regarded it as being the duty and interest of the delegation "to do what we can, when we can, to diminish those divisions and certainly not to exacerbate them". They conceived it to be their line of policy "to work quietly but persistently in the background to reduce unnecessary divisions and to gain sympathy for those general policies which seemed best calculated to improve the draft treaties". The delegation realised that there was a danger that the interests of the smaller powers, including Canada, might be sacrificed by the Great Powers to win some degree of harmony. The United Kingdom and the United States

...14

might be inclined to make concessions to the USSR at their expense. After discussions were over one External Affairs officer wrote from Paris that the Canadians found themselves in much the same position as at San Francisco but with the additional handicaps of a Dumbarton Oaks both before and after the general meetings. To some extent this was also true of the Canadians present at the Executive Committee and Preparatory Commission which preceded the first meeting of the General Assembly of the United Nations. One of them felt that the obvious weakness of France and China had given Canada an opportunity to act almost as a Great Power and described the Canadian position as steering a middle course and examining each question on its merits with the result that the delegation had been able "to vote against the Great Powers as frequently as it had voted with them." He hoped that such a happy situation would continue. But the Soviet tactics in United Nations meetings, about which a special memorandum was prepared before the Assembly met for the second half of the first session in New York, made it more and more difficult for the Canadians to play such a mediating role. It also lessened the original inclination to give the Security Council as much leeway as possible in the handling of disputes. In the fall of 1945 Canada had opposed a Netherlands proposal for setting up an Assembly committee on Peace and Security on the ground that the primary responsibility for the maintenance of peace and security was to be with the Security Council. Later, if experience warranted it, such a committee might be established but in the meantime in the political and security fields it was suggested that the Assembly should be considered as "a second line of defence". By the time the Assembly met in New York such hopes of the Security Council had been greatly watered down. As early as February Mr. Wrong was remarking that "The present role of the Security Council is to be an

...15

additional means of publicly exposing differences between the Great Powers". He thought it was "wholly unrealistic to talk of turning the United Nations into an agency of international government by the delegation to it of a portion of the sovereignty of the members". He believed that it would be unwise in the present circumstances to regard the Security Council as a guardian of world peace. Both the General Assembly and the Security Council were being used as "instruments in the war of nerves, especially by the Soviet Government". It was Mr. Wrong's general conclusion after the London meeting of the General Assembly that "without a great alteration therefore in the attitude towards each other of the Great Powers - and it should be emphasized that this alteration is required not only on the part of the Soviet Union - the first meetings of the Security Council and the Assembly leave open the question whether the establishment of the United Nations has in fact furthered its primary purpose, the maintenance of international peace and security".

19. Before the sessions of the first General Assembly reconvened in New York, it was necessary to take further stock of the situation in the light of the developments since the first of the year. Mr. St. Laurent was reported to have said in a conversation on August 30, 1946, that he did not favour standing for election to the Security Council as had been done in London since "we could do nothing to make it less impotent than it is now". He thought that the Canadian delegation should be active in discussions of budget and administrative matters but advised leaving it to others "to wrangle over matters which are essentially in political disputes", and keeping quiet "except when questions requiring practical decisions arise". Such an interest in the practical side of the United Nations was reflected in the Canadian proposal placed on the agenda of the Assembly to economize time during the

...16

Assembly discussion. Mr. Reid agreed that the Security Council had "lamentably failed" and that the Canadian delegation should aim to make the Assembly sessions work as smoothly as possible and entertain no hopes of quick results or idealistic solutions. For him the essential problem was what the United Nations could do to lessen the danger that the mounting tension between the Soviet world and the Western world would lead eventually to war. Under such conditions it was unrealistic to conduct Canadian policy in terms of immediate national advantage or national prestige. (In London Mr. St. Laurent had spoken of "voluntary abatement of the narrower conceptions of national sovereignty".) Canada should support a wider interpretation of the powers of the General Assembly and play her part in preventing the Soviet spokesmen from winning propaganda battles on such questions as disarmament. It was in line with this view that the Canadian delegation to the Assembly agreed in October that the Western Powers should reject a narrow concept of strategy based on the concepts purely of military power and should expand Soviet proposals on such topics as disarmament.

20. Canadian policy in the United Nations was also being affected by the realization that the strength of bloc voting and the belief in regionalism were proving stronger than the theory of functionalism which Canadians had been advocating since 1943. Thus Mr. St. Laurent had told the Assembly in London, "We believe that specific responsibilities within the framework of the Organization should be entrusted to those nations which have the means and the will to make the greatest contribution to the solution of the specific problem in hand." In small committees where the ability to offer promptly constructive proposals helped to influence the course of debate, and where delegations which "had done their homework" were in a position to make a contribution outweighing their

actual importance in terms of power, Canadian delegations had done valuable work. But in bodies such as the General Assembly these attributes did not outweigh the feeling that in the main United Nations agencies all regions should be adequately represented, at the expense, if need be, of efficiency and capacity to contribute. The accepted claim of Canada to be a permanent member of the Atomic Energy Commission because of her wartime contributions to research in that field, which was conceded at the London meeting of the Assembly, had militated against the Canadian desire to be elected as well to the Security Council and the Economic and Social Council. To have had three North American states, the United States, Mexico and Canada, serving simultaneously on the Security Council seemed to many United Nations delegations over-representation of one region, and contributed to the success of Australia, after a close contest, in securing election to that body at the expense of Canada.

21. Although Parliament approved without dissent Canadian membership in WHO and UNESCO in the closing days of the 1946 session, concern was already being expressed elsewhere about the multiplication of international agencies and the corresponding strain upon government departments affected by their conferences.[1] Some of these difficulties were briefly suggested by witnesses from the Department who appeared before the House of Commons Standing Committee on External Affairs in May and June. As early as July, 1946, Canadian representatives were also becoming sceptical as to the quality of the discussions and the results to be expected from these new agencies. In a discussion on the Economic and Social Council, Mr. Claxton observed that it "might be a useful meeting ground

[1] Between December 31, 1944 and December 31, 1946, the Department's diplomatic staff increased from 72 to 138 but during 1946, 128 officers of the Department attended various conferences abroad.

for experts behind the scenes but for the present no great amount of work could be expected to emanate from the actual Council itself". In August the feeling was that it would be premature to appoint a National Commission for UNESCO until more was known of that agency's functions. Doubts as to the possibility of Canada being permitted to play a useful part in other international agencies than those of the United Nations were also making their appearance. From Washington there came in June, for example, a report on the Far Eastern Commission in which General McCoy admitted that the position of the Commission was difficult and asked for suggestions on its improvement. The General then undertook "to establish better liaison and discussion between the Commission and General MacArthur".

22. While the United States was harassed by its domestic problems and irritated by the continuing difficulties that plagued the Council of Foreign Ministers, the Canadian government had to deal with its various departments over a number of individual issues, including many hardy perennials, on an ad hoc basis. Such questions as the transfer of the Alaska Highway (April, 1946), fisheries problems on the Great Lakes, trucking in bond across Southern Ontario, customs procedures, an extradition treaty, air bases in Newfoundland, a proposed general treaty of Commerce and Friendship - all were under discussion or negotiation in 1946. The Permanent Joint Board on Defence was pre-occupied with studies of postwar defence relationships about which the United States War Department seemed especially concerned. A flurry over policy matters arose in June over American plans for weather stations in the Canadian Arctic, and for a cruise of Coast Guard vessels in Arctic waters which had provoked some sensational rumours in the Canadian press. It eventually emerged, as has so often been the case, that the episode

did not so much arise from a general sense of urgency on the part of the American government about defence in that region, although that feeling did exist in some quarters, as from the zealousness of a defence department and one of its branches in particular to take advantage of the unappropriated funds at its disposal. It revealed also a fact, of which the Department was only too well aware, that rival empires of power within the American system of government may extend their competitive activities into the international field without adequate consultation with each other or with other countries affected by their policy. At the same time the episode did draw greater attention to growing interests of the United States in the Arctic and the need for a careful re-examination of the Canadian position. As expressed in the article "Canada Looks Down North" written by Mr. Pearson and published in FOREIGN AFFAIRS, July, 1946, the line taken had been that Canada did not "relish the necessity of digging or having dug for her any Maginot Line in her Arctic ice" and was solely desirous of peaceful development of the North in co-operation with all northern nations. "In that development" wrote Mr. Pearson "the Canadian accent is on resources and research, not on strategy and politics".

23. Perhaps the briefest possible summary of the outlook of the Department a year after the war had ended in Europe was given by Mr. St. Laurent. At the first meeting of the House of Commons Standing Committee on External Affairs in May, 1946, he told its members that it was the Department's policy "to try to do its best so that the world may keep out of war..." "Our endeavours", he added, have tended in all these international meetings to co-operate in doing things that appear to be apt to stabilize the very troubled world situation and to avoid the arising of causes that might interfere with the purposes of the United Nations."

BIBLIOGRAPHICAL NOTE

This Chapter is based upon the Following Sources:

Louis St. Laurent, THE FOUNDATION OF CANADIAN POLICY IN WORLD AFFAIRS (Toronto, 1947)

F. H. Soward, CANADA IN WORLD AFFAIRS: FROM NORMANDY TO PARIS 1944-1946 (Toronto, 1950)

House of Commons' Standing Committee on External Affairs, Session of 1946, Minutes of Proceedings and Evidence.

Meeting of Prime Ministers, April-May, 1946 Minutes and Memoranda

65-C(s) Meeting of British Commonwealth Prime Ministers, London, May, 1946

4697, H-40c Conference at Paris

8508-40c Reports on Weekly Meetings of Heads of Divisions of Department of External Affairs, Vol. 1

5475-S-40c United Nations Preparatory Commission 2 vols.

5475-L-40s United Nations General Assembly First Session

211 (s1) United Nations Organization Assembly

9255-40c International Relief During Post-UNRRA Period

DECLASSIFIED = DÉCLASSÉ
EXTERNAL AFFAIRS = AFFAIRES EXTERIEURES

SECRET

A SURVEY OF CANADIAN EXTERNAL POLICY

CHAPTER 2

CANADA AND THE COMMONWEALTH
1946-1951

1. In dealing with Commonwealth problems during the past five years Canadian policy has had to reconcile traditional attitudes with changing conditions produced by the Second World War. That war had appreciably weakened the United Kingdom as a Great Power, both absolutely and relatively, in comparison with the "super-powers", the United States and the Soviet Union. It had also made apparent the incapacity of the Commonwealth to win a major war without the assistance of the United States. Of that fact the Governments of Australia and New Zealand, after their bitter experience with Japan, were as aware as Canada and governed their policy accordingly in the post-war period. The War had gravely undermined the economic strength of the United Kingdom, and was a basic cause of the financial crises which plagued that country between 1945 and 1951 and vitally affected the whole sterling area. The effects of that development on the relations of Canada and the United Kingdom will be described in a subsequent chapter on financial and economic problems. The War had greatly accelerated the growth of nationalism in Asia, a fact of which the United Kingdom was fully aware. The resulting decision to keep no reluctant peoples within the Commonwealth resulted in the independence and secession of Burma; the independence of India and its decision to remain in the Commonwealth as a Republic with the concurrence of the other Commonwealth Governments; the emergence of an independent Pakistan after partition, as a Commonwealth country with the form of its government still undetermined; and the independence of Ceylon and its harmonious elevation to full Commonwealth partnership. These momentous changes, which are a credit to the statesmanship of the Attlee Government in particular, increased the importance of the Commonwealth as a link between Asia and the Western world at a time when such ties were of great value because of the hardening of feeling between Communism and the Free World. They also gave still greater emphasis to the individual foreign policies of the Commonwealth Governments, as the Korean crises and the making of peace with Japan were to demonstrate. They reduced the practice of trying to settle intra-Commonwealth disputes within the Commonwealth, and brought under the aegis of the United Nations such questions as the treatment of the Indians in South Africa and the Kashmir dispute. Elsewhere in Asia the surge of nationalism in Arab countries created still further difficulties for the United Kingdom in the Middle East and caused new and serious defence problems. Finally, the events of the War had demonstrated beyond question the right of each Commonwealth country to take whatever action it deemed appropriate on questions of peace or war thereby ending the debates on Status and the right of neutrality which had caused so much controversy in the Twenties and Thirties.

2. In the evolution of the British Commonwealth before 1939 the Canadian statesmen had moved steadily forward towards securing complete recognition of Canada as a voluntary, independent member of an association of democratic states united by common allegiance to the Crown. Such a policy stressed nationality and status and rejected centralization and organized coherence. Particularly when the Liberal Party was in power it was keenly responsive to the sleepless suspicion of Quebec in particular that Downing Street would always attempt to use Canada as a tool of "British Imperialism". It was advisable, therefore, to avoid furnishing any ammunition to isolationists, and to look with a fishy eye upon suggestions from London, often advanced through inspired articles in the press, that the time had come for a reorganization of the Commonwealth to render it of greater service to its members. When rumours of such policies appeared in London newspapers before the meetings of the Prime Ministers in the spring of 1946, Mr. Wrong remarked that, "if exhortations are addressed from London to the "Dominions" to take their place in a co-ordinated scheme of defence, a not unlikely political result in Canada would be to revive and make articulate the isolationist element here". It is probably with this in mind that since 1945 Canadian governments have always favoured reducing the pomp and circumstance of Imperial Conferences to the present studied informality of meetings of Prime Ministers "without preliminary fuss or palaver" as Mr. Pearson once noted. For similar reasons the Commonwealth finds strikingly little place in the "Statements and Speeches" that have been released by the Information Division during the past five years. There has been more than once a lack of receptiveness to suggestions that Commonwealth meetings of various types might be held in Canada, and a parallel lack of enthusiasm for attending meetings in London or elsewhere. An obvious reason for this latter attitude is the fact that Canadian ministers and officials are more frequently in direct touch with their opposite numbers in London than those of any other Commonwealth country. They do not derive any political advantage from basking in the imperial glow of London as is true of Australian and New Zealander politicians.

3. In the post-war period Canada's position vis-à-vis the United States operated as an even greater factor in Commonwealth relations than before. Alone among Commonwealth governments Canada had been successful in emerging from the war with permanent arrangements for consultations on defence with the United States. Such an achievement was of such obvious importance that the distate for standing committees on defence, which had characterised Canadian policy within the Commonwealth, did not become operative in assessing the post-war usefulness of such a war-time creation as the Permanent Joint Board on Defence. As Prime Minister King remarked during a press conference held by General Eisenhower in Ottawa in 1946, the word

"Permanent" had been intentionally placed in the title of that body. As early as February 23, 1945, the Cabinet War Committee had agreed that in the post-war period the defence of Canada should be closely co-ordinated with that of the United States. It was to be expected that any defence problems raised in the Commonwealth would inevitably be examined with this in mind.

4. When an invitation was extended in February, 1946, by the United Kingdom for a Commonwealth Conference of an informal and secret character on Defence research departmental memoranda began to note the political implications of attending such a meeting. It was agreed that there were "obvious dangers as well as deficiencies in an exclusive Commonwealth Scheme". The secretary of the PJBD pointed out that co-operation with the United States in military research was regarded as a "fixed point" in Canadian plans, and emphasized the importance of avoiding conflict or duplication between programmes of the United States on the one hand and of Commonwealth countries on the other. It should be Canadian policy "to do whatever we can to bring about close liaison in this field between the United States and the nations of the Commonwealth". It was generally felt that close co-operation with the Commonwealth should neither prejudice the intimacy of relations with the United States nor give rise to any assumptions in the United Kingdom that Canada was accepting any political commitments for Commonwealth defence at that stage. A letter was sent on March 16, 1946, to the Deputy High Commissioner of the U.K., doubting the wisdom of formalizing arrangements for secret defence research and stressing "the great importance to all the countries of the British Commonwealth, and the particular importance to Canada, that the most intimate possible relationships on this field should be maintained with the United States". The letter suggested that one of the items on the agenda of the conference might be "Exchange of views on methods of co-operation in the field of defence research and development with the United States of America and other foreign governments". As it turned out American observers were actually present at sub-committees of the conference dealing with details of research. The delegates recommended to their respective governments that "the fruits of all Commonwealth defence scientific research be made available to the United States without asking any counters or making any bargains".

5. There remained doubts, however, as to the wisdom of maintaining on a permanent basis a committee bearing the title Commonwealth Advisory Committee on Defence Science. When it was suggested in 1947 that Canada should be the host country for the second meeting, the Prime Minister turned down the suggestion. A year later the government was more favourable to holding a meeting in Canada which was "not to be referred to or described as a conference", but the Cabinet Defence Committee drew attention to the name of the body and its implication that "defence

research arrangements are being co-ordinated on a Commonwealth basis when such is not the case with other defence arrangements". The Government preferred meetings on a purely service-to-service basis which were minus the formal governmental approach. It favoured a change of title and constitution by the committee. Subsequently the meeting to be held in Canada had to be postponed. In 1950 the Cabinet Defence Committee gave its blessing to a meeting in London in a somewhat negative fashion by agreeing that "there was no objection to Canadian defence scientists attending an informal meeting in the United Kingdom if they are invited to do so". One reason for its action was the view of the Defence Research Board that the decision to admit delegates from India, Pakistan and Ceylon to an enlarged committee could be regarded as "a gesture of friendship towards the new Dominions" and this might make a small contribution towards stemming the spread of Communism. The meeting was held, the name of the Committee remained unchanged, its report was approved, and there the matter stands.

6. Canadian policy on consultation within the Commonwealth pursued a consistent line of action for almost a generation. One of the clearest expositions of the Canadian attitude before 1939 is afforded in a letter from Prime Minister King to Mr. Amery, the Secretary of State for the Dominions, on March 22, 1927. In that letter, which Mr. King drafted in large part himself, he described his reasons for opposing the practice of having the High Commissioners meet weekly with Amery as had been going on for almost two years, a practice which the latter described as "being informally "at home" to the High Commissioners for half an hour or so once a week". Mr. King advanced three reasons for opposing such meetings:

> (1) If they were unofficial, they were unnecessary and created an erroneous impression. If official, the Canadian government, by appearing to countenance them, "would be helping to build up in London, in conjunction with the Secretary of State for the Dominions a sort of Cabinet ... the members of which will have had from their governments no instructions of any kind and with respect to the doings of which their Governments in the nature of things will have little or no knowledge".
>
> (2) If equality of status meant anything, there was no more occasion for such meetings in London than for elsewhere in Commonwealth capitals. To accept such a practice would, in Canada's opinion, constitute a reversion to a position in which the Dominions Secretary played a role analogous to that of the Secretary of State for the Colonies.
>
> (3) Such meetings would tend to make the High Commissioners much more the representatives of the Secretary of State for the Dominions in communications with their governments than

vice versa. It might lead to "the most serious of possibilities, namely that on some matter to which the British Government attaches importance, the Government of a Dominion concerned, or of all the Dominions, may at some time be held to have been informed, or be said to have been informed in a different sense from that in which the information has been imparted by the representative of the British Government".

7. At the close of his letter Mr. King added two observations that were to be repeated for many years to come. He felt that the Canadian High Commissioner "should hold a position corresponding in dignity, importance and status to that of Ambassadors or Ministers who represent foreign states. He felt, too, that "as Canada has a distinct individuality of her own, and is not merely one of a uniform type of countries, identical in background, problems and position in the world termed "Dominions", it is desirable that her representative should, as occasion requires, be individually recognized."

8. These observations served their purpose for a decade. In May, 1936, however, when the Press carried stories from London of consultations by the Foreign Secretary with the High Commissioners reminders were promptly addressed to the Canadian High Commissioner that, if the British Government desired to consult the Canadian Government, it should do so directly in order to avoid the possibility of misunderstanding and to give the Canadian Government an opportunity to consider and state its attitude. It was also pointed out that these consultations were liable "to implication of collective decision". Canada could not agree "to the development of an Imperial Council on Foreign Affairs sitting in London".

9. Mr. Malcolm MacDonald, then Dominions Secretary, endeavoured to reassure Mr. King that the United Kingdom had no intention of departing from the recognized channels of communication. He explained that the meetings which had taken place were not innovations, were completely informal and made no attempt to reach or record conclusions. They were designed to afford "information supplementary to what is conveyed through official despatches and telegrams and to afford an opportunity for the High Commissioners to obtain what I may call the "atmosphere" of a situation which it is difficult to give satisfactorily in official communications". With this explanation Mr. King remained unconvinced. During his visit to London in 1937 he gave oral instructions to Mr. Massey not to attend such meetings. In the crisis that followed the Nazi occupation of Prague in March, 1939, the High Commissioners were asked to meet the Dominions Secretary and the press so reported. In a "most immediate" telegram of March 21st Mr. Massey was asked to advise at once if such press reports were correct. He replied that he had attended two such meetings, and thought himself

fully justified at doing so because of the grave emergency and the difficulty in such a busy time of asking for special conferences with the Dominions Secretary. The government approved of his actions to date, but restated previous views and added, "you, of course, understand that while attending such High Commissioners' meetings you would not be authorized to indicate the view of the Canadian Government unless under special instructions". This admonition was prompted by the fact that the British Foreign Secretary had said that the United Kingdom had begun "close and practical consultation" when in fact no communications to the effect had been received in Ottawa. Soon afterwards a lengthy memorandum on the whole question of consultation and information through the High Commissioners in London was prepared by Loring Christie which enlarged and emphasized the view expressed in 1927. It was described by the Prime Minister as "a most important memorandum and most opportune".

10. War exigencies necessitated daily meetings of the High Commissioners and in these circumstances no exception was taken. After the war they began to decrease in number, except when important developments such as the meeting of the Council of Foreign Ministers or the progress of Anglo-American economic talks made them appear advisable. By 1947 complaints voiced in Australia of lack of consultation induced Lord Addison to announce that in future he would hold regular meetings of the High Commissioners. When Mr. Robertson reported this development, he said that he had remarked that "ad hoc meetings called for discussion of particular questions of joint interest were likely to be more useful than regular meetings at a fixed time" and he added "it was important to try to preserve their private and informal character and not to try to build them up into an additional form of Commonwealth consultation". Lord Addison shared his views.

11. Mr. Robertson's telegram produced an immediate reaction from the Prime Minister. He felt very strongly that it was a matter on which great caution ought to be exercised and that "we must not get into a position where we begin to assume responsibility for shaping "imperial policy" and having a "Cabinet of High Commissioners". Mr. King saw no reason why we should give way to Australia, since all we wanted was to be informed and not "tied up". Accordingly Mr. Pearson sent the High Commissioner a personal telegram saying that it was felt in Ottawa that it might have been better to have resisted the Australian demand for regular meetings and that "your own idea of ad hoc meetings called for discussion of particular questions of joint interest as they arise was a much better one". Ottawa would welcome a re-examination of the matter and a return to "irregular meetings" in preference to "any unnecessary institutional machinery". Mr. Robertson duly conveyed these views to the Dominions Office. He reported that he thought the pressure of business on all concerned would probably cause the proposal "to break down from natural causes" as it had in the past. When the Australian High Commis-

sioner complained at one meeting that there had been insufficient time for Australia to express her views on British foreign policy Mr. Robertson dissociated himself from that line of argument:

> "We conceded to the United Kingdom the right to have a foreign policy of her own, just as we assumed that right for ourselves. We wished to keep each other informed of our intentions, but we did not consider that each country had to secure the consent of all the others before deciding on policies".

12. The High Commissioner's forecast that the policy of regular meetings would, as he put it, "peter out" from inanition, proved to be true in Lord Addison's regime. But the question was revived when Mr. Noel-Baker succeeded Lord Addison mainly at the instance of the South African High Commissioner, Mr. Heaton Nicholls. The problem was complicated by the emergence of India and Pakistan as equal partners in the Commonwealth and a certain uneasiness in some United Kingdom circles as to whether there could be the same frank exchange of views with the representatives of these states present. In November 1947 Mr. Robertson reported that he had received a hint from the Foreign Office that he would not miss much if he stayed away from a meeting with all the High Commissioners at which Mr. Bevin would expound United Kingdom views about forthcoming meetings of the Council of Foreign Ministers. He could secure fuller information privately as "due to the size and composition of the High Commissioners' meeting they hesitated on security grounds to discuss some questions as freely as might otherwise be possible".

13. Although this development militated against the meetings of High Commissioners becoming the "new and effective instrument of Commonwealth co-operation" for which the South African High Commissioner pleaded, it did not reduce the desire of Mr. Noel-Baker to revive the policy of regular meetings. By March, 1948, they had been arranged for every second Friday and Mr. Robertson was dissatisfied with this development. However, he was not able to take further action before returning to Ottawa and it was his successor who raised the question in April, 1949. What caused Mr. Wilgress to review the whole matter was an observation of the Australian High Commissioner at one of these meetings that, to his way of thinking, they constituted a "kind of Commonwealth Cabinet" Mr. Wilgress thought some of his colleagues, including United Kingdom ministers, might wish to interpret these meetings in the same way as Mr. Beasley. He himself had found them of little utility and believed that they did actual harm by becoming forums for controversial discussion and exacerbating personal relationships. This development he attributed, in part, to the personalities of the Australian, Indian and Ceylonese High Commissioners. The main justification for continuing the meetings was their usefulness in revealing "the special approach to world problems of the new Dominions", which Mr. Wilgress had found more than once quite illuminating.

14. On September 14 Mr. Wilgress was told that, despite misgiving about these meetings, it did not seem advisable for Canada to hold aloof, if the other countries concerned were anxious to continue them. On the other hand the government firmly rejected the Beasley theory as being "completely incompatible with the first principles of responsible government". When a suitable opportunity arose Mr. Wilgress was to make it clear that they had accepted participation in the meetings on the understanding that nothing of the kind described by the Australians was contemplated.

15. Ironically enough, after this line of action had been decided upon the meetings petered out again in London partly because of the feeling of permanent officials in C.R.O. like Sir Percivale Liesching that their use by junior members of the government to outline some phase of United Kingdom policy produced little new in the way of information. They developed into "futile discussions based on personal opinions of the High Commissioners..." But in November Sir Percivale proposed that a special meeting be held on the question of the recognition of China. The High Commissioners were asked to obtain in advance the views of their respective governments, and to express them at the meeting, during which the views of the United Kingdom would also be defined. With the Canadian attitude in mind the C.R.O. official added the stipulation that "the purpose of this meeting is not to reach a decision, which is, of course, the responsibility of each of the respective governments but rather to facilitate an informal exchange of governmental viewpoints". Mr. Wilgress favoured accepting this modification of previous practice on the ground that it would have the result of providing better access to the Foreign Secretary than had been the case and would make it possible to get "a picture of current attitudes of the various Commonwealth governments on matters of current concern'. Mr. Wilgress was authorized to attend the meeting and was furnished with detailed instructions as to Canada's position on the Chinese question. A further telegram was drafted, but not sent, in reply to his request for general observations on the proposed new policy as to such meetings. It expressed the view that such ad hoc meetings should not be regarded by the Canadian Government as a precedent for a new type of Commonwealth consultation, and that more might be achieved by Commonwealth Ministers' meetings in New York during Assembly sessions, as Ministers would have wider discretion with respect to government policy than High Commissioners. The telegram was held for further consideration on the policy question.

16. By March, 1950, another new C.R.O. Secretary, Mr. Gordon Walker, was taking a look at the nature of the meetings and, with the usual enthusiam of the new broom, was casting about for their improvement. He wished to restrict them as in wartime to a much smaller group consisting of himself, the seven High Commissioners and, possibly, Sir Percivale Liesching. Mr. Gordon Walker suggested that such meetings should not

be restricted to Commonwealth policy or foreign affairs but might even deal with United Kingdom domestic questions of interest which would be presented by the appropriate Minister in order "to provide the High Commissioners with advance indications of United Kingdom policy and elicit their personal views and comment as the occasion arises and before policy decisions are taken". Mr. Wilgress favoured the experiment being undertaken. Subsequently he told the department that the United Kingdom proposals were not entirely acceptable to some of the High Commissioners and the compromise solution was adopted of having both smaller meetings, and those with officials. One of the former was held on May 3, 1950, and was found by Mr. Wilgress to work very well. His preference for this more "personal" type of meeting was endorsed by the department which re-echoed old policy in commenting that "the more informal these meetings are kept the better". By March, 1951, after another personal meeting at which each of the High Commissioners was asked to describe significant events in his own country, an extension of the earlier suggestion of Mr. Gordon Walker, Mr. Wilgress had come to the conclusion that the discussions though friendly in character had "disclosed further the little value there is to be derived from such meetings of High Commissioners."

17. The wider problem of consultation at all levels was also peridiocally undergoing consideration, and became of even greater importance with the steady deterioration in the international situation and the changes in the position of India, Pakistan and Ceylon. In August, 1947, Canada was represented at a new type of Commonwealth meeting in Canberra. Its convening was due to the restless energy and boundless activity of Dr. Evatt, the Australian Minister of External Affairs, who was determined to have the Commonwealth countries discuss together their views on a possible Peace Treaty with Japan before they, the United Kingdom excepted, should be faced with danger of a Treaty prepared by the Great Powers and submitted to the rest only for examination and comment. He was reported as saying: "Australia did not wish to find herself in the Pacific peace discussions in the position allotted Canada in the European settlement". The Australian Minister was also anxious to demonstrate the right and capacity of Australia to act as often as possible as the spokesman for the Commonwealth in the Pacific. If this could be done it would raise Australia's position among her asiatic neighbours. He had earlier secured the consent of all the Commonwealth countries except Canada to have an Australian represent them on the Allied Council in Tokyo which was supposed to have some influence on Allied policy in Japan.

18. Accordingly, on April 17, the Australian Government telegraphed the other Commonwealth states, inviting them to send representatives to Canberra to discuss the possible terms of a peace treaty with Japan. Canada replied that "informal discussion of the procedure and substance of the Japanese peace settlements would be useful "but added that it would be difficult to send a suitable delegation to Australia and that informal discussions in Washington among Commonwealth representatives on the Far Eastern Commission, such as had been held

earlier in April would be more convenient". On this suggestion it got nowhere. It was also the Canadian view that the talks "should not be expected to lead to the formulation of a single Commonwealth policy to which all members of the Commonwealth would be committed in the later stages of the Japanese settlement". This view was also shared in the United Kingdom, aware of some sensitivity of United States opinion on the subject. As a result London told Canberra that in its view the object of the Conference should not be to prepare any agreed British Commonwealth draft treaty. In a telegram of June 27 asking our acting High Commissioner to express agreement with the line taken by the United Kingdom the department remarked that "Geography dictates that Canada should give very careful consideration to United States view on Pacific settlement" and that we shared the United Kingdom concern that "there should not be any misunderstanding in Washington and proposed to inform it ... of our intentions in attending these talks". Mr. Wrong carried out this mission on July 10, emphasizing that the Conference will "result in no commitments on policy and that the Canadian Government will certainly not formulate its position without giving full consideration to the views of the United States." On the same day the Prime Minister announced in the House of Commons that Mr. Claxton would attend the Canberra Conference, which he later characterised as a preliminary exchange of views. Mr. King said that no decisions would be taken there which would affect the freedom of action of the Canadian Government at the Japanese Peace Conference. This approach was maintained in all the exchanges of views before the Conference and at the meeting itself. Since other Commonwealth countries felt much the same as the United Kingdom and Canada, and were equally anxious to limit the scope of the Conference discussions the Canberra Conference did not prove to be the resounding success which Dr. Evatt had wished. But it presented an excellent illustration of the impact of United States views upon Canadian policy in the Commonwealth when it involved an area in which the United States was deeply interested. It was also an area about which the Government had not formed very definite views. The Canadian policy at Canberra which Mr. Claxton was told to outline, was merely "to indicate the broad objectives which we would like to see the peace settlement achieved some of our requirements for the protection of special Canadian interests."

19. The wedding of Princess Elizabeth in November, 1947, to which the King had invited all of his Prime Ministers, was seized upon by the United Kingdom Government as an excellent opportunity for another brief and informal meeting of the Prime Ministers at which it would be possible to have an exchange of views on the general situation. Mr. Attlee suggested that such a meeting might also be a useful occasion to dispose of outstanding questions such as the nature of the King's title and the status of High Commissioners. Mr. King was initially unenthusiastic and, in accepting the proposal, stressed the desirability of the meetings being informal. As so often happens the press began to speculate about an important Imperial gathering, a

tendency which was heightened by a reference to the usefulness of an Empire customs union which Mr. Bevin made at a Labour Party Congress. In London Mr. Holmes, in the absence of the High Commissioner, called on the permanent head of C.R.O. to express concern at these tendencies and Sir Eric Machtig agreed to try to discourage great expectations. On September 9 Mr. Robertson, on sick leave in Paris, cabled to express his belief that "a big preliminary press build-up is inevitable", and his fears that "the consequential let-down afterwards will be equally unavoidable and embarrassing to all the governments taking part in the meeting". He advised action to reduce the importance of the meetings even to the point of taking up with the Palace the inadvisability of mixing up a royal wedding with inter-governmental discussions of policy questions.

20. The Prime Minister and the department fully shared these views. Mr. Holmes was instructed to impress upon the United Kingdom authorities that "any action or words on their part, whether deliberate or accidental, to play up the Commonwealth conference will be bound to backfire". In view of the possibility of Australia, and Dr. Evatt in particular, enlarging upon the possibilities of the Conference the Canadian Government did not wish to see hopes raised which would be dashed, and for which Canada might, quite wrongly, be blamed. These views and a more obvious difficulty, the inability of several Prime Ministers to be present, led to abandoning any idea of a "meeting" of Prime Ministers being held. Instead individual discussions were held with those Prime Ministers (Mr. King and General Smuts) and other Ministers who were present for the wedding. As it developed the brief discussion with Mr. King on November 24 was largely confined to an exposition by the United Kingdom Foreign Secretary of the risks to peace that might develop in the next few weeks or months.

21. The miscarriage of plans in 1947 made almost inevitable the prospect of a meeting of the Prime Ministers in the near future. In addition to the wishes of the United Kingdom there was an obvious desire on the part of Australia and New Zealand to have such a meeting examine the implications of the Marshall Plan, for Commonwealth trade, and to discover what the effect upon the Commonwealth might be of the United Kingdom's participation in Western Union through the Treaty of Brussels of March, 1948. On the latter question Canada had twice expressed approval for a regional organization of free states for security purposes, and indicated willingness to co-operate. In London there had been frequent articles and speeches by Lord Bruce and others on the need for Commonwealth re-organization and speculation on the relation of the Commonwealth to Western Union co-operation. One of the most significant remarks had been Mr. Bevin's reference at a Labour Party conference to the desirability of harnessing the Commonwealth and overseas territories to the skill, ability and productive capacity of the West. Occasionally, as in the "Sunday Times", there would be the charge that in

developing Commonwealth co-operation, "the real obstacle, presumably, lies, as it always has been since the war, in the attitude of the Canadian Government; and it ought not be able indefinitely to prevent the other governments from meeting". Remarks such as Mr. Eden's in September, 1948, that "we can only make our weight felt in the scale if we are speaking collectively for the British Commonwealth and together with the free nations of Western Europe", and Mr. Bevin's reply to it provoked observations from both Mr. Robertson in London and Mr. Wrong in Washington. They were struck by the fact that there was still an influential body of opinion in London which thought of the Commonwealth as a means to restoring the strength of the United Kingdom as compared to the United States and the USSR, and that such prominent political leaders as Messrs. Bevin and Eden were thinking along different lines than the Canadian Government.

22. With all these considerations in mind the department began to prepare an elaborate set of papers for the Prime Minister and his party to have at their disposal for the meetings agreed upon in October. The most significant of these, as an indication of the general position of the Government, was a paper entitled "Considerations on the Nature of the Commonwealth". After pointing out how profound the changes had been within and without the Commonwealth since the days of the Balfour Report, the paper considered such questions as status, the formal constitutional position, consultation and co-operation, and admission of new members. Briefly summarized, the conclusions were as follows:

A. STATUS

The term "Dominion status" is increasingly felt to be inapplicable and even objectionable. It might be dropped and some such phrase as "independence within the Commonwealth" be substituted, a phrase more in line with the facts and more acceptable psychologically and politically.

B. FORMAL CONSTITUTIONAL CONNECTION

The gradual development of the Commonwealth had led to the creation of certain historic links of which the major surviving one was the Crown. It would not appear to be impossible to adjust the concept of the monarchy to permit of republican institutions for internal purposes. The link of common citizenship for Commonwealth peoples, which conceded privileges substantially greater than those conceded to aliens should be retained, subject to each nation deciding how far it will recognize common "citizenship" for its own internal purposes or in external relations.

C. CONSULTATION AND CO-OPERATION

To prevent the establishment of different categories of members arising from the development of different degrees of consultation it will be essential to preserve the understanding that it is for the initiating government to decide to what other governments it will transmit any given piece of information, and which other governments it will consult about any given question, and that there is no obligation to include all Commonwealth members at all times, though this would tend to be regarded as the normal practice. The basis for selection of governments would rest upon the degree to which governments had an interest in the particular matter, and the degree of confidence which may reasonably be felt that the interests of the initiating government will not be endangered by disclosure of the matter to the other government. Distribution of information must be determined empirically and general principles of right or obligation can scarcely be made to apply to the group as a whole. Each member must be free to develop such security arrangements as it thought essential and may well develop much closer relations with a foreign state or states than with other Commonwealth members.

D. ADMISSION OF NEW MEMBERS

The decision to grant any particular colonial area the degree of self-government which would give it a claim to be "an independent nation within the Commonwealth" inevitably rests with the United Kingdom. But the admission of new members to the Commonwealth would in fact, though not in form, depend upon recognition by other members, just as does membership in the family of nations. Differences of opinion may arise as to whether a new political unit was in fact a member of the Commonwealth. Preliminary advice to present members seems to be the only means that can be suggested to avoid difficulties in recognition.

23. While the conference papers were being prepared the Canadian had an unexpected and unusual opportunity to learn of United Kingdom thinking on the recent changes in Commonwealth relationships. Sir Norman Brook, Secretary of the United Kingdom cabinet, paid a visit to Ottawa in August 1948 to explain informally the United Kingdom views on some of the problems which were emerging and to learn how they were viewed in Canada. The same procedure was to be followed with Australia and New Zealand so that the "old Dominions" could turn over in their minds questions which might require careful handling in October. In the first discussions on August 13, the Prime Minister, Mr. St. Laurent, and Mr. Pearson met with Sir Norman Brook and Sir Alexander Clutterbuck.

It was generally agreed that the inclusion of the Asian Dominions in the Commonwealth represented a far-reaching development, especially when India and Pakistan had been so recently on the verge of war. It was also realized that there could not be the same sentimental ties for the new partners as for some of the others, and that they might not have the same common interests or the same friendly relationships which inspired confidential discussions. No objection was offered to the United Kingdom's willingness to go as far as accepting a Republic within the Commonwealth, so long as the head of the new state continued to represent the King. The group agreed with Sir Norman in not favouring a new Balfourian constitutional statement to explain the present Commonwealth and was not anxious to have any general discussion of Commonwealth relationships. The Prime Minister advised "great care" in dealing with the inclusion of the Asian Dominions in the Commonwealth, and said that both the difficulties and advantages of their inclusion were appreciated in Canada. He advocated the termination as far as possible of such expressions as "British subjects", "my subjects", "our subjects", "Our Dominions" and "Dominion status", as implying a subordination which no longer existed. He did not think the title of the Governor-General appropriate, and thought consideration should be given to changing it. In his view "it would be unwise even to discuss proposals for centralization of the Commonwealth, for any Commonwealth secretariat or for "imperial" defence mechanisms".

24. In the second set of talks on August 16 and 17, which were confined to officials, it emerged that consideration had already been given by U.K. ministers to the dropping of such expressions as Mr. King had mentioned and to changing the expression "British Commonwealth of Nations" to "The Commonwealth of Nations". It was clear also that the United Kingdom position on "centralized mechanisms" was much closer to that of the Canadian Government than it had ever been.

25. The visit of Prime Minister Costello of Ireland to Canada in September, during which he unexpectedly announced that Ireland was going to sever all links with the Crown, complicated the plans for the October meeting. The fact, however, that Ireland after some confusing negotiations was not present at the meetings led to the Irish question being discussed elsewhere than in the Conference. Nor did India raise the Irish decision at the meeting as a basis for claiming parallel rights. Had Prime Minister Nehru done so the pragmatic view in Ottawa was that "it is important at the present time to maintain some link however tenuous between India and the Commonwealth in the hope that this may make it more likely that India will remain attached to the "Western world", or at least not drift into the Soviet camp".

26. Informal discussions on Ireland's policy were held at Chequers on October 17, 1948, when two Irish Ministers, the U.K. Prime Minister and two other Ministers, Mr. St. Laurent, Prime Minister Fraser of

New Zeland and Dr. Evatt of Australia, were present. In these talks Mr. St. Laurent suggested that it was for Ireland to take the initiative in seeking a special form of association with the United Kingdom which might prove a pattern for special relations with other Commonwealth countries. He thought that an arrangement by which the Crown was regarded as the head of the state for external purposes would be considered adequate. Canada would be prepared to accept "any kind of internal arrangement which suited the newer Dominions". The Canadian view was that "we had no more right to interfere in their domestic relations than we would be willing to give them to interfere in ours". In subsequent discussions in Paris in November, when it seemed for a time as though proposed correspondence from the United Kingdom to the Irish Government might tend to define the relations of Ireland with all the Commonwealth members, Mr. Pearson told the U.K. representatives that Canada would not wish to be associated with such a statement "since it was not certain that we would come to the same conclusions as the United Kingdom". Since Australia took the same line, the suggested note from the United Kingdom was not sent. Subsequently when the Republic of Ireland Bill was under consideration the Irish High Commissioner in Ottawa was told that Canada had no desire "to treat Ireland as a foreign country or to treat Irish citizens as foreigners" and would aim at an agreement on the lines being followed by the United Kingdom government.

27. The final decision taken on policy matters for the meetings in 1948 was not reached until just before they began. It arose from a study of U.K. papers circulated in advance of the conference. A memorandum on "The World Situation and its Defence Aspects" was accompanied by a second one from the U.K. Chiefs of Staff on "Commonwealth Defence Co-operation". As in 1946 they were anxious for closer defence co-operation with the Commonwealth. If agreement could be reached, they proposed to carry out what were vaguely described as "initial joint studies" on the basic objectives of defence policy and general strategy, a distribution of effort by devising regions of strategic responsibility, and a general outline of plans to meet immediate and long-term dangers. Discussion on these topics could probably be undertaken "by a slight adjustment to the present "Service Liaison Staffs". The U.K. chiefs agreed that regional plans for defence could be undertaken under the existing methods of consultation, but suggested that the new type of planning would need to be carried out in closest touch with each participant's Defence Organization and would probably necessitate exchanges of visits between planning staffs. Both National Defence and this Department agreed that joint studies conducted by all Commonwealth members were not a necessary prerequisite to regional planning, and might "serve only to complicate if not confuse the natural and obvious lines of development. The memorandum agreed that since Canada was moving towards a North Atlantic Pact in concerted action with the United States, it would seem that her military resources would be fully committed to that project. The plans for their use in

the North Atlantic area would provide the most suitable basis for Canada's defence contribution. There was no need for change in the present system of defence liaison (discussed elsewhere) "at least until such time as an Atlantic Security Pact is concluded". The text of this memorandum, which was approved by Mr. Pearson and Mr. Claxton, was cabled to the Prime Minister on October 5. It formed the basis for Mr. St. Laurent's statement at the meeting on October 21, which he asked to have circulated with the recommendations under discussion on Commonwealth Consultation. It read as follows:

> "In view of the historic position of Canada, I wish to make it clear, so far as Canada is concerned, that in agreeing to recommend consultation between Commonwealth governments to arrange co-operative action in matters of defence, it would be unreal for us to regard as effective either general or regional plans of defence which would comprise Commonwealth countries exclusively, and which did not also include other peace-loving countries prepared to co-operate in resisting aggression".

28. At the London sessions, which Prime Minister King was unable to attend because of illness after his arrival, Mr. Robertson and Mr. St. Laurent represented Canada. On most questions Canada shared the views of the majority. Yet it was to be expected when Prime Minister Nehru criticised American policy in Indonesia that Mr. Robertson should offer some explanation of American methods and objectives. As in the past Canada was reluctant to see further machinery created for consultation in this instance on economic matters. But the recommendations for improving the status of High Commissioners and for basing the seniority on the date of emergence of the various Commonwealth countries were quite in line with Canadian thinking. Canadian views on the need for changes in the titles of the King and the Governor General were not pressed. What caused the most controversy was the discussion on improvements in consultation which came towards the close of the Conference at a time when some tempers were rather ragged. Australia, New Zealand and Pakistan were pressing hard for a comprehensive and categorical report. In an effort to reconcile differing points of view, a set of proposals was drawn up in the form of draft recommendations to the governments, on which action was requested in approximately a month's time. These were referred to in the press release on the conference as "Recommendations for improving Commonwealth consultation on foreign affairs, economic affairs and defence".

29. When the Recommendations reached Ottawa they were given very close examination, with Mr. Claxton, the Acting Secretary of State for External Affairs, taking a vigorous part. There was no objection to five of the seven proposals which were described as supplementing but not supcrseding existing methods. They

recommended meetings of the Commonwealth Prime Ministers as often as is practicable; greater use of the facilities in London for consultation and exchange of information and an endeavour to make comparable arrangements in other Commonwealth capitals; Commonwealth meetings on economic and financial questions of common concern on a Ministerial level; more frequent interchange of visits of Commonwealth officials concerned with financial and economic matters; and wider use of the recently established Commonwealth Liaison Committee for the European Recovery Programme. The second and sixth Proposals were not regarded as entirely satisfactory. The former read as follows:

> "In the intervals between those meetings (i.e. of Prime Ministers) Commonwealth meetings on foreign affairs will be held at the ministerial level at least once a year and twice a year if possible. These meetings will normally be held in one or other of the Commonwealth countries. The first of these meetings will be held in Ceylon".

The two chief objections raised in Ottawa to this Proposal were that it would be undesirable to enter into a definite agreement of that character which might lead to "serious political difficulties in securing adequate attendance at such peripatetic meetings", and that such meetings would give the impression that the Commonwealth was speaking with one voice in external affairs. As an alternative proposal it was suggested that formal meetings of heads of Commonwealth delegations to the sessions of the General Assembly of the United Nations be held immediately following the conclusion of each regular annual session at which the necessity or desirability of holding a further meeting at the ministerial level could be discussed. Informal discussions during the Assembly sessions were already a common practice.

30. Proposal Six dealt with defence co-operation and read:

> "In furtherance of the general aim of co-operation between all peace-loving nations to deter and to resist aggression there will be close consultation between Commonwealth governments to arrange co-operative action in matters of defence, including those matters which arise from a common interest in the security of a particular region. The military advisers of those governments will consult together to frame proposals and plans for submission to their respective governments."
>
> "Meetings will be arranged on the ministerial level, as the occasion demands, to discuss defence problems, whether general or regional".
>
> "In the system of Commonwealth Service Liaison Officers there already exists machinery for the exchange of military information of general interest, and the Commonwealth governments will consider how that machinery can be

> improved to render it fully effective as a means of exchanging information about the progress of defence plans, whether general or regional, and securing the maximum appropriate degree of defence co-ordination".

This recommendation, which reflected the views of the United Kingdom paper, and was strongly supported by Australia and New Zealand, had already been limited so far as Canada was concerned by the reservation which Mr. St. Laurent had put on the record. There was, however, a further objection in Ottawa to the last sentence of the first paragraph, on the ground that it might be taken to mean that the military advisers would be framing plans "for what is still known in some circles as "Commonwealth defence'. Such a policy was dismissed as "quite unrealistic", and cutting across the consultation and planning that was already taking place. The offending sentence should be eliminated or, failing that, a new form of words be suggested to take account of the Canadian reservation. Mr. Robertson, who had been present at the discussions, later commented that he thought there was a misunderstanding of the offending sentence. As he telegraphed on January 6, 1949, "what the Prime Ministers were doing was giving their general blessing to other Commonwealth Governments taking part in such appropriate regional defence plans as Canada and the United Kingdom were already organizing in anticipation of a North Atlantic Pact."

31. After a memorandum on the Proposals had been submitted to Cabinet, approval was given for a telegram sent to London on November 5, 1948, which was also repeated to all other Commonwealth governments. The telegram said that Canada had found the present arrangements for consultation to have proved in practice "workable, flexible and effective". Proposal Two was described as impracticable in its attempt to fix definite time-tables for regular meetings of ministers who had to carry heavy responsibilities at home, and as liable to create the impression in some quarters that "... the nations of the Commonwealth were being organized in order that some one of them might speak for the others". The Sixth Proposal was criticised in the manner already summarised. The telegram warned against the danger that might arise of attempting to formalize or change procedures of consultation which were already working satisfactorily, while agreeing that new arrangements were constantly being made to meet changing needs and circumstances. There followed an affirmation of principle couched in somewhat rhetorical terms:

> "We believe that the system of responsible and representative government worked out over the years is the best system yet developed for the government of our people. Under that system decisions on major questions of foreign policy and defence are not made by military officers or by individual ministers or by representatives in another country; they are made by the Cabinet which is responsible through Parliament to the people".

32. The Canadian reply was the first to be received in London and was regarded as "rather negative". The United Kingdom Cabinet believed that "to the extent that consultations had proved practical they could be usefully spelled out and recorded to our mutual advantage". Although Prime Minister Chifley expressed in Canberra substantial agreement with the Canadian point of view, Dr. Evatt was especially anxious for approval of the statement, in order to offset domestic criticism by Mr. Menzies and others. On his return home he had hinted to the press on January 13, 1949, that one of the most important decisions at the London Conference had still to be revealed. Meanwhile by December 13 all the other governments but South Africa, which at a later date expressed views similar to those of Canada, had given their answer. With the exception of India they were prepared to accept the six point statement. An effort was made in London to induce Mr. Pearson to secure some modification of the Canadian position. At a dinner on December 15, attended by the Prime Minister of New Zealand, Dr. Evatt, the Lord Chancellor, the Secretary of State for Commonwealth Relations, and Sir Norman Brook, he found himself in a minority of one. Mr. Pearson repeated the Canadian objection to spelling out in detail what might well prove to be impractical, and tried to combat the obvious belief that Canada was lukewarm to the whole idea of consultation. He emphasized the willingness of Canada to consult both within and without the Commonwealth on matters of common interest, and said that Canada was no longer worried as she had had reason to be in the past about "pressures toward institutionalizing consultation and building up machinery for it". The Canadian attitude was determined purely by practical considerations. In a second attempt to reach agreement the United Kingdom Government sent a circular telegram on January 1, 1949, suggesting that the second proposal be altered to read that the Ministers of External Affairs should meet "once a year and more frequently if occasion requires". The Canadian Government did not regard this amendment as meeting the general objections advanced and cabled to the High Commissioner in London, who was asked to throw some light on the proposal that "it is difficult for us to find any explanation other than the Commonwealth Relations Office either has not understood the clear meaning of our communication or has chosen to disregard it". Mr. Robertson explained that the C.R.O. officials had been uncertain what was the best course to follow. When they learned of the Canadian doubts they "readily agreed they would have to review their position in the matter". He thought too much had been made by all concerned of the significance of the original report and argued that "there is not really much pith or substance either in the original report or in our dissent from it". But he believed that publication after such an interval of any document "however anodyne" would lead to it being given more importance than was intended. For that reason he favoured Canada doing her best to see that no report was published and leaving free to the participants in the meetings to make "... such use of its contents as they find helpful in their reports to their several Parliaments". After examining suggestions for a further amendment of the proposed statement which took into account the South African views expressed on January 26, the Cabinet adopted a course along the

lines Mr. Robertson had suggested. A circular telegram was sent on February 18, 1949, pointing out that the proposed amendment did not meet the difficulties already expressed by certain Commonwealth governments, that it was clear an agreement could not be reached on a satisfactory formula, and that further efforts to secure one "might create more problems than they solved". The telegram proposed leaving the matter in abeyance with reconsideration at a future date if desired and added, "in any event we are most anxious that no publicity should be given to it, as it would serve no useful purpose, we think, to underline the differences of viewpoint on this matter within the Commonwealth". This view was also shared by Commonwealth Relations Office officials. As a result the recommendations were not published, although there appeared in such periodicals as the Round Table what were probably inspired descriptions of what had been suggested. In the Annual Report of the Department for 1948 where an account of the Meetings was given the question was dismissed with the terse statement, "the existing methods and machinery of consultation between Commonwealth Governments were examined".

33. Soon after the London meetings the question of India's relationship to the Commonwealth, which had not been raised in the discussions, came to the fore. Before returning to India Prime Minister Nehru had worked out with Sir Stafford Cripps a Ten Point memorandum describing a possible basis for India's continuing membership. The U.K. reaction to these points was described to Commonwealth Ministers who were at the United Nations meetings in Paris and to Sir Girja Bajpai, Indian Secretary-General for External Affairs. On November 19, Mr. Pearson cabled the gist of a meeting attended by Sir Girja, Prime Minister Fraser, Dr. Evatt, Lord Jowitt, Mr. Noel-Baker, Mr. Robertson and himself. The British view that the Ten Points "provided a pretty frail and tenuous basis for Commonwealth membership" was conveyed to Sir Girja. In the discussion, during which Mr. Fraser and Dr. Evatt stressed the importance of India remaining a full member of the Commonwealth and their desire for a more definite link of India with the Crown as a symbol of Commonwealth Association, Mr. Pearson concurred with his colleagues, but was careful to emphasize Canada's full appreciation of India's right to decide for herself. He made it clear that there was no idea of a concerted approach or policy of a common front on the part of the various governments in these informal and exploratory talks. This effort to reassure the Indians made some impression. Ten days later Sir Girja gave Mr. Pearson a confidential account of Prime Minister Nehru's difficulties in getting agreement in India for retaining a connection with the Crown, which was not given to the Australian or New Zealand governments. On December 15, 1948, Messrs. Fraser, Evatt and Pearson met at 10 Downing Street with the United Kingdom Prime Minister and three of his colleagues to discuss the situation. All were agreed on the importance of maintaining the association with India in some fashion, on the basis of "de facto association without any allegiance to the Crown but with the important features of common

citizenship and a declaration of desire to maintain close and friendly association". A telegram conveying these views, and adding that Messrs. Fraser, Evatt and Pearson had had no opportunity of consulting their governments, was sent to Prime Minister Nehru. At that time departmental thinking in Ottawa had resulted in some misgivings about using Commonwealth citizenship on a reciprocal basis as an important link with India. Such a policy might prove embarrassing in view of Canadian immigration policy on the admission of Asiatics.

34. On February 25, 1949, Mr. St. Laurent was asked if he would consider attending a special meeting of Commonwealth Prime Ministers about the latter part of April, and Sir Norman Brook was being sent to Ottawa as a personal emissary to explain, as Mr. Attlee said "... the various considerations which have presented themselves to us and the way in which our thoughts on the subject have developed". Meanwhile the Department had been in close consultation with Mr. Kearney, the Canadian High Commissioner in India, who had done first rate reporting on developments in that country, and had made some thoughtful analyses of the problem. In a despatch of February 17 to Mr. Kearney, there appears a significant comment. It read:

> "I think that it is important not to give the impression that the United Kingdom is acting as the spokesman for a group of Commonwealth countries. While we may be quite prepared to let the United Kingdom take the initiative in a subject of this kind, we reserve our own position as to whether any arrangement that the United Kingdom may work out directly with India will be acceptable to us as a basis for India's full membership in the Commonwealth, or alternatively, its relationship with the Commonwealth through some form of association. In accordance with the established practice, we would expect the United Kingdom to keep us fully advised regarding any new developments in negotiations and to consult us before making definite proposals to the Indian Government".

35. Sir Norman Brook was in Ottawa between March 10 and 19, 1949. He brought with him three papers bearing on the problem. Examination of these papers and his talks with Ministers and officials revealed that Canadian and United Kingdom views were substantially similar. Indeed during these meetings consultation developed to the point where Canadian officials were helping to draft a set of possible instructions from Prime Minister Attlee for Mr. Gordon-Walker as a basis for talks he was to have with Prime Minister Nehru. A telegram to Mr. Wilgress on March 22 said that the Canadian Government would regard it as desirable for India to retain a formal link with the Crown, even though its constitution were republican in form. If that were not possible, Canada would consult with all other Commonwealth countries on ways and means of broadening membership to include India as an independent republic "provided

that it would be made clear that no solution would be acceptable which impaired Canada's traditional relationship with the Crown".

36. Before the conference opened Mr. St.Laurent sent personal messages of regret that he was unable to be present (it was during his first Parliamentary session as Prime Minister) to all Commonwealth Prime Ministers. His absence was particularly deplored by Prime Minister Fraser who told the Canadian High Commissioner in New Zealand that "among all of the Prime Ministers of the Commonwealth Mr. St. Laurent with his background, andcestry and understanding, and in his capacity as Prime Minister of Canada is the only one among them who might be able to present a solution acceptable to all".

37. In the message to Prime Minister Nehru Mr. St. Laurent said the Canadian Government was satisfied with the present basis of association in the Commonwealth and did not wish to alter Canada's traditional relationship with the Crown. He then continued:

> "The Crown is an essential element of our constitution and of our whole parliamentary system of government. We think that the Canadian public would have misgivings in accepting any fundamental change in the present form of Commonwealth association which would appear to weaken the position of the Crown.
>
> "The above considerations prompt me to express the sincere hope that you may see your way clear to retaining some link between the sovereign republic of India and the Crown. It seems to me that any alternative presents not only constitutional but real practical difficulties; for example we might be hard put to defend against foreign objections the continued exchange of trade preferences."

38. At the London meetings in April, 1949, where Mr. Pearson substituted for the Prime Minister, evidence was forthcoming of the friendly regard in which Canada was held by India. Before the sessions began Mr. Pearson and Mr. Kearney had a talk with Prime Minister Nehru and Sir Girja Bajpai. During this interview the Indian Prime Minister gave Mr. Pearson an advance copy of a paper on the Indian position which no one else, except Mr. Attlee, was to see before the general meeting. In the meetings Mr. Pearson preferred to speak last, as the only participant who was not a Prime Minister. He outlined the previous Canadian views but, on the ground that freedom and equality were the two noteworthy features of the Commonwealth also insisted that there should be "no inner or outer circle of friendship". He suggested that a good deal of encouragement could be taken from Mr. Nehru's proposal that the King should continue to be the symbol of unity in the Commonwealth. Privately the Canadian delegation was a little uncertain of the implications of having all the Commonwealth governments establishing Commonwealth citizenship as the Indians favoured.

39. These doubts were subsequently dispelled by the adoption of an "Agreed Minute", which the Canadian delegation helped materially in drafting. By this Minute the Commonwealth countries agreed not to regard themselves as foreign to one another and to take whatever steps were necessary to enable them "... to maintain the right to accord preferential treatment, as has been customary, to the citizens and trade of other Commonwealth countries but that each government should remain free to determine the extent of that preferential treatment and the precise method of according it". This formula met the Canadian desire to safeguard immigration policy and freedom for trade negotiations with the United States.

40. The Canadian delegation was also not too happy about the meaning which might be read into the phrase describing the King as "the Head of the Commonwealth", which was to appear in the published Declaration agreed to by the Prime Ministers. But Dr. Malan of South Africa felt even more strongly on that point and was instrumental in securing the acceptance of another Agreed Minute which made it clear that this designation of the King did not connote any change in the existing constitutional relations existing between the members of the Commonwealth. Neither of these Minutes was published. In drafting a Declaration on the relationship of India to the Commonwealth Prime Minister Attlee asked Mr. Pearson for assistance in finding a satisfactory formula. At the closing session the question of revising the King's title, which was of interest to Canada, in view of discussions in 1947 on designating the King as King of Canada on that subject in the House of Commons, was briefly discussed. Mr. Attlee presented a memorandum on possible action which coincided with Canadian views, but it was decided to defer the question for future discussion among governments. On April 27, 1949, the text of the Agreement reached at the Conference was read by Prime Minister St. Laurent in the House of Commons, and was warmly received by the leaders of all parties.

41. After this successful experiment in adapting the Commonwealth to changing conditions, a landmark in its evolution, Canadian policy was less preoccupied with the substance and character of discussions on the nature of the Commonwealth. The emphasis was to shift towards consultations on the economic and diplomatic policies pursued by the various governments and reviewed at functional conferences. Thus the weakened position of sterling in international trade and the continuing tension in international affairs necessitated such conferences as those of Commonwealth Finance Ministers in July, 1949, and of Foreign Ministers in January, 1950.

42. The Colombo Conference on Foreign Affairs had been foreshadowed at the meeting of Prime Ministers in 1948 but had been postponed from the original date because of the session of the United Nations Assembly in April, 1949, and the special conference on the position of India. When the invitation was renewed in

November, 1949, the United Kingdom attached great importance to it being at the Ministerial level. The topics for discussion were concerned chiefly with the situation in the Far East and in South-East Asia, but it was proposed that senior economic advisers might also review the developments in the sterling area since the July, 1949, meeting.

43. It was decided rather reluctantly that Mr. Pearson should attend. If he did not do so, it was thought that old suspicions about Canadian lukewarmness to Commonwealth ties would be reinforced by a belief among the Asian members that Canada lacked interest in their problems and was tending to rely almost exclusively upon her membership in the North Atlantic Organization and her close relationship with the United States. It was also thought that it would be all to the good for a "North American" view to be heard especially on economic matters. In the main the collection of papers prepared for the Canadian delegation was factual and descriptive in character. Only those dealing with a possible treaty with Japan and the emergence of Communist China devoted much consideration to the Canadian attitude. On the recognition of the Communist Government of China the view which then prevailed was "... we should make no move towards recognition before India and the United Kingdom, but we should be prepared to consider recognizing the Communist Government in China shortly after the United Kingdom has done so".

44. The Chinese situation created some unexpected interest on the part of the United States in the Colombo Conference. At a meeting with Sir Oliver Franks and Mr. Wrong on December 14, 1949, Secretary of State Acheson said he hoped that the conference would agree on some division of responsibilities in that area between the United States and the British Commonwealth. Mr. Wrong reported that the Secretary of State believed that "the Commonwealth should treat Burma, as well as Malaya, as its special responsibility". This indication of American unawareness of the nature of the Commonwealth evoked from Mr. Wrong the observation that "this was the sort of thing on which the Commonwealth was not likely to act collectively" (a view he had already expressed to Mr. Dean Rusk), and that Burma was very remote from the interests of the Canadian people". Mr. Acheson then explained he was thinking primarily of India. This news of American interest in Colombo caused the Department to endeavour to learn as much as possible of State Department thinking of Asian problems before Mr. Pearson left for Colombo.

45. In general the Canadian delegation looked forward to the Colombo meeting as offering an opportunity for a broad exchange of views with other members of the Commonwealth, but went there with the firm conviction that the initiative on such questions as stemming the Communist advance in East Asia should and must come from the countries more directly concerned. Their experiences at Colombo did not change this view, but brought out clearly the value to the non-Asian members of the Common-

wealth of gaining a better understanding of the views of the Asians, especially on problems directly related to their area. It was noticed that all controversial intra-Commonwealth questions such as Kashmir were carefully avoided. A departmental memorandum noted as perhaps the greatest achievement the fact that the eight Commonwealth Ministers concerned with foreign affairs had been able "to exchange views on international affairs and leave the conference with the feeling that the Commonwealth association was a useful one". Colombo also provided the first opportunity for contacts with the new Ministers of External Affairs in Australia and New Zealand who, as Mr. Pearson wrote, secured at the conference "an intensive course in the realities of present Commonwealth relations". The Minister himself afforded a glimpse of those realities when he maintained the custom that had been developing since 1948 in not speaking immediately after the United Kingdom in order of historical seniority on various questions. He preferred, like his South African colleague, to speak at the end since they represented the countries least directly concerned. Mr. Pearson's most detailed statement came on the subject of the United Kingdom relationship to plans for closer Western European union, particularly in the economic field. It was timely because of some signs of an interest in a Commonwealth economic bloc. After stating that in all the various plans what must be avoided is the creation of a closed high-cost inflationary economic bloc, and that the sterling area, in its present form, should be regarded as "a transitional stage on the way to a trading system where currencies will be convertible and where exchange controls and quantitative restrictions will be drastically reduced". Mr. Pearson said that Canada was prepared to suffer some temporary disadvantages rather than see the prospect of closer economic co-operation, so necessary for Western Europe, made impossible because the United Kingdom was unable to participate. He added that "we should not like the United Kingdom to be embarrassed or inhibited in examining these European proposals, some of which originate in the United States, on their merits because of fears that Canada as a member of the Commonwealth would unreasonably object".

46. While stressing the North Atlantic Pact as a contribution to general security and not simply regional in value, a pact which was made necessary by the weakness of the United Nations and the aggressive imperialism of the Soviet Union, the Minister did not underrate the importance of domestic policies for sound economic development as a major weapon against the inroads of Communism. He expressed sympathy with the proposals for furthering such improvement in South East Asia, as advanced by Ceylon, Australia and New Zealand, but was careful to make it clear that Canada could not make a major contribution because of the burden of her new commitments under NATO. He suggested that care be taken not to arouse expectations of immediate help which could not be realised, and not to create any misunderstanding about the possible part to be played by the United States. On the vexed question of the recogni-

tion of China the Canadians did not share the views of New Zealand and Australia that consultation had been inadequate but stressed the undoubted right of each member to decide for itself. They were impressed by the nature of the United Kingdom arguments but felt it advisable to point out as the record shows that "the Canadian Government were bound to have regard to the views held in the United States since these had an influence on Canadian opinion". Canadian appreciation of the views of the United States was also indicated in the discussions on a treaty with Japan, where the Anzac countries differed with the Asians in their view of the dangers to peace of that country. The Canadians did not wish to see too fixed an attitude which might militate against negotiations with the United States. Mr. Pearson pointed out that the United States was carrying the financial burden of supporting Japan's economy and was, at least for the immediate future, finally responsible for the maintenance of security in the Pacific area. "It would therefore be inadvisable to press the United States government to take any action which they might regard as imprudent".

47. In the discussions of the senior economic advisers, which were held separately, Canada played a double role. On the one hand it helped the United Kingdom to interpret sympathetically the policy of the United States, and, in so doing, justified Canadian participation in the tripartite conversations of 1949. On the other hand Canada had to dissociate herself entirely from any efforts on the part of the United Kingdom, as banker for the sterling area, to advocate reduction of imports from the dollar area in general and from Canada in particular. Mr. LePan said in Colombo that it was the Canadian view that "so far as possible, the sterling area's dollar problem should be solved by increasing its exports to dollar markets and by encouraging the inflow of capital investment from dollar sources". In describing this position Mr. LePan subsequently wrote "we pictured our role as that of persistent but friendly gadflies" - a rare type of insect.

48. The Colombo Conference necessitated three concrete proposals being placed before each government for approval: a contribution towards a Commonwealth loan to Burma totalling £.7.5 million; participation in the proposed Commonwealth Consultative Committee to consider the possibility of co-operation in the economic development of South and South East Asia which was to hold its first meeting in Australia, and establishment of a Commonwealth "working party" in London (Canada had favoured Washington) to ascertain basic desiderata for a Japanese peace treaty. Doubts of Canada's ability to contribute to the Burma loan had been already expressed at the conference and the proposal was not accepted by the Cabinet on the advice of the Inter-Departmental Committee on External Trade Policy. The other two proposals were accepted after careful examination and considerable criticism by the appropriate departments and committees. Previously, on March 3, Mr. Pearson had told the House of Commons that Canada would be repres-

ented at the Australian meeting but had not made clear the nature of Canadian representation.

49. In line with their views the Government approved Canadian membership in the Consultative Committee which was to meet at Sydney, Australia, in May, 1950. In the instructions for the Canadian delegation it was emphasized that "the role of outside assistance can, at most be only supplementary to the efforts of the South-East Asian peoples and the governments themselves". For that reason the delegation was to avoid any financial commitment, until the basic factors such as the possibilities of self-help, maximum utilization of local resources and mutual aid among the countries themselves had been carefully examined. The delegation was also "to discourage any tendency to over-elaborate programmes designed to establish the overall need for outside assistance in terms of large balance of payment gaps on the example of the Marshall Plan". It should look with scepticism at overly grandiose schemes of development and resist attempts at oversimplification of the problem of raising living standards by not taking into account social conditions which militated against such a development. Canada was prepared to co-operate in well-conceived plans for technical assistance through financing the despatch of technical experts from this country or the training of Asian students and technicians in Canada. This promise of co-operation was linked with stress on the importance of concerting such plans with the United Nations Programme of Technical Assistance, to which Canada was already committed. Care was to be taken that no commitment was made to support applications for aid from South-East Asia to United Nations agencies in order that they might get a higher priority than any objective examination warranted.

50. The repeated note of caution in these instructions reflected not only the realization of the burden of existing responsibilities and the doubts felt by some government departments, such as Finance, of the soundness of the project, but also the concern that duplication of effort might easily develop. As Mr. Pearson had said in the House of Commons on February 22, 1950, "we do not want a new committee merely because it looks like an attractive piece of international furniture for an already cluttered-up home". It was also inspired by a growing realization that the Australian Minister of External Affairs and his advisers contemplated a bigger programme for immediate action than had been envisaged at Colombo. Mr. Spender personally cabled Mr. Pearson to express his earnest hope that Canada would co-operate in the Committee, even though the contribution to its plans might have to be limited, because "the rest of the Commonwealth would benefit immeasurably from the advice which Canada can give in the selection of the important objectives of policy in the area, and in deciding the best way of building an association between the Commonwealth and the United States in the project". While Mr. Mayhew, Minister of Fisheries and the leader of the Canadian delegation, and his advisers were en route to Sydney, the Government was confirmed in its uneasiness by a telegram from the Australian Government. On May 3,

Mr. Spender suggested the delegations should agree at Sydney upon immediate establishment of a Commonwealth fund for technical assistance, emergency relief and credits for urgently needed imports, to be administered by a Commonwealth Council, secretariat and a small staff of seconded technical officers. For a three year programme of technical assistance the sum of £8 million sterling was suggested.

51. A telegram had already crossed Mr. Spender's message suggesting that the question of financial assistance be placed at the end of the agenda. The second cable went still further. It said that Canada had agreed upon the desirability of the Commonwealth governments taking the initiative in exploring ways to promote the development of the underdeveloped countries of South and South-East Asia. But it had hoped that a "very high priority" would be given on the agenda to considering how other countries outside the Commonwealth should be brought into whatever plans were made for the future. In line with that belief Canada thought that "consideration of purely Commonwealth machinery and purely Commonwealth finance would be premature until the fullest examination had been given to these matters "which, it was clear, would not be possible at the present conference". "We have regarded the Sydney meeting as an essential step, but only as a first step" said the message, which then suggested that a continuing working party, not drawn exclusively from the Commonwealth, might be a useful means of bringing into focus the economic problems and possibilities of the area. Finally the telegram pointed out that it was the Canadian understanding that the "agreements" (which had been mentioned several times in the Australian cable) could only be reached upon referring certain recommendations back to the governments for their approval. Mr. Spender replied that his government believed that setting up this Commonwealth machinery would convince other governments that the Commonwealth had an effective organization to put to use on limited objectives. He hoped that Canada would approach the problem "with the same sense of urgency as you approached the Atlantic Pact". As Mr. Spender had hinted that his plans were based upon probable U.S. reactions, the government promptly made soundings through the Washington Embassy. It reported that the establishment of any machinery might well be postponed until overtures had been made to the interested governments and a further objective study of possible projects had been undertaken.

52. At the Sydney Conference, which South Africa did not attend, and which was marked "by confusion and acrimony" because of the tactics of the Australian Minister of External Affairs, the kind of policy favoured by Canada and the United Kingdom was given approval. The central Canadian contention that the chief objective should be to define the needs of South East Asia and the programs of economic development designed to meet them was supported by almost every government including New Zealand. It was recognized, however, that such a program should be drawn up within a few months.

53. During the conference the Canadian delegation asked Ottawa for instructions on the policy to be followed concerning a contribution to the £8 million fund for technical assistance which was recommended by Australia and found general approval. On May 18 Cabinet agreed that Canada should make a grant, if the United Kingdom did so, and upon the understanding that before fixing the amount it should have information upon "... the way the program would fit in with United Nations technical assistance, the specific purposes to which the money would be devoted and how decisions were to be taken as to expenditures." Canadian doubts were somewhat lessened by the conference accepting an Indian proposal that technical assistance should be provided through bilateral arrangements between governments, and co-ordination achieved through a bureau in Colombo. Subsequently, on June 12, Canada agreed to contribute $400,000 for the year commencing July 1, 1950, with the continuing stipulation about no duplication with the United Nations programme and the expressed hope "that everything possible be done to merge the two schemes". If this grant was repeated for each of the years, it would mean a total Canadian contribution of 5% to the three-year programme. Meanwhile, the Sydney Conference ended with an agreement that India, Pakistan, Ceylon and the British colonies in the area should prepare by September realistic and comprehensive statements of their economic situation and envisaged developments accompanied by an estimate of the amount of external aid they would involve. The national programmes should be fitted into a six-year plan commencing July 1, 1951. These plans should be examined at a meeting in London to which other governments in the area should be invited, with a view to their full association with the plan. It was also agreed that any requests for assistance in securing priority for their economic requirements might be examined at that time, a policy which, unexpectedly, Mr. Mayhew had helped to sponsor. On that question official opinion in Canada was decidedly dubious.

54. During the summer, Australia extended invitations for the London meeting to such countries as Burma, Indonesia and Thailand. It was noticeable that India, Pakistan and Ceylon carefully dissociated themselves from the invitations to the component states of French Indo-China about whose independence from France they had obvious doubts, as had been already shown by their refusal to recognize the Bao Dai regime in Viet Nam. It soon became apparent that most of the governments invited were dubious of the value of the plan to them, were cool to the request for detailed information, and were more interested in the prospects of securing American economic assistance. The United States had made available for South East Asia $60,000,000 for the ensuing two years. As a result only Thailand, Viet Nam, Laos and Cambodia were to be fully represented at the London Conference. Burma and Indonesia sent observers. In the interval before London the first meeting of a new Standing Committee on Technical Assistance met in Colombo in July and August with Mr. Johnson from Karachi and

Mr. Jay from the High Commissioner's office in India as the Canadian delegates. At this meeting India, Pakistan and Ceylon presented lengthy and comprehensive lists of technical assistance needed. In some cases it was possible to communicate at once with Commonwealth governments who were known to be in a position to match specific needs with availabilities. Some progress was made in drafting suitable application forms for assistance and in drafting plans for how the bureau should function. In general Canada, New Zealand and the United Kingdom worked in unison in holding in check as far as possible what Mr. Jay described as Australia's desire "for a very flexible and grandiose organization".

55. As the government responsible for the September conference the United Kingdom prepared a careful time-table for meetings, commencing with a study of the programmes submitted and working up to a meeting at a Ministerial level of the Commonwealth Consultative Committee. On August 28 Canada approved of this programme. It naturally shared the United Kingdom anxiety that the United States should be "fully seized" of the importance of the project, and should be informed as soon as possible in order that American assistance should be secured. It also concurred in the United Kingdom suggestion that the United States nominate a liaison officer in London with the Commonwealth Consultative Committee. On the other hand the Department did not believe that Canada should be too prominently involved in overtures to the United States. It told Mr. Shannon, the United Kingdom Deputy High Commissioner in Ottawa on August 9 that "the formulation and timing of an approach to the United States is primarily a matter for the governments of those countries more directly concerned than Canada with the outcome of such an approach". A telegram to the Washington Embassy on August 31 underlined this by saying "we are most anxious that Canada should not appear in Washington as a leader in matters relating to the Commonwealth Consultative Committee. This might be misunderstood by the United Kingdom and Australia as well as by the United States officials." It also repeated to Mr. Shannon a cautionary remark made by Mr. Pearson in the House of Commons on June 5, "although there is no limit to our good will in this matter and in other similar matters, naturally there is a limit to our resources. In expending those resources we have to take into consideration other commitments. However, that is the only reservation to our co-operation with other Commonwealth governments in this matter".

56. Canadian concern about the future of the programme was further heightened by the outbreak of fighting in Korea. It was agreed that resistance to aggression there accentuated the need for improved economic and social conditions in Asia. Yet some countries might prefer to receive help through the United Nations rather than from the Commonwealth. There was some anxiety that the burdens assumed by the United States in Korea might have an adverse effect upon its willingness to assist in the possible programme for South and South-East Asia,

and that it might regard being linked with the Commonwealth as an actual embarrassment. On these points information forwarded by the Embassy in Washington on September 8 was definitely reassuring. Although detailed planning of aid for India, Pakistan and Ceylon had not taken place the Department of State had decided that "substantial appropriations will be sought for aid, particularly for India, in the next fiscal year". In that same area Commonwealth aid would be welcome and necessary. In view of Canadian caution it was rather ironical that the State Department indicated its anxiety "to receive informal Canadian opinion as to the best manner in which the United States contribution to the South Asian (particularly India) problem might be made". One reason advanced for this request was the fact that "any suggestions coming from the United Kingdom or other members of the sterling area might be suspect owing to their direct self-interest in the sterling balance problem". It was suggested that it might be desirable for a Canadian official closely concerned with the problem to come to Washington "in the fairly near future". This news of American interest was very welcome in Ottawa, but the Department displayed caution about consultation on the ground that "Apart from obvious remarks about "untied loans" we do not feel we have very much to offer".

57. At the London talks Mr. Mayhew and his advisers were under instructions to show a sympathetic understanding of the spirit of independence in nationalistic Asia and to attempt, if occasion offered "to remove any obstacles to agreement which may arise from suspicion of latent colonialism from the West. In rather self-righteous fashion they were reminded of Canada's "preferred position" in Asian eyes, "free from the shadow of the past and patently motivated by a disinterested desire to see the countries of Asia work out their own destinies in peace and freedom". The delegation was to make it clear that "the Canadian Government fully recognizes the urgent need for economic development in Asia and the essential part of external financial assistance in meeting that need". But balancing this appreciation were emphatic reminders of the importance of United States support and participation linked with emphasis upon the limited resources available within the Commonwealth for aid. The delegation should do no more than promise "sympathetic and earnest consideration to the question of participation", even if the United States should indicate its willingness to share in a general development plan.

58. Naturally the delegation followed this admonition to the letter. It warned Ottawa on September 28, 1950, that the United Kingdom would like to see appear in the report of the proceedings at least some indication in general terms of what contributions might be forthcoming without a direct reference to what individual governments might be prepared to do. If all other governments were agreeable to that course, Canada would either have to fall in line or specifically

reserve its position. As it turned out, the Australian and New Zealand delegations were also not in a position to make positive commitments. In the final sentence of the communique issued after the conference it stated that "the extent to which, and the means by which, Commonwealth countries outside the area can contribute towards the solution of the problem will now become the subject of consideration by their governments".

59. The Canadian delegation returned from London well satisfied with the proceedings. In their view the chief accomplishment had been the preparation of a draft report on a six-year plan of economic development which contained programmes for the various Commonwealth countries in South and South-East Aisa that they believed to be "sensible, moderate, and realistic in their general conception". In most instances they represented a "severe curtailment of the government's previous hopes". The report estimated that the total amount of external assistance required over the six-year period would be £1,056 million. For obvious reasons no attempt was made to specify how much aid might be required from the United States but the report did state that "it is because this is a world problem of the first magnitude and not a pure national or regional one that the Commonwealth government have framed this report for the world's consideration". It was also hoped that the solid and sober programmes outlined for each country and the attempt to present them in a comprehensive and clear-cut plan might appeal to American opinion. The delegation qualified this praise of the report by conceding that some of the statistical material was "shaky", and that it had glossed over too generously the manner in which the economic resources of India and Pakistan were being drained by the Kashmir dispute. Both the Australians and Canadians had intervened to reduce the coat of whitewash that had first been applied to its existence but had had to move warily in order not to disturb the harmony that prevailed between India and Pakistan at the conference. The delegation also reported that the three meetings held with the non-Commonwealth countries proved helpful, and did much to remove suspicions "which had evidently been rife in Rangoon, Bangkok, Djakarta and Saigon". It described the care that had been taken to keep in touch with the United States through its liaison officer and his colleagues in the American Embassy, who actually suggested some minor changes in the presentation of the report, and through the State Department which was shown in advance a draft report synopsis and also made some suggestion on how the report might be cast. Finally the delegation listed three questions on which the participating governments would be expected to take some action. They would need to consider whether or not they could approve the draft report on economic development in South and South-East Asia and the draft constitution for the Bureau on Technical Co-operation to be established at Colombo, and what financial assistance they might be able to provide towards the carrying out of the national programmes. It had already been agreed that this assistance could be extended on a bilateral basis but there should be as well some organization on which those extending aid and those receiving it might sit as equal partners.

60. On the financial problem officials in Finance and External Affairs were quickly able to make a shrewd guess as to what would be a reasonable Canadian contribution. On a yearly basis the Colombo Plan would require $466 million. The United Kingdom Cabinet had already approved an annual grant of $154 million. The United States had hinted that it was thinking in terms of making $350 to $300 million available for economic aid to the whole area. Of that sum it was possible that some $200 million might be secured for the countries which had co-operated in the Colombo Plan. That left $112 million to be covered from all other sources, including the World Bank. Of that amount a yearly grant by Canada of $25 million would compare favourably with the United States total. (The United Kingdom suggestion had been $50 million a year from Canada). But months were to elapse before approval of this figure was secured with difficulty from Cabinet.

61. The preliminary discussions in the Inter-departmental Committee on External Trade Policy revealed doubts about giving blanket approval to the Report in the manner suggested in the foreword. It had said: "The Report has been approved by these Governments". It was suggested that a less sweeping sentence such as "These Governments have now expressed general agreement with the conclusions of the Report and have approved its publication" would be more satisfactory. The main reason for this less sweeping endorsement was the "strong disapproval", particularly expressed by the Finance Department, "over the way in which the high defence expenditures of Pakistan and India are made to appear (1) as a small portion of their national income when in fact they are a serious economic drain" and (2) as having some direct relation to international conditions rather than as being the result of the domestic quarrel over Kashmir". As a result the Memorandum sent to Cabinet recommended approval of the Report with a specific statement that it did not carry with it approval of individual programmes or approval of the constitution of the Council for Technical Co-operation in Colombo and of representation on it by the Canadian Trade Commissioner in Ceylon. The Committee recommended deferment of a decision on financial aid until more was known of the views of the United States. The Cabinet, already committed to heavy increases in defence expenditures, was still more cautious. At its meeting of October 25 it deferred approval. Mr. Pearson was asked "to ascertain the views of the United Nations officials connected with technical assistance as to the relationship of the Colombo Plan to the United Nations Programme". At its next meeting, unfortunately, Mr. Pearson, Mr. Mayhew and Mr. Claxton, the Ministers best informed and most in sympathy with the project, were unavoidably absent. The only decision taken was to concur in publication of the Report and to express a preference for an alternative sentence in the foreword to read "The governments concerned have now authorized publication of the Report". This proposal was accepted by the other Commonwealth governments. The question came up in Cabinet for the third time on November 8 and the Department was seriously concerned by

the outlook. One senior official wrote in a blunt memorandum "what is really at issue is whether the Canadian Government wishes to continue to play a respected role of leadership in international affairs, paying its wat as it goes along, or whether it is willing to become a satellite of the United States, pushed from time to time into grudging gifts". Mr. Pearson, who returned from New York for the Cabinet meeting, had been fully briefed on the nature of the doubts expressed at the last discussion, and had encouraging reports from Washington of the American views upon the value of the Report. On November 8 the Minister of Finance had also received from the Chancellor of the Exchequer a summary of his recent conversations in Washington on the Plan with American officials and the President of the World Bank. Mr. Gaitskell regarded the views expressed to him as "reasonably encouraging". In case he might not be able to attend, Mr. Maynew had prepared in advance a letter which he gave to the Prime Minister explaining why he would "counsel against any decision in respect to the programme of aid to South and South-East Asia which is based on fear or concern regarding the defence measures of India and Pakistan". He urged that "we should view the problems and dangers in Asia with the same foresight and generosity as we do those of Europe" and argued that making sure of friends in that region would lessen the risk everywhere and thereby strengthen the North Atlantic Pact. Yet no decision was taken. Seven more weeks were to elapse before the question was again raised in Cabinet.

62. In the interval the Report had been published and received a cordial reception from the Canadian press. On December 12, 1950, the United States Government formally made known its views to Canada in a note which said in effect that it would support the aims of the Plan and was prepared to be associated with the Consultative Committee. Similar notes were sent to other Commonwealth governments. The United Kingdom promptly took the initiative in suggesting that the United States be invited to a meeting of the Consultative Committee, possibly in Colombo towards the end of January at the official level. In accordance the Philippines might also be invited to attend. The United Kingdom had also made public its willingness to contribute at least £300 million over the six-year period of the Plan, mainly in the form of the release of sterling balances, while Australia promised not less than £25 million with £7 million for the first year. These facts were marshalled by Mr. Pearson in a letter sent to the Prime Minister before Cabinet met at the end of December. He suggested that a decision be made only on participation in the proposed January meeting. The question of a possible financial contribution from Canada to the amount of $25 million annually for six years, the commitment for the first year only to be firm, might be left over until the middle of January. Mr. Pearson's letter contained as its central argument this statement:

> "It does seem to me that here is one situation where the countries of the Common-

> wealth can play an important part in bridging the gap between the poverty and therefore the neutrality and indifference of Asia, and the wealth and therefore, at times, the interventionist and impatient tactics of the United States". The Cabinet decided to support the invitation to the United States for the proposed meeting and authorized Canadian representation at the meeting. It deferred a decision on the amount of Canada's contribution.

63. Having in mind the constant interest of the Government in the size and nature of possible American aid towards implementation of the Colombo Plan, arrangements were made in January 1951 for officials from Finance and External Affairs to visit Washington and acquaint themselves with the situation. Their report was somewhat discouraging. It was true that United States would extend aid, but officials were in no position to make a definite statement before the forthcoming meeting. No estimates of possible appropriations could be secured, but it seemed likely that whatever amount was eventually approved by Congress it would be a good deal less than the $200 million originally anticipated. Washington stressed that the factor of commodity scarcities produced by the Korean war was a greater limitation than finance, but it was clear that in addition the mood of Congress would have to be taken into account. Nevertheless the Minister decided to persevere with the efforts to get Cabinet approval for a grant and secured agreement on inclusion in the Speech from the Throne of a statement that approval would be sought for an appropriate Canadian participation in the Colombo Plan. Mr. Pearson also wrote a personal letter to the Minister of Finance who had been one of the sharpest critics of the Colombo Programme. He devoted particular attention to refuting objections that the United Kingdom contribution involved little real sacrifice because of its nature, and that the Plan could not produce adequate results to offset the pressure of population on living standards. In a statement in the House of Commons on February 2 the Minister praised the "imaginative and well-founded Report" and paid tribute to the modesty and good sense shown by countries like India and Pakistan in drawing up their programmes. He then stated:

> "I believe that a Canadian contribution to those programmes even if it were to be smaller than we might be able to make if we were not bearing other and heavy burdens, would have a great effect, not only in doing something to improve the standard of living in that part of the world, but also in convincing the people there of our sympathy and interest".

His statement was approved by the leaders of the chief opposition parties.

64. At the Cabinet meeting of February 7 the Department's efforts at last proved successful. In the memorandum sent to Cabinet a new emphasis, reflecting

discussions at London and Lake Success on the Korean war, was put upon the aid India would receive. The Cabinet was reminded that "... we have regarded it as a matter of very special importance to ensure that our relations (with India) were as friendly and constructive as we could make them". Besides approving the composition of the Canadian delegation to the Colombo meeting, scheduled to begin on February 12, the Cabinet authorized its leader, Mr. Johnson, to state that the Government was willing to provide $25 million for the fiscal year 1951-52 with the proviso that "this amount would be made available only if other contributing countries were providing enough to give reasonable hope that the broad objectives of the Plan would be achieved". Out of this fund grants were to be made through specific bilateral agreements between each of the recipient governments and the Canadian Government. Coupled with this stipulation was a new recommendation, which had originated with officials in the Finance Department, that discussions might be held with the Indian Government on the desirability of providing from $10 to $15 million for the purchase of wheat. This grant would be charged against the $25 million. India would be asked to undertake to use an equivalent amount in local currency "for the financing of development projects called for by the Colombo Plan".

65. At the initial sessions of the Consultative Committee in Colombo (the word Commonwealth was now disappearing from the title) Mr. Johnson was not authorized to make known at once the Cabinet decisions. He reported a certain amount of pessimism and feeling that the meeting was premature because of the lack of positive information on possible financial aid from Canada and the United States. On February 16 he was given permission to announce the grant, and to add that Canada fully appreciated the constitutional and administrative difficulties which made it impossible for the American representative to make a full and binding statement. Mr. Johnson was asked to make the pointed observation that the Canadian Government "has from the beginning felt that its own contribution of dollars could not be considered entirely apart from the very much larger supplies of dollars that might come from the United States". When he did make his statement on February 19, at the request of the United States representative, who said he would be embarrassed by the phrase "very much larger supplies of dollars", Mr. Johnson deleted that expression and substituted the single word "aid". Two days later Mr. Pearson made a parallel statement in the House of Commons announcing the grant and again reaction was favourable both in the House and in the press. Indeed several newspapers criticised the contribution as being insufficient. The leader of the C.C.F. Party made enquiries about the relation of the Canadian grant to American aid and was told that Canada regarded American aid as essential to the success of the Plan, but that the Canadian contribution was "in a sense not conditional upon anything" although if the Plan could not be carried out in its entirety the whole position would have to be re-examined. Although informal opinion in the United States Embassy had been to the effect that the Canadian statement with its qualifying clauses would certainly

not be helpful in getting favourable support from Congress, officials in Washington appeared, when the question was raised, to appreciate the Canadian position.

66. The second Colombo Conference, at which the International Bank was also represented, proved somewhat inconclusive since the United States was in no position to make a positive financial commitment and its representative could do little more than indicate full approval of the idea of the Plan and the intention of the United States to co-ordinate to the fullest extent possible whatever programmes it had undertaken or might undertake in the area. In private the United States representative was equally cautious about the degree of possible financial assistance. It appears that in United Kingdom circles there had been some misunderstanding as to the wishes of the United States for accelerated action in aiding South and South-East Asia. Much of the time at Colombo was taken up with discussions of the kind of continuing machinery required for the Plan. Both Canada and the United States were against emphasis upon what might be called elaborate centralization and were inclined to stress "co-ordination at the national level" with local committees in the countries receiving aid. As this idea was in turn frowned upon by India, anxious to avoid any appearance of Western supervision, no definite agreement was reached at Colombo. Decision was left over for another Consultative Committee meeting to be held as soon as practicable, which several delegates told Mr. Johnson they would like to see held in Ottawa. On that question Canadian opinion was critical, believing that more was to be gained by holding meetings in the receiving countries and that a meeting in Ottawa might be looked upon as too open a bid for United States assistance.

67. During the Colombo meetings the Department, as authorized by Cabinet, initiated talks on February 21 with the High Commissioners of India and Pakistan on the question of possible aid from Canada. They were asked to provide some indication of their countries' requirements and their supply position while India was especially invited to study the wheat proposal. Since Ceylon's economy had notably benefited from the demand for raw materials it had been agreed that in the first year of the Plan Canadian aid should be extended only to India and Pakistan, the former to receive approximately $15 million and the latter the remainder. India proved rather slow in replying and it was not until March 13 that the Department learned that the type of low grade wheat, which was all that Canada had to offer, would not be suitable. India would prefer to wait until the new crop season. It also appeared that New Delhi was interested in securing from Canada industrial raw materials such as copper, zinc, wood pulp, lumber, aluminum and newsprint. Pakistan was more prompt in indicating its interest and appreciation of the invitation, but it was not until June and July 1951 that discussions of a detailed character were possible with experts from the two countries. Before these talks began the Australian Government suggested on April 24 that the United States, the United Kingdom, Canada and Australia might discuss

through their representatives in Washington the nature and extent of assistance they were proposing to extend to the Asian countries. This suggestion was declined by Canada as liable to arouse suspicion and ill-feeling among the receiving countries who would be bound to hear of such meetings. Informal talks of a bilateral character could be held in various capitals but Canada was anxious to avoid any appearance of a Western front. The United Kingdom was of the same opinion.

68. When the Bureau on Technical Co-operation first began operations in Colombo, Canada did not supply any technicians. (1) By May, 1951, 50 requests had been received from India, Pakistan and Ceylon, and these were being examined by the Technical Assistance Service in the Department of Trade and Commerce. It was more feasible to assist in training personnel in Canada and 28 trainees were invited from India, Pakistan and Ceylon to learn by working with government departments at business in such fields as agriculture, road-building and hydro-electric power. The Government also invited technical missions to come from the Asian countries for periods of six to eight weeks to study and observe Canadian methods in the same fields. Finally, 60 scholarships and fellowships were offered for study in Canada.

69. In any event Canada was fairly well launched, for the first time in its history, upon participation in a programme of economic development for Asian countries. In working out the manner in which assistance could best be extended the Departments concerned had before them the experience of Mutual Aid and Export Credits and the opportunity of studying the techniques applied under the Marshall Plan. The general approval which greeted this departure in policy in Parliament and in the Press was in contrast to the cool reception with which the Colombo Plan had initially received in Cabinet. It remained to be seen which was the better judge of its value and significance.

70. Although the Government had been critical in 1948 of United Kingdom proposals for establishing Commonwealth meetings on a systematic basis, the pressure of events was to make such gatherings far more frequent than anyone could have anticipated. In October, 1950, Prime Minister Attlee wrote to urge an other exchange of views at the highest level among Commonwealth governments on the more pressing current problems. He hoped that in a distracted world another gathering of Prime Ministers might exert a steadying influence. The very fact that they were seen taking counsel together might have " a great moral value". In view of the international situation the emphasis of the meetings would be on foreign affairs and defence. The invitation had suggested early December for such a meeting. When it was pointed

(1) The first technician, a fisheries expert, left Canada for Ceylon in August, 1951.

out that the Canadian Prime Minister would be engaged in a Dominion-Provincial conference on December 4 a second message was sent through the Canadian High Commissioner offering to consider a date in January. It hinted that the presence of a substitute, even one with the authority of Mr. Pearson, might create, as Mr. Wilgress reported "the danger of a misunderstanding growing up if we would again be the only country not represented by a Prime Minister." There was still reluctance in Ottawa to attend a meeting at a difficult time for both Ministers and officials, and a feeling in some quarters that the invitation was partially inspired by hopes of strengthening the Labour Government's political prestige. But it was realized that the contacts with the Asian Commonwealth States were important, and the meeting would bring to London the Prime Ministers of the new governments of Australia and New Zealand. Having first ascertained that Prime Minister Nehru would also be prepared to attend in January, Mr. St. Laurent accepted the invitation for the period between January 4 and 13.

71. The very broad headings on the proposed agenda, covering almost everything in the world, did not commend it to those who examined it in Ottawa. They felt its careful exclusion of Commonwealth points of friction such as Kashmir, South-West Africa, and the treatment of Indians in South Africa, though in keeping with precedent was illogical, when those same topics were publicly discussed by Commonwealth states at United Nations meetings. Some were prepared to break with past tradition in the case of the Kashmir dispute if there was any chance of discussions reducing the danger of hostilities being renewed. Mr. Pearson, for example, was inclined to think that the agenda might include some topics of more immediate Commonwealth concern and was rather encouraged by his soundings of Indian opinion in New York. A further suggestion was that the dangerous misunderstandings of their respective policies and purposes that existed in the Asian States and the Western members of the Commonwealth might be lessened by frank exposition of policy on such questions as the proposals for closer union of the North Atlantic community or of Western Europe and the United Action for Peace Resolution debated at the sessions of the United Nations Assembly. It was decided, however, not to advance such comments on the agenda in a letter to the United Kingdom Prime Minister but to keep them in mind for the discussions in London. On the eve of the meetings another proposal, for which Canada's support was requested, came from the United Kingdom that some sort of a Commonwealth Committee on Supply might be established. It was hoped that such a committee might give countries like Australia, which was not associated with NATO or OEEC, a chance to participate in basic discussions. This suggestion ran counter to tradidional Canadian dislike of centralized Commonwealth agencies and was not favoured by the Prime Minister. The United Kingdom High Commissioner in Canada was informed that Canada could not support the proposal. Almost at that time Mr. Wilgress was writing from London to express his view that, instead of developing new permanent arrangements for consultation, "our efforts might better be

devoted to devising means for relating inevitably loose Commonwealth organization with the activities of the North Atlantic community". He believed that "although the Commonwealth could provide an invaluable bridge between the vital areas of the non-Communist world, it should be one of the Bailey type and not "a rigid, permanent once-for-all structure".

72. Some of the Canadian forebodings about the possible results of omitting controversial Commonwealth questions from the agenda were vindicated by the absence of the Prime Minister of Pakistan from the proceedings in their initial stages. In securing his subsequent attendance the Canadian High Commissioner to Pakistan played a most useful role by explaining Mr. Liaquat Ali Khan's reasons for not going and maintaining friendly contacts with him. After all of the Prime Ministers and the South African representative had indicated their willingness to discuss informally the Kashmir question he left for London. Through Mr. Johnson Mr. St. Laurent had co-operated in making this possible by taking pains to indicate in a separate telegram Canadian willingness to facilitate informal discussions in London. His action was much appreciated in Karachi and also drew favourable comment from the Prime Minister of Ceylon. At the same time this gesture was balanced by Mr. St. Laurent pointing out at the opening session of the Conference when the question was first raised that the Prime Ministers should avoid giving the impression that a "superstate" examination of the Kashmir problem would take place. The talks that did take place outside the regular meetings were frank, friendly, although they failed to secure a settlement.

73. It was to be expected that Korea and the strenuous and fruitless efforts to secure a cease-fire would bulk large in the London discussions, particularly when Mr. Pearson and Sir Benegal Rau, who served on the Committee of Three, were so directly involved in these efforts. In fact they occupied almost half the time. The Commonwealth Prime Ministers were unanimous in trying to avoid precipitate action in the General Assembly, in wishing to find a peaceful solution of the difficulties, and in hoping to reduce the danger of too precipitate action by the United States. Mr. St. Laurent succeeded in blocking the adoption of an initial suggestion for a joint approach to the United States. He asked that any decision be postponed until there had been time for further consideration in London. He thought it important to avoid any action which would indicate too sharply a division of opinion between the Commonwealth and the United States, and inexpedient to request that the United Nations hold up action pending Commonwealth consideration of policy. His views were accepted, and it was agreed that each of the Commonwealth governments should make its views known individually through its representatives in Washington and New York. On a subsequent occasion a single telegram embodying the views of all the Prime Ministers was sent by the United Kingdom Foreign Office to the United Kingdom Ambassador

in Washington and the United Kingdom representative at Lake Success. Copies of it were to be passed to other Commonwealth representatives who were to consult together in New York on tactics at the United Nations. But after its proposals required further revision the Prime Ministers returned to the principle of individually sending instructions to their representatives after approving and revising the text of the proposed United Kingdom telegram. The discussions on international affairs were welcomed by the Canadian delegation as clarifying national attitudes. They also brought home to them the apparent lack of interest of most of the Commonwealth countries in Western Europe, except from the standpoint of its strategic importance. Both Mr. Robertson and Mr. Léger, who were at the conference, felt that there was scanty and at times biased knowledge of European problems.

74. During the meetings two special sessions were held on the political and military problems involved in the defence of the Middle East and Africa, and on what was vaguely called military liaison and "higher military direction". The Asian members chose not to attend them, another illustration of the inevitable looseness of Commonwealth arrangements. The United Kingdom attached special importance to these discussions, since the United States had previously made it clear that they regarded the defence of the Middle East as primarily a Commonwealth responsibility. In commenting on this point of view Mr. St. Laurent argued that the United States would expect Canada's contribution to be made in the North Atlantic area, the same area where there was the chief American contribution. By living up to her obligations for the defence of North America and the North Atlantic and by making a considerable contribution to both, Canada would release forces of other countries for service in the Middle East and thereby contribute to overall global strategy. He also suggested that the development of the country's industrial strength so that production would far surpass purely Canadian needs would make possible the despatch of supplies wherever they could best serve the common cause. In these ways, while being unable to earmark forces for the Middle East, Canada was making an appreciable contribution to the task of deterring aggression. The meeting agreed on the advisability of convening a special meeting of Commonwealth Defence Ministers to discuss the Middle East, to which Canada, because of her industrial importance, was asked to send an observer. No new campaign emerged for more centralized defence planning, the United Kingdom Prime Minister supporting the South African view that it would be unwise to attempt too elaborate an organization for consultation, and remarking that "arrangements must largely be left to work themselves out in the light of experience". It was agreed, however, that those liaison staffs serving in London should be kept fully informed of their governments' plans so that they might be able to express in discussions "firm military opinions". It was suggested that such opinions should include, as far as possible, the political factors which necessarily governed military planning.

75. In the discussion of supply problems, based upon a United Kingdom paper entitled "The need for a new Commonwealth Liaison Organization", most of the speakers were doubtful of the usefulness of the proposed agency. Like Canada, they were uneasy about over-organization. Mr. St. Laurent placed on record the statement that Canada must avoid further commitments which might hamper implementation of NATO policy. After the question had been further examined by a working party of officials, it was agreed that the existing Commonwealth Liaison Committee should be expanded so that it might be able to devote more attention to the problem of supply and production. The Committee would have no executive functions. It was also recommended that a meeting of Commonwealth Ministers concerned with supply questions be convened later.

76. It was notable that in both the 1950 and 1951 meetings no constitutional questions were raised. The final Declaration by the Prime Ministers in 1951 for whose composition Prime Minister Menzies was largely responsible, stressed the earnest desire of all Commonwealth countries for peace and their willingness to discuss common difficulties with Moscow or Peking. It again made clear that, although all regarded the Commonwealth as "a special and precious association" which they valued profoundly, they did not look upon it as "some sort of exclusive body". They were ready at all times, by process of discussion, "...to promote the utmost harmony among ourselves and to arrive at common international policies with the United States, and with all other friendly and co-operative nations". In line with this view Prime Minister St. Laurent had previously told the Canada Club of London "to me the greatest attraction of the Commonwealth is that it is not exclusive in its ideals, that it is founded upon conceptions that could, with advantage to the world, be extended to all other nations".

77. The arrangements for the Commonwealth Defence Conference, which had been agreed to at the Prime Ministers' Meetings reflected once again the tendency of United Kingdom Service Chiefs to stretch their authority in an irritating fashion. They went beyond the agreed agenda for the Conference in their preliminary meetings in London to include global strategy, Commonwealth liaison arrangements, interchange of training facilities, and the Anzac area. When word of this came to the Cabinet Defence Committee, through the Canadian Service Liaison Officers in London, it was decided that the questions should be taken up with the United Kingdom High Commissioner at the earliest opportunity. Sir Alexander Clutterbuck expressed his government's regret on March 8 that Canada should have received "a quite unauthorized version of the proposed agenda", and explained that the United Kingdom Government did not propose such an extensive discussion. Two months later an invitation was formally extended for a Conference to be held in June in Malta. The United Kingdom Government said that they fully appreciated that Canada would not be making her major contri-

bution to global strategy in the Middle East, but problems relating to its defence had a bearing on problems in other areas and vice versa. It believed that the advice and assistance of the Canadian Government in the discussions would be of the utmost value. The Cabinet Defence Committee had already agreed that Canada should be represented by observers as had been stated by the Prime Minister in January, and the invitation was accepted on that basis.

78. It then transpired that the suggested press announcement of the Conference drafted before the Canadian position was known began by saying that it had been agreed to hold a conference of Defence Ministers from the United Kingdom, Canada, Australia, etc. It also stated that the Conference would discuss defence problems arising in regions of common concern "including the Middle East and the Pacific". The Government asked the United Kingdom to delete the mention of Canada in the first sentence and add a new one at the close saying that "Canada will be represented at the Conference by an observer". This was done. It also asked for a deletion of the reference to both the Middle East and the Pacific. The United Kingdom explained that the reference to the Pacific had been put in partly to blur the emphasis on the Middle East because of the tense feeling in Egypt. But Canada successfully insisted that the Pacific be omitted as misleading since the agenda was not properly concerned with it and also because any reference to it would prove embarrassing within Canada because of the nature of Canadian representation. It also suggested that in view of the feeling in Iran, London would be a more appropriate place for the meeting. With this suggestion the United Kingdom agreed. When the Prime Minister announced the meeting in the House of Commons, on March 31, 1951, he was at pains to refer to Canada's special and direct defence responsibilities in the North Atlantic region which made our interests less direct than those of other Commonwealth countries to the present. For that reason Canada would be represented by an observer, a position which was fully appreciated.

79. In the field of immigration within the Commonwealth, Canada eventually modified her policy of exclusion of Asians under P.C. 2115 of September 16, 1930, initially as a gesture towards India. As early as May of 1947, after the United States had accepted immigration quotas for Asians, the Indian Minister in Washington had suggested that the admission of a token number of Indians to Canada would be welcomed. It was not until May, 1948, that Sir Girja Bajpai raised the question in New Delhi with the Canadian High Commissioner. Mr. Kearney reported that he expressed appreciation of recent steps taken by the Government of British Columbia to improve the status of the Indian residents there, and said that in better informed circles in his country it was conceded that Australia and Canada were justified, in their own interests, in reducing the influx of Indian nationals to an insignificant number.

Sir Girja then added that if Canada could allow a token number of Indians to migrate yearly to Canada, "it would not only remove the remaining cause of friction between his country and mine but would deprive the anti-Commonwealth element in this country of an effective weapon". Mr. Kearney recommended that such a step should be taken. No action resulted at the time but the process of liberalising somewhat the regulations to facilitate the entry of relatives of Indians already domiciled in Canada continued and was referred to appreciatively by Indian representatives. The interest which India maintained in the welfare of her former nationals was dramatized in 1949 by the special visit during his tour of Canada which Prime Minister Nehru paid to Vancouver, the centre where most Indians were domiciled. In September, 1950, under instructions from his government, the Indian High Commissioner again raised the subject. Mr. Pearson wrote the Minister of Citizenship and Immigration to ask if his Department could give pressing consideration to the possibility of adopting a quota system. He pointed out that Canada's relations with India "were more important now than ever before". Reports on the question were made to Cabinet on November 29 by both External Affairs and the Department of Citizenship and Immigration and were again discussed in December. On December 28, 1950, an Order-in-Council broadened the immigration regulations by allowing the entry from India and from other parts of Asia of the husband or the unmarried child under 21 years of age (the previous limit had been 18 years) of any Indian citizen legally admitted and resident in Canada and in a position to receive and care for these dependents. This concession was to be a preliminary step while External Affairs investigated the possibility of entering into a treaty or agreement on immigration with India, and possibly Pakistan or Ceylon. When Mr. St. Laurent was in London for the Prime Ministers' meetings, he was able to tell Prime Minister Nehru that he hoped a satisfactory settlement would soon be forthcoming. On January 18, a draft note was handed to the Indian High Commissioner for his approval in order to facilitate agreement being reached in time for signature on India's national day, January 26. The note proved satisfactory to all concerned and the formal signature took place in Ottawa. The exchange of notes provided for admission during each calendar year, commencing January 1, 1951, of 150 citizens of India for permanent residence and also of those who qualified under provisions similar to those in the Order-in-Council of December 28. The Cabinet also approved of similar agreements being made with Pakistan and Ceylon, the quota figures being 100 persons and 50 persons respectively. Subsequently, it was agreed that for this first year the quota should be filled entirely by applications originating in Canada from the Indian community.

80. In retrospect Canada's attitude since 1946 does not appear to have changed appreciably on some Commonwealth matters. Canadian objections to centralization, to a single voice in foreign affairs, and to a unified policy for Commonwealth defence were just as clearly stated on occasion in the past five years as they were in the previous fifty. What has greatly lessened with the passing of time and the appearance of new Ministers and officials is the suspicion that Downing Street still hopes to undermine subtly the growth of Canadian independence. That such is the case arises in part from Canada's increased strength economically and increased self-confidence and matured experience politically. Improved communications and more frequent ministerial visits in both capitals have also helped. A further reason for this development is the fact that the consultations with the United Kingdom over the past five years have been marked by a candour and a parallelism of approach on many questions which is not shared by Canada with any other Commonwealth country. With lessened distrust, and greater harmony of views, it is easier for Canada to examine United Kingdom proposals on Commonwealth relations of various kinds in a more objective fashion. There still remain some outworn survivals of the historic connection with the United Kingdom such as the manner of amending the B.N.A. Act, the titles of the King and the Governor General, and the contrasts in the prefixes of Canadian Privy Councillors and United Kingdom Privy Councillors, which require alteration. But these do not constitute a problem of any substance.

81. Canada, like the United Kingdom, has also been willing to adapt the Commonwealth to changed conditions, particularly in Asia. Its political leaders are aware of the new importance of Asia in world affairs and the value of the Commonwealth in aiding co-operation between Asia and the West. Much of the initiative had necessarily to come from the United Kingdom but the role of Canada in facilitating the desire of India, though a Republic, to remain within the Commonwealth, was a helpful one and as the record shows, was fully appreciated in New Delhi. Similarly Canadian willingness to depart, if need be, from past custom to facilitate discussions of Kashmir during the meetings of the Prime Ministers in 1951 was welcomed by Pakistan. Her Prime Minister even suggested, after these informal talks failed in London, that it was Canada who could do most to further action on the question in the Security Council by virtue of her intimate associations with the United Kingdom and the United States. Participation in the Colombo Plan, cautious though it has been to date, has given the Asian States some concrete evidence that Canada regards the oft-praised Commonwealth bridge between East and West as being capable of carrying more than sentimental exchanges. But the bridge is not regarded as only for one-way traffic from the West. Across it must come from the East ideas and information which may help to correct distortion in Canadian views of an important part of the world.

82. Evidence that the Commonwealth is not regarded by this country as a major element in its security system will be discussed in another chapter. But meanwhile it may be noted that Canada's partners in NATO have priority over Commonwealth countries not connected with NATO in securing military supplies and equipment. Prime Minister St. Laurent has given notice that relations with NATO might preclude participation in some exclusively Commonwealth agencies. That such an attitude on Canada's part has not been more coolly received by other Commonwealth countries is largely due to the fact that the United Kingdom is also a member of NATO, and that the older Commonwealth countries, at least, realize the importance of Western Europe in the containment of Soviet imperialism. They are also as anxious to secure American co-operation, in one way or another, in their parts of the world as Canada and the United Kingdom are in the North Atlantic region. However this emphasis upon NATO, and especially upon Canadian-American co-operation, which is so often voiced in Commonwealth meetings and has taken on an enlarged importance in the economic sphere because of the sterling area's serious difficulties, has not weakened Canadian association with the Commonwealth. As the gulf widens between the United States and the USSR, even more than the gulf between the free world and the Soviet group of states, it is appreciated in Ottawa, as a recent departmental memorandum puts it, that "... the Commonwealth, as an organization, introduces a modification or shading between the United States on the one hand and the rest of the non-Communist world on the other". This attitude, of which the discussions on Korea and the Cease-Fire Proposals at the Prime Ministers' meetings in London in 1951 offer a significant illustration, may become even more marked, if Washington leadership does not adequately live up to the inescapable obligations which have been thrust upon it.

83. So long as the Commonwealth continues to function as a voluntary association of democratic states who have in common shared experience, independence and something more, as Prime Minister Fraser once remarked, so long as the ties of sentiment and custom do not become frayed and the bonds of association are not tightened, Canadian policy may be expected to follow along the path which it has pursued since the Second World War. It will continue to stress pragmatically, rather than rhetorically, the value of the Commonwealth connection and to play its part in helping other Commonwealth members to share the same conviction.

BIBLIOGRAPHICAL NOTE

The following files were consulted for this chapter:

6133-40 Relations Between Members of the British Commonwealth of Nations

5615-40 Establishment of an Empire Council

5002-40 Policy re Meetings Between Dominion High Commissioners and United Kingdom Ministers in London

50024-40 Commonwealth Consultation

50255-40 Commonwealth Advisory Committee on Defence Science

7-CmI(s) Defence Co-operation Within the Commonwealth- Inter-governmental correspondence

270 (s) Meeting of Prime Ministers in London, 1947

50023-40 Commonwealth Conference, 1948

50017-40 India's Relation to the Commonwealth, 2 vols.

50081-40 Commonwealth Conference, Ceylon, 1950

50085-40 Meeting of Commonwealth Prime Ministers, London, January 1951

50022-40 Commonwealth Defence Conference, 1951

Meeting of Prime Ministers, Minutes and Memoranda:

October, 1948
April, 1949
January, 1951

Commonwealth Meeting on Foreign Affairs, Ceylon January, 1950, Minutes and Memoranda

Documents for the Canadian Delegation to the Canberra Conference, August, 1947, 2 vols.

270 (s) Notes on Commonwealth and International Affairs, 1947

299-A(s) Canadian Papers for Meeting of Prime Ministers October 1948
Canadian Papers for Meeting of the Prime Ministers, April, 1949
Canadian Papers for Meeting of the Commonwealth Foreign Ministers, January 1950
Canadian Papers for Meeting of the Commonwealth Prime Ministers, London, January, 1951

11038-40 Commonwealth Consultative Committee on South-East Asia, 7 vols.

11038-A.240 India and Technical Assistance

44-CL-40 Entry into Canada from India, Pakistan and Ceylon, 2 vols.

50092-C-40 Inter-Departmental Committee on External Trade Policy: Minutes of Meetings

DECLASSIFIED = DÉCLASSÉ
EXTERNAL AFFAIRS = AFFAIRES EXTERIEURES

A SURVEY OF CANADIAN EXTERNAL POLICY

CHAPTER 3

FOREIGN POLICY AND DEFENCE
1946 - 1951

After the Second World War Canada could not attempt to return to a "fireproof house" as had been tried in the Twenties. The atomic bomb, the long range bomber, the jet aeroplane and the guided missile had changed all that. The government was well aware that membership in the British Commonwealth of Nations could no longer be regarded as a major assurance of security, and that co-ordination of defence with the United States must remain a prime consideration in policy. Although prepared to make its contribution to pooled security through the United Nations, it did not regard the new international agency as being capable of policing the world if the Great Powers could not agree. Of these facts the United Kingdom was equally aware, but some of her military planners still talked and wrote in terms of a central Commonwealth direction of war effort and of the importance of the Commonwealth speaking with a single voice. Evidence of that was afforded in papers prepared in the spring of 1946 for the Prime Ministers. At these meetings in May Mr. King resisted suggestions of that kind and was not alone in his views. The upshot was that it was left to each Commonwealth government to settle its own defence policy and to take part in regional planning either on a bilateral or multilateral basis as deemed advisable, while retaining within the Commonwealth the system of military liaison through service missions that had developed during the war. These missions seem to have been modelled upon the Combined Chiefs of Staff Organisation of wartime fame.

2. At a private meeting in June, 1946, with the United Kingdom Prime Minister, the Secretary of State for Dominion Affairs and General Ismay of the Ministry of Defence Mr. King agreed to the continuance of military missions in London and Ottawa "provided it was clearly understood that the work of these missions was primarily informatory and that there was no question of entering into commitments". Lord Addison agreed and described the officers as liaison officers rather than a mission. Mr. King undertook to consult his colleagues and military advisers on the question. After commenting on the work of the Permanent Joint Board on Defence and current negotiations with the United States about future co-operation, he told the United Kingdom that "... everything went to show that collaboration between the United Kingdom and Canada on military matters would have to take into account the necessity for close collaboration between the United States and Canada."

3. The question then came before the Cabinet Defence Committee. That body had been established in August, 1945, as the successor to the Cabinet War Committee and was to grow steadily in importance,

being placed under the chairmanship of the Prime Minister in January, 1947. Regular members included the Minister of National Defence, the Minister of Finance and the Secretary of State for External Affairs and other Ministers attended from time to time. (1) The officials present at its meetings included the Chiefs of Staff and the Director-General of Defence Research (from May, 1946), the Under-Secretary of State for External Affairs and the Secretary of the Cabinet. Such a committee afforded a most useful means for keeping in line the views of this Department and National Defence before top policy decisions were taken. At its first meeting in July, 1946, the Prime Minister, à propos of discussions on the progress in planning joint defence for the United States and Canada, said that care should be taken not to lose sight of equally important Commonwealth relationships in this sphere, and referred to the proposals for exchange of information and consultation that had taken place in London. He remarked upon the United Kingdom's accepting the cardinal principle that there must be the closest relationship with the United States on defence matters, and pointed out that Canada must constantly recognize her dual relationship to the two countries. Mr. King was gloomy about the international outlook and said that the possibility of a major war within five years was not to be disregarded. It was the feeling in External Affairs, as conveyed to the United Kingdom High Commissioner, that military liaison should be as close as possible, "certainly much closer than before the war", and that steps taken to strengthen and improve liaison should be achieved "with the minimum amount of advertisement", possibly through the appointment of service advisers to the High Commissioner.

4. Before a final decision had been made in Canada the United Kingdom became anxious to publish a White Paper on Central Organization for Defence which contained a section on Commonwealth co-operation. It mentioned the proposed Liaison officers and described

(1) In 1951 the following persons normally attended meetings:
The Prime Minister
The Minister of National Defence
The Secretary of State for External Affairs
The Minister of Trade and Commerce and Defence Production
The Minister of Justice
The Minister of National Health and Welfare
The Secretary to the Cabinet
The Deputy Minister of National Defence
The Deputy Minister of Trade and Commerce and Defence Production
The Deputy Minister of Finance
The Chairman, Chiefs of Staff, and the three Chiefs of Staff
The Chairman of the Defence Research Board (known in 1946 and 1947 as the Director-General of Defence Research)
The Under-Secretary of State for External Affairs
Commodore Rayner, Secretary, Chiefs of Staff as Military Secretary
Mr. Eberts as the Secretary of the Cabinet Defence Committee

those from the United Kingdom as joining with the Dominion Chiefs of Staff in studying regional security problems. The same would be done by Dominion officers in London. The result would be a series of regional studies, directed by the government most immediately concerned, with the help of "a team of joint advisers". Such studies would be made available in the various capitals and, added the White Paper "... in this way that measure of co-ordination which is necessary can be secured". The White Paper also spoke of these proposals as paving the way for machinery "which, while giving full play to the independence of the member states of the Commonwealth, will be effective as a means of consultation and collaboration". The United Kingdom telegram containing this description had asked for an answer by the end of September but, despite prompt action in circulating the United Kingdom views to the Cabinet Ministers most concerned and the appropriate officials, it was not possible to reply until October 2.

5. The Canadian reply took vigorous exception to the paragraphs on regional planning and liaison officers as being liable to misinterpretation. The first gave the impression that it was intended to organize regional defence on a Commonwealth basis without the participation of other countries. This was obviously incorrect in Canada's case. The description of the duties of the liaison officers contemplated, in the Canadian view, a function on a "distinctly higher level" than was originally suggested. Particular exception was taken to the idea that they should sit in with Dominion Chiefs of Staff to assist in regional planning and to help to furnish to the government in question joint advice. The Canadian view was that the liaison officers were to act as a channel of information and liaison, having access to the Chiefs of Staff in the capitals in which they were stationed, but with no power to enter into commitments.

6. In reply Prime Minister Attlee said that the Canadian suggestions had come too late for consideration since publication of the White Paper had been carefully timed to coincide with Cabinet changes. He doubted if the offending paragraphs would give rise to misinterpretation, but agreed to take special care in parliament and in press statements to make the position quite clear. The Canadian Government had to accept the situation, but expressed regret that there had not been more time for consultation and concern that the matter might cause some difficulties in Washington. To ward off that possibility the Canadian Ambassador in the United States was informed of the views which had been expressed to London. In private Mr. Robertson told the United Kingdom officials that "the whole business was an instructive illustration of the dangers that lay in the United Kingdom's propensity to keep issuing public statements about aspects of Commonwealth relationships that really did not need further explanation or embellishment". He then said that specifically it was "a serious political mistake to

attempt to inflate the functions and status of the liaison officers whom they wished to see appointed". He also referred to the possible harm that might be done to Canadian-American relations by premature publication of the United Kingdom proposals. On October 15, 1946, the Cabinet Defence Committee approved of the arrangements worked out by the Chiefs of Staff for liaison officers to supersede the existing Joint Staff Mission. The Prime Minister told the Committee on November 13 that he did not wish the officers to be regarded collectively as a mission.

7. Unfortunately opposition speeches in the House of Lords, leakages of information in the press, public addresses such as one given by an ex-Chief of Staff, Lord Alanbrooke, and Australian pressure for closer collaboration kept building up in London shining visions of more closely integrated Commonwealth defence. In that setting the United Kingdom Prime Minister, apparently against the advice of the Dominions Office, sent a circular telegram to the Prime Ministers on November 9, 1946, appearing to hint at the need for help in sharing defence burdens and asking their views on the defence liaison arrangements that had been advanced the previous spring. As Mr. Pearson commented in a cable to Mr. Robertson, the nature and timing of the telegram had "a deplorable effect". Canadian misgivings over this "continued harping on the "imperial" aspects of defence" as Mr. Robertson described it, were conveyed to the United Kingdom High Commissioner, to the Editor of THE TIMES who had visited Ottawa at the time, and to officials in the Dominions Office. The latter were urged to do what they could to see that as much tact and discretion was employed in handling defence arrangements with Canada as had been effectively displayed in United States negotiations. In telegrams on November 19 to Prime Minister Attlee and Lord Addison, who had written a personal letter expressing regret over "the unfortunate events and misunderstandings connected with defence problems that have recently emerged", Mr. King stood firmly by his declarations of May, 1946. He referred specifically to mischievous public comments which had given him concern. As he told Lord Addison, "both within and without the Commonwealth emphasis on what is called "Imperial Defence" with all the machinery of Imperial Conference, combined staffs and centralized policy will only, I believe, serve to create antagonisms in quarters where every effort should be made to further the utmost that may be possible in the way of co-operation". After a friendly reply from the United Kingdom Prime Minister expressing full appreciation of the Canadian attitude and the desire to display the "utmost consideration and understanding", Mr. King informed the United Kingdom Government of the Canadian decision about liaison officers on December 23. His telegram contained their instructions. The officers from the three Services and Defence Research were to keep the High Commissioner informed and "provide liaison on matters of mutual interest, between their respective

Services and the corresponding Services in the United Kingdom". They might consult together on matters of joint interest in order to advise the High Commissioner or the Chiefs of Staff Committee in Ottawa. The principles and procedure governing such joint functions would be determined in consultation with the High Commissioner.

8. The lesson of the controversy was not forgotten in London. When the United Kingdom Minister of Defence commented in Parliament upon another White Paper issued in March, 1947, he remarked that the omission of any reference to the Dominions was deliberate, and that the nature of the Commonwealth made impossible any system of delegation to any central authority. Mr. Alexander then added

> "... the more clearly and universally this is understood the more likely it is that co-operation will be effective. Talking of sharing burdens and spreading loads is rather beside the point since, speaking quite frankly, discussion of Commonwealth co-operation on such a basis would do more harm than good ... What we must do is to see that the Dominions are fully informed of the facts of the situation so that they may consider for themselves in the light of all the relevant circumstances what their own defence policy is to be".

9. These unexceptionable sentiments continued to dominate United Kingdom thinking until the autumn of 1948. At that time, in preparation for the Prime Ministers' meeting of October, the Chiefs of Staff drafted a memorandum which, after twice being watered down, was accepted by the United Kingdom Cabinet Defence Committee as an appendix to a more general appreciation entitled "The World Situation and Its Defence Aspects". As noted in the previous chapter on the Commonwealth, the Chiefs of Staff were not satisfied with the existing arrangements for Defence Liaison. They recognized that for plans involving the provision of forces or the undertaking of commitments co-operation could only be on a regional basis, but they wanted more prior joint planning in the general field of policy and strategy. If agreement was reached on close co-operation they proposed "initial joint studies" on the following general subjects, for submission to the individual Commonwealth governments:

(a) The basic objectives of defence policy and general strategy;

(b) A distribution of effort by devising regions of strategic responsibility;

(c) General outline plans to meet most immediate and long term dangers.

They suggested that the discussion of the general issues listed above could probably be undertaken "by a slight adjustment to the present Service Liaison

Staffs". From confidential sources the government learned that the United Kingdom Chiefs were said to have appreciated Canada's "political sensitivity" about entering into general Commonwealth defence discussions. They also concluded that regional planning discussions affecting Canada would, in all probability, have to include the United States. But they still insisted that overall strategic policy must be adopted before regional planning can begin. Canadian disapproval of these arguments has already been described and formed the basis for Mr. St. Laurent's statement at the Prime Ministers' meeting of October 21 that

> "... so far as Canada is concerned ... in agreeing to recommend consultation between Commonwealth governments to arrange co-operative action in matters of defence it would be unreal for us to regard as effective either general or regional plans of defence which would comprise Commonwealth countries exclusively and which did not also include other peace-loving countries prepared to co-operate in resisting aggression".

This reservation was based not only upon the views advanced in 1946 but also upon the implications of the widening area of Canadian regional defence planning which was looming up since the Treaty of Brussels and the discussions proceeding in Washington on a North Atlantic Pact. In London the Prime Ministers did agree, however, upon a number of recommendations for consideration, including one on defence liaison, by their governments which went a good deal to meet the wishes of the United Kingdom Chiefs of Staff. As we have seen the Canadian Government firmly rejected them in November, 1948. Their suspicions of what was meant by these recommendations may have been exaggerated, as Mr. Robertson hinted in London, but if so they were the legacy of past difficulties for which London had been largely responsible. The failure to carry their point rankled with the United Kingdom Chiefs of Staff, who blamed the Commonwealth Relations Office for not giving them in advance more guidance upon how to meet the point of view of countries like Canada and South Africa. On the other hand the Commonwealth Relations Office, which has been more successful in appreciating the Canadian position, argued that to attempt to obtain first of all agreement upon the overall strategic approach was unnecessary. They believed that more would be achieved by regional planning with Commonwealth countries and other like-minded countries.

10. It was their belief that from these regional talks, which would include the United States and the Brussels Powers, an overall strategic concept would eventually emerge. As events were to show it was along these lines that the planners were to act in the North Atlantic Region and in so doing to meet the Canadian position.

11. While the argument had been proceeding over Liaison Officers in London, the Government, as it had told the United Kingdom, had been considering the nature of its post-war defence relationship with the United States. As early as April, 1944, a memorandum to the Prime Minister mentioned that this Department had suggested to the Army that some thought should be given to this problem and quoted with approval a letter from General Pope on the subject. The General referred to the Permanent Joint Board on Defence and said he presumed it was "within our Government's policy to continue that relationship" (the Prime Minister's notation on the margin was "certainly"). He pointed out that present defence policy was based on a plan ABC-22 drawn up before Pearl Harbour which was to lapse with the end of hostilities. In his view the United States was sure to ask Canada to revise the Plan and it would neither be possible nor advisable for Canada not to accede to this request. What he hoped to see in the post-war period was "that intimate technical relationship that we enjoy at present", the renewal of the Plan, and care taken "that in our defence establishments we should provide adequate forces, not so much as to defend ourselves against possible raids from the enemy (though this would be necessary) but more to ensure that there was no apprehension as to our security in the American public mind". Mr. King read this memorandum aloud to one of his secretaries and commented that he had told President Roosevelt in 1940 that "he certainly believed that defence arrangements ought to be on a permanent basis". On the question of danger of war in the future the Prime Minister thought the Canadian position between the United States and the USSR might have to be worked out with "very special care", that we might also have to think in terms of a rising unity of colour in the Far East, and that oil developments in northwest Canada might reach such a scale as to make this area a much more vulnerable one in terms of offensive plans of any possible future enemy. Elsewhere in official circles General Pope's letter evoked much discussion as the Advisory Committee on Post-Hostilities Problems struggled with a memorandum for Cabinet on post-war defence arrangements with the United States. On February 28, 1945, the Cabinet War Committee approved the much revised memorandum entitled "Post-War Defence Relationships with the United States; General Considerations".

12. This important document pointed out that the war had created a new set of defence relationships between Canada and the United States of which the most significant were: the extent to which opinion in both countries had recognized that two oceans did not provide full security from attack and that the ultimate security of the continent depended on the maintenance of peace in Europe and Asia; acceptance of the fact that adequate protection was necessary against both seaborne attack and airborne attack, especially from the North, North-east and North-west; the fact that Canada, Newfoundland, Alaska, Greenland, Iceland, Bermuda and the West Indies would continue to be vital to the defence of the United States; the

fact that although no immediate threat of war may be discerned, neither country is likely to reduce its defences to the pre-war level. In these circumstances it was thought the United States might be expected to take an active interest in Canadian defence policy and on occasion express it "with an absence of the tact and restraint customarily employed by the United Kingdom in putting forward defence proposals". In view of Canada's position astride the overland route between the United States and the USSR any serious deterioration in their relations would be embarrassment to Canada. The best hope for Canada of avoiding such embarrassments would lie in the establishment of an effective world security organization in which the leading powers would actively co-operate. But in any event Canada and the United States would have to co-ordinate their defences and such a policy could "take its place as part of a plan of universal security". For that purpose the PJBD was an appropriate piece of machinery. Yet Canada should not base her defensive policy exclusively on collaboration with the United States but "accept a fair share of responsibility in an international security organization along with the other nations both inside and outside the Commonwealth". In joint planning with the United States Canada should accept "full responsibility for all such defence measures within Canadian territory as the moderate risk to which we are exposed may indicate to be necessary". Canada should also continue to accept responsibility for the local defence of Newfoundland and Labrador. The role of the United States in that area "should be limited to the operation of their leased bases in Newfoundland". The exchange of technical information on military research and development between Canada and the United States should continue and Canada should maintain the means of making an effective contribution to such exchange. It was finally agreed that the new vulnerability of the North American continent made it compulsory for Canada to accept increased defence responsibilities and maintain larger armed forces than before the war.

13. It was well that government policy had been clarified to that extent as at a meeting of the PJBD on June 20-21, 1945, the United States Army member, General Henry, informally opened a discussion on post-war collaboration and on "The Continental Defence Value of the Canadian North-West". He took pains to state that his views were "purely personal" and should not be recorded verbatim on the record, but there was little doubt that his views were in line with the views held by the United States War and Navy departments. General Pope was authorized to reply at the next meeting of the Board in September and his statement was cleared with the Prime Minister. The kernel of his purely informal remarks was the suggestion that both sections should seek to agree "as to the international picture of the coming post-war period in so far as this has a bearing on the question of North American defence" and should then proceed to revise ABC-22 for the approval of their respective governments. On questions of standardization which had been raised General Pope did not think immediate decisions were required. He thought

that for one or two decades the northern area of Canada and the United States was unlikely to be threatened with invasion. Consequently the forces of the two countries agreed that the prospect of major operations in "our own waters, our lands or our air" would be unlikely to require at an early date complete uniformity of equipment, training and organization. At the November meeting of the Board the United States Army and Navy representatives jointly presented a formal proposal for continued collaboration which implied the revision of the defence plan. At the same meeting a State Department official challenged an assumption of General Pope's that in the next war, as in the past, Canada would be at war before the United States and offered a rough calculation that the betting odds were four to one "... that in any future world conflict, war would be brought to us here rather than we would again be allowed to defend our continent in Europe or Asia". He asked the Canadian Service members of the Board to reflect upon the implications of the thesis he had advanced and referred in particular to the problem of standardization of equipment.

13. In December, 1945, the Cabinet accepted the United States proposal and directed the Chiefs of Staff Committee and the appropriate civilian officials to take responsibility for co-ordinating Canadian participation in the preparation of joint plans. This new planning body became known as the Canadian Section of the Military Co-operation Committee. Any new plans would be submitted to the government for decision. The PJBD continued to be very active. At its January, 1946 meeting it took as a basis for discussion a paper prepared by General Henry and produced a memorandum of a rather formal character, which the Canadian section made clear that they regarded as a working paper subject to revision. At the next meeting it drafted a statement on certain principles for co-operation which eventually became the Thirty-fourth and Thirty-fifth Recommendations. The former had to do with exchange of information and replaced an earlier Recommendation. It read:

> "Subject to the national policies of the two governments, there shall be a free and comprehensive exchange of military information in so far as it affects the security of the two countries, the circulation of which shall be subject to such restrictions as may be specified by the originating country".

This recommendation, despite its hedging clauses, was particularly valued by the Canadian armed services, as without its approval they were denied access to military information on research and development which they were anxious to obtain. Both governments approved of it in May. The Thirty-fifth Recommendation embodied the general principles governing co-operation and was designed for ultimate publication. In view of the manner in which it might be received in the USSR, where

the press had already been playing up allegedly Canadian-United States provocative activities in the Arctic and elsewhere as a defensive alliance directed against the possibility of a Russian attack, and the advisability of preventing any misunderstanding of its purpose in the United Kingdom and elsewhere in the Commonwealth the Recommendation was laid aside for careful consideration by the government.

14. Meanwhile the planning staffs of the two countries were engaged in studies for the new basic defence plan. They met as a Joint Military Co-operation Committee in Washington during May and in Ottawa in June. Out of their discussions emerged an Appreciation of the Requirements for Canadian-United States Security and a Joint Basic Security Plan to replace ABC-22. Both of the documents were submitted to the Cabinet Defence Committee in July, 1946. The Appreciation of the international situation was drawn almost entirely from American sources but was generally concurred in by the Canadian Chiefs of Staff. The United States experts thought it unsafe to assume North America would be free from attack for more than five years although air raids, sabotage and submarine raids were possible before then. They believed any attack after 1950 would at the outset not reach the proportions of an invasion. But it would require the construction of an 'early warning" system and other installations in the Arctic regions, the vulnerable sector of North American defence. When this Appreciation was linked up with individual American requests for prompt action in establishing weather stations in the Arctic, the use of Goose Bay for operational training, plans for experimental projects and service exercises it was the view of the Secretary of the Cabinet as presented to the Prime Minister in June that they constituted "one of the most difficult and serious problems with which the government will have to deal within the next few years". Mr. Heeney anticipated an approach on the highest level to the Prime Minister because of the importance which the United States Government attached to joint planning. He forecast that "the government will probably have to accept the United States thesis in general terms, though we may be able to moderate the pace at which plans are to be implemented and to some extent the nature of the projects which are to be undertaken". In this Department Mr. Wrong thought it highly unlikely that the Soviet Government would deliberately seek involvement in another great trial of arms within the next fifteen or twenty years but saw serious danger of "local conflagrations". With the mentality of the Soviet leaders to be reckoned with he anticipated "recurrent crises, no sense of security and the risk of uncontrollable local methods". But he was disturbed by the sense of urgency and overemphasis on potential danger that seemed to colour American policy. Some of this feeling was conveyed to the Department of State by Mr. Pearson, then Ambassador to Washington, who reported that he had expressed the hope that "the War Department would not press us too hard with urgent requests for quick action in the field of defence in the north". He mildly hinted at the possibility of

the PJBD developing a tendency to become "a determining instrument of high policy" and thought he had interested Mr. Acheson, then Acting Secretary of State, in keeping more closely in touch with matters in this field. On the other hand he was impressed by Mr. Hickerson's praise of Recommendation Thirty-five as an excellent document since, as Mr. Pearson put it "normally he has a profound distrust of the military mind and all of its works..."

15. At the meeting of the Cabinet Defence Committee on July 19, 1946, when the Prime Minister reported on his London talks the Appreciation and Joint Security Plan were discussed after they had been orally expounded by Service officers. The Prime Minister deprecated too prompt decision on so serious a matter and emphasized the importance of the United Kingdom Chiefs of Staff being kept fully informed. Later it was arranged that this should be done during visits of two of the Chiefs of Staff to London after General Eisenhower had been informed that this was contemplated. On July 24 the Cabinet Defence Committee straddled the issue neatly by approving the continuance of detailed planning without approving the basic documents. Approval was given later to the participation of United States Service personnel in the research done at the experimental station at Churchill and provisional agreement to an American programme for maintaining or reopening weather stations in the Arctic and North-east Canada. In the PJBD a State Department official gave a careful evaluation of United States foreign policy towards the USSR. General Henry urged "the utmost of co-ordination" and stressed the fact that the United States High Command wished in no way to infringe on Canadian sovereignty or interfere with Canadian ties or obligations to the British Commonwealth. In reply Mr. Macdonnell, then Secretary of the Canadian section, said that these questions raised more serious problems for Canada than the United States, and the Board would understand that decision might often take some time to reach. At the same meeting the United States section presented an amendment to the proposed Thirty-fifth Recommendation to make it clear that there was no desire to question Canadian sovereignty or capabilities. With this amendment the Department readily concurred.

16. The anticipated high-level approach to the Canadian Government was made in October, 1946, when the Prime Minister and, if possible, Mr. St. Laurent were invited by the United States Ambassador in Canada to visit President Truman. From the tenor of his remarks on the invitation to Mr. Pearson (who had recently taken over as Under-Secretary) it was clear that Mr. Atherton had received a new mandate to do what he could to get early action upon joint co-operation in defence especially in the Arctic.

17. Before Mr. King talked with President Truman on October 28 he examined a memorandum prepared by Mr. Wrong giving the background for the questions that might come under review. Like others Mr. Wrong was disturbed by the extent of the United States

proposals for elaborate air defences and air raid warning systems. If Canada undertook the complete responsibility for maintaining them, it would probably mean the concentration of Canadian military activities almost entirely on the protection of North America from the possibility of sporadic bombardment from the air. He hoped that it might be able to find a half way house "through the provision of equipment by the United States and its operation by Canada, or through joint operation of certain installations under Canadian control". In his view it would be best to confine the talks to general problems and possibilities and defer acceptance of particular proposals of any substance until an overall understanding had been reached. It is significant that Mr. Wrong wrote "the deterioration of the hopes which attended the founding of the United Nations is illustrated by the fact that I have not felt it necessary to mention hitherto our obligations under the United Nations". But he believed that whatever was done in regional defence with the United States could be brought within the scope of the Charter. As a final suggestion he urged that the Prime Minister express the hope that Canada be taken fully into the confidence of the United States authorities. Although they had recently been more forthcoming, Mr. Wrong thought "they still, however, have some way to go before we can ourselves assess the bases on which they are doing their own planning and seeking our active co-operation with them".

18. In Prime Minister King's interview with President Truman the latter expressed the desire to maintain the same international friendly relations with Canada that had characterized the Roosevelt regime. Agreement was reached on the closest possible co-operation in the defence of North America (the Arctic was specifically mentioned), based on the fullest exchange of information between the two countries and also with the United Kingdom. Mr. King made clear his intention of informing the United Kingdom of any agreements or arrangements, to which the President offered no objection, and stressed the need for the greatest care over any publicity to be given to defence arrangements. The President said there would be no infringement on Canadian sovereignty in any joint undertaking. The one individual defence problem which the President raised was the importance of Goose Bay as a necessary part of the defences of the north-eastern approaches to the continent. It was arranged that discussion on it and related matters such as weather stations, where the military aspect was to be stressed as little as possible, should be conducted initially through diplomatic channels or by the Ministers concerned. Mr. King also discovered that the views of the United States Ambassador to the Soviet Union were closely in accord with those held by Mr. Wilgress and were in general to the effect that the Soviet Government would be in no position to participate in a general war for a considerable period.

19. After Mr. King returned to Ottawa it was learned that the President had been given an "oral message" prepared in the State Department. This message had furnished the background for the President's remarks and the State Department attached such importance to it that copies were given to Mr. Wrong and Mr. Pearson. The message referred to "the extreme importance in an unsettled world of continuing and reinforcing measures of joint defence" and appraised the situation along the lines of the Appreciation which had been drawn up several months before. It was suggested that the Canadian Government might concur with the Appreciation. It recognized the financial burdens of some of the previous defence proposals and suggested that the two governments should negotiate some equitable means of sharing them. Finally the message asked for decisions by the Canadian Government on endorsement of further planning, the Thirty-fifth Recommendation of the PJBD, and the stationing of United States Army Air Forces at Goose Bay. Consideration of this oral message was referred to the Cabinet Committee on Defence and to the Ministers most concerned. It was possible to give approval to the Thirty-fifth Recommendation, with slight changes of wording, but the question of its publication in the form of a joint statement was deferred until the rules for the registration of regional agreements with the United Nations were known. The revised statement was considered by the PJBD on November 20. Approval of the Appreciation was again deferred because of the Cabinet conviction that its importance necessitated further discussions being held with the United States at the official level. It was agreed that these discussions should be "entirely non-committal and exploratory" and should have as one of their principal objectives elicitation of the fullest information from the United States.

20. These talks did not take place until December 16, 1946. One set of working papers prepared by Canadian officials was loaned to the United States Ambassador before the talks began. The working papers did not, as Mr. Wrong pointed out, include any analyses of the relationship of regional defence arrangements to United Nations obligations. This might seem inconsistent with Canada's emphasis at the General Assembly sessions on the importance of the conclusion of military agreements under Article 43 of the Charter and the assertion that Canadian policy was guided by obligations to the United Nations. Mr. Wrong did not think, however, that the Charter should make any difference in the negotiations with the United States. The Canadian Government informed the United Kingdom of the terms of the Thirty-fifth Recommendation and gave them a copy of President Truman's oral message. In New York Mr. St. Laurent discussed the situation with Mr. Bevin, who was shown a copy of the Recommendation. He obtained from him an interesting memorandum under the title "United States Bases in Canada", an indication of the United Kingdom approach. Mr. Bevin appreciated the importance of co-operation by both Canada and the United Kingdom with the United States and felt that

United States advances should not be rebuffed. The United Kingdom viewed with deep concern, however, the American proposals for bases in Canada, arguing that if Canada were drawn into a war through an attack on the United States over Canadian territory it would look to the United Kingdom for help. It was felt that care should be taken to avoid Soviet reactions which might retard setting up a genuine international security system under the United Nations and to avoid embarrassing the "Dominions in the Pacific" by allowing a situation to develop which might prejudice their position without any compensating guarantee of defence from the United States. There was also a need to "beware of military measures which, because of their unfavourable reaction on political sentiment, make themselves the more essential". For these and other reasons the United Kingdom felt that the matter is one that should not be hurried.

21. There is no recorded comment on Mr. Bevin's rather heavy-handed comments. They came at a time when there was irritation in Ottawa over Mr. Attlee's telegram on Commonwealth defence and exasperation at a completely inaccurate press report in London which was published in Canada that a visit of Major-General Laycock to the United States was thought by "well informed sources to be for the purpose of presenting the British view on the acquisition of bases in Canada". The report also mentioned that the Americans wished Canada to strengthen their northern frontier defences by building a chain of air bases . Another United Kingdom despatch had leaked information about early conversations among the United States, the United Kingdom and Canada on standardization of equipment which were also intended to be kept secret and made it necessary for the United States Government to issue a statement. While Mr. Bevin was expressing his views, Mr. Pearson was also turning over in his mind the general factors affecting defence and sent an important memorandum about them to the Prime Minister of November 12, 1946. He thought that Canada should continue to work for a strong United Nations, but should have no illusions about the United Nations being now or for some years to come in a position to preserve peace and punish the big aggressor. It was his view that "without some fundamental change in the Soviet state system and in the policies and views of its leaders, the USSR is ultimately bound to come into open conflict with western democracy", - a conflict which would be "as sudden as Pearl Harbour and a hundred times more devastating". It would be wise and realistic to limit thoughts of peace to a short period of time. Careful thought and planning now would have as one of its most useful results "the forestalling of unreasonable requests from Washington and London later". Mr. Pearson concluded with three suggestions:

i) We should organize our national strength in the most effective possible way to meet dangers and difficulties;

ii) This requires combination and co-operation with others, primarily the United States of America;

iii) We should examine with the greatest possible care our defence plans to make sure that they fit into our proper place in this combined effort and are not dictated by merely traditional and possibly outworn concepts.

22. The informal discussions in Ottawa on December 16-17, 1946, proved most satisfactory. They helped to dispel American doubts about Canada's willingness to undertake practical defence measures and to reassure the Canadians as to the scale and urgency of United States demands. The Canadian working papers had been well received by the American group. Their expert on the Soviet Union, Mr. George Kennan, expressed views closely parelleling those of Mr. Wilgress and there proved to be no substantial difference of opinion on the objectives of Soviet foreign policy and the effect upon it of undertaking joint Canadian-American defence measures. It was thought that fairness and firmness in diplomacy, accompanied by military strength which should be clearly non-provocative and non-aggressive, would have a deterrent effect upon the ardent expansionists in Moscow.

23. In defence policy the American speakers made it plain that they were not unduly "continental defence-minded" and did not favour the enormous diversion of resources that would be needed to provide complete protection for North America. One of them stated that in any war which might develop in the next five or six years the threat to the security of the continent would be so slight as to tie down relatively little of Canada's strength. After then with technological developments the threat would be greater and the proportion required of Canadian resources, especially in the air force, would be correspondingly higher. The Americans were for the first time more precise in their description of United States global strategy and what they regarded as "stop lines" against the Soviet advance, in which they took into account ethical as well as geographic considerations. On defence planning the two groups were agreed that there must be a firm distinction between "governmental acceptance of a plan as a goal towards which to work and the governmental decisions that will have to be taken as to whether certain aspects of the plan should be put into effect at any given time". This approval was, of course, in line with the Canadian Government's action in not formally adopting either the Appreciation or the Plan to date while authorizing planning of programmes subsidiary to the Plan. After some argument the Canadians secured approval for issuing parallel statements in Ottawa and Washington which should give the substance but not the text of the Recommendation of November 20 as adopted by the PJBD. The question of Goose Bay

was not discussed at length but gave the Canadian group a chance to explain the delicacy of the situation, having regard to the interests of Newfoundland and the United Kingdom. After the sessions the High Commissioner for the United Kingdom was invited to meet the two groups informally, and, following the Canadian exposition, his views made an impression upon the United States representatives. They agreed to hold off for several months requests for action until the political situation in Newfoundland had clarified. On the general question of keeping the United Kingdom informed about joint defence plans it was felt that full details should be given on matters of direct interest to the United Kingdom, such as Newfoundland or Labrador, and information on more general terms on those aspects of defence planning with which the United Kingdom was not directly concerned.

24. This description of what had happened was given to the Cabinet Defence Committee on January 9, 1947 and received with approval. It was decided that the Department of Finance should name an official to keep in touch with External Affairs and National Defence on the financial aspects of the joint defence measures. Mr. Pearson was asked to prepare for consideration a draft public statement on Canadian-United States defence co-operation. A week later the Cabinet finally approved the PJBD recommendation of November 20. The United States took similar action on February 4. For the next three weeks views on the proposed statements were exchanged between Ottawa and Washington but no serious difficulties in drafting were encountered. The United Kingdom High Commissioner was shown most of the material. Cabinet agreed on February 5 that the Prime Minister should make the statement in the House of Commons and accompany it by additional observations emphasizing the fact that the new agreement was parallel with Commonwealth defence arrangements, denying charges about U.S. demands for bases and threats to Canadian sovereignty, and playing up the fact that civil development in the north went hand in hand with defence measures. The text of this statement was also discussed with the United States. The explanatory remarks referred to the claim in the joint declaration that the Charter of the United Nations is "the cornerstone of the foreign policy" of both governments. The State Department asked that, in commenting on this phase of policy, the United States as well as Canada should be associated with the statement that "defence co-operation between Canada and the United States is intended to support and strengthen the United Nations". On the other hand, with an eye to American opinion they asked if a sentence referring to the defence arrangements as being indeed "supplementary" to those with the Commonwealth in training and organization be deleted. Both suggestions were accepted. The two governments also agreed on the text of letters to the Secretary-General of the United Nations to whom a copy of the joint statement was later sent "for the information of the United Nations". On February 12 the Prime Minister and the Secretary of State released the

joint statement, thus placing the seal on negotiations that had been in process for almost two years.

25. The four principles of co-operation noted in the statement provided for exchange on a limited scale of personnel of the Armed Forces of both countries, co-operation and exchange of observers in connection with joint tests or exercises, reciprocal use of military facilities (it being understood by Canada that Ministerial authority would be required for general arrangements for use of military, naval and air facilities), encouragement of the adoption of common designs and standards and safeguards against the infringement of sovereignty of either country. It was stated that each country would determine the extent of its practical collaboration in applying these principles and might at any time "discontinue collaboration on any or all of them". By a further exchange of letters initiated by Canada the governments agreed that provision for transit through the territory or territorial waters of military aircraft and public vessels in no way infringed on "the complete jurisdiction which each government maintains on its territorial and boundary waters". The anxiety of the two governments, and particularly of Canada, not to have the significance of the agreement exaggerated abroad can be seen in the emphatic assurances about the value which they attached to the United Nations, the Canadian assertion that the agreed arrangements would "... in no way interfere with or replace our Commonwealth connections in matters of defence training or organization", and the great emphasis on Canada's northern programme being "...primarily a civilian one to which contributions are made by the armed forces". On the other hand Mr. King after denying "talk of Maginot lines, of large scale defence projects" said frankly: "when we think of the defence of Canada we must, in addition to looking East and West, as in the past, take the North into consideration as well".

26. In both the United States and Canada there was a friendly reception of the joint statement which was regarded as a further natural step in the co-operation of the two countries. In Moscow the New Times wrote of "Canadian reactionaries in power" doing their best to carry out alien plans at the expense of their country's sovereignty. There were suggestions that the Agreement was not only directed against the Soviet Union but also represented a weakening of the British connection. Izvestia talked of Canada being transformed into an "American advance northern base of imperialistic expansion". From London, where most of the press did not carry the Prime Minister's references to the Commonwealth, Mr. Robertson reported that Mr. Bevin, with some support from Mr. Attlee, "expressed the fear that publication of such a statement would make the Foreign Ministers' meeting in Moscow more difficult". He was also concerned about the possible misconstruction which Moscow might put upon the references to standardization. Later it was learned that Field Marshal Montgomery, after a visit to Russia, concluded that Soviet internal preoccupation would preclude possibility of a planned war "for ten years and at least longer". He was even

hopeful of more cordial relations with the USSR. As a result the United Kingdom Government requested postponement of arrangements for proceeding with military standardization among the United Kingdom, the United States and Canada. In a speech in New York on February 26 Mr. St. Laurent made it clear that Canadian arrangements with the United States were not exclusive in character. He said that "we are prepared to co-operate on a reciprocal basis with the USSR or any other nation which has an interest in the security of the northern hemisphere".

27. After the joint declaration of February defence arrangements with the United States proceeded more smoothly and the Department was less directly concerned. The policy of working out implementation measures for joint defence through the Military Co-operation Committee, and leaving for annual review the Appreciation and Basic Security Plan was approved by Cabinet. Plans were approved in 1947 for setting up additional weather stations in that year or in 1948 as well as low frequency LORAN stations. It was External Affairs which presented the submissions to the Cabinet Defence Committee on these matters. It was also the Department which drew attention to the need of securing sufficient Canadian personnel for these stations, since in several instances they were manned solely by U.S. Service and civilian personnel. It was noticeable that in a discussion of the changes in the strategic situation since December, 1946, that took place on April 1, 1947, at the Cabinet Defence Committee, the Under-Secretary was less hopeful than the Chiefs of Staff who thought the danger of accidental war had lessened. It was his view that with the enunciation of the Truman Doctrine the short-term American policy "would probably lead to greater friction and greater possibility of an accidental war". But this danger of war did not incline Mr. Pearson to broaden defence arrangements in the Americas. He advised against participation in the Rio de Janeiro Conference on Hemispheric defence in August, 1947. It was his view that Canadian defence planning was more concerned with the Northern hemisphere than the Western. It would also be difficult "to formalize participation in United States Inter-American Defence Arrangements while we have been unwilling to formalize those within the Commonwealth".

28. When the Minister of National Defence visited Washington in January, 1948, he discovered that the United States and Canada were not as much of the same mind in their understanding of defence arrangements as had been expected. This was partly due to the fact that the United States Service authorities had a greater margin of freedom in carrying out their policies than their opposite numbers in Canada, with the result that Cabinet Ministers were not as familiar with the details of Canadian-United States planning as the corresponding ministers in Canada. It was also true that, in spite of efforts to make the policy clear through the PJBD it was still not appreciated by American authorities that the Canadian

Government was not formally committed to the Basic Security Plan. Because the Chiefs of Staff had been an "approving authority", and had accepted seven detailed appendices to the Plan for planning purposes only, the United States authorities thought that that had clinched it. As Mr. Claxton told the Cabinet Defence Committee because of this ambiguity "... in practice it might prove very difficult to reject or modify implementation programmes on the basis that they were part of an approved plan". He thought that joint defence measures were likely to increase because of such recommendations as that of the Finletter Committee on Air Policy. The Chiefs of Staff were asked to look into the matter. It was finally decided that the question could best be handled by General McNaughton discussing it with the chairman of the United States section of the PJBD. The Chiefs of Staff also felt that planning had reached a stage where a discussion with the United States Joint Chiefs of Staff on their overall strategic concept would be desirable. Otherwise it would be difficult to plan intelligently for the eventual use of Canadian forces.

29. No meetings of the Chiefs as a group took place but, at a Cabinet Defence Committee meeting on April 15, 1948, the Chief of the General Staff, General Foulkes, reported on talks he had had in Washington with both United Kingdom and United States military authorities. He learned that the United States and the United Kingdom had not yet arrived at a common concept of strategy. Because of the tense situation at that time, with the Communist coup in Czechoslovakia and the Berlin Blockade, American military authorities were more concerned than previously about the possibility of war within the next eighteen months. General Foulkes found that those army officers, including the Chief of Staff, with whom he discussed the Basic Security Plan were unfamiliar with it, and, on the basis of their incomplete knowledge inclined to regard it as "unrealistic". Yet they showed no inclination to press for further implementation measures on Canadian soil for the time being, and were reported as "very pleased with Canadian co-operation in the field of defence".

30. The process of familiarizing senior United States authorities with Canadian views on what is to them a segment only of policy was advanced somewhat by the visit of Mr. Forrestal, Secretary for Defence to Ottawa on August 16, 1948. By that time thinking in official circles in both Canada and the United States was moving rapidly on the question of a North Atlantic Pact. The Canadian members of the PJBD had attended a meeting of the Cabinet Defence Committee in June where the strategic situation had been reviewed. They were informed that in addition to the Canada-United States Basic Security Plan, which was complete except for four appendices, but was already due for revision, a short range plan "to meet any emergency between now and July, 1949" was being prepared in consultation with the United

States and the United Kingdom. It was clear that the need for adoption of an overall strategic concept had become still more urgent and that North American defence plans could be considered only as part of a broader system. As Mr. Claxton put it, "anything in the nature of a passive defence was wrong and unreal". American needs, arising in part from the Berlin Airlift, had resulted in approval being given to a request of the United States that they be permitted to extend the runways at Goose Bay. The Department was inclined to favour that work being done by Canada - as a contribution towards meeting the Berlin problem and to North American defence - as well as strengthening the Canadian position on Goose Bay in anticipation of the time when it would be in Canadian territory. But because of the need for rapid construction the American request was approved, with the understanding that the United States would bear the expense and retain no vested right in the facilities. During his visit Mr. Forrestal attended a special meeting of the Cabinet Defence Committee, which provided an occasion for reviewing developments since the Declaration of February, 1947, the general international situation, and special problems affecting Canadian defence policy. Thus the discussion ranged over the problems arising from the need for Canadian purchases of United States equipment, the possibility of revival of wartime arrangements for rationalizing war production in both countries, progress in standardization, stockpiling, the relation of the St. Lawrence Seaway to defence (on which the PJBD presented a recommendation in December), and the possibility of a renegotiation of the United States bases agreement in Newfoundland after the latter became part of Canada. On this last question a letter requesting early discussions of such problems as the extra-territorial jurisdiction exercised by the United States over the non-military activities in the leased areas which at worst might prejudice essential collaboration in other aspects of North American defence was sent to the State Department on November 16. Since action on almost all of these questions was materially affected by the organization of NATO the negotiations that preceded its appearance must now be reviewed.

31. When General Foulkes reported on his talks at Washington in May, 1948, the extreme degree of secrecy necessary made it impossible for him to make clear that he also had sat in on tri-partite discussions between the United States, the United Kingdom and Canada on the matter of an Atlantic security system. These discussions had been kept secret from the French and the Benelux countries. They played a major part in the sequence of events which led to the North Atlantic Treaty, but were preceded by significant trends of official and governmental opinion in the three countries concerned.

32. Thus, on August 13, 1947, in a lecture at the Canadian Institute on Public Affairs on "Canada's Role in the United Nations", Mr. Reid, after deprecating attempts at drastic revision of the United Nations Charter on the ground that they could only result in the secession of the Soviet Union and its associates from the United Nations which he thought inadvisable continued:

> "a rejection of proposals for immediate, drastic revision of the Charter does not necessarily mean that those states in the Western world which are willing to commit themselves to a much closer degree of union embodied in the Charter should not, if they so desire, work out such arrangements ... the world is now so small that the whole of the Western world is in itself a mere region. If the peoples of the Western world want an international security organization with teeth, even though the Soviet Union is at present unwilling to be a member of such an organization they do not need to amend the United Nations Charter in order to create such an organization; they can create it consistently with the United Nations Charter. They can create a regional security organization to which any state willing to accept the obligations of membership could belong. In such an organization there need be no veto right possessed by any great power. In such an organization each member state could accept a binding obligation to pool the whole of its economic and military resources with those of the other members if any power should be found to have committed aggression against any one of the members".

33. Five weeks later, in the discussions at the opening of the sessions of the Second General Assembly of the United Nations, Mr. St. Laurent referred to the disappointment felt at the position of the Security Council which he described as having become in the eyes of many "frozen in futility and divided in dissension". While hoping that such a development would prove unnecessary, he warned that nations blocked in their search for peace and co-operation might "... seek greater safety in an association of democratic and peace-loving states willing to accept more specific international obligations in return for greater national security". Such associations could be formed within the United Nations. He added in a neat simile that two or more apartments in the structure of peace were less desirable than one family of nations dwelling together in amity undivided by curtains or even more substantial pieces of political furniture, but they were to be preferred to the alternative of wholly separate structures. A month afterwards the Prime Minister wrote to Sir Alfred Zimmern à propos of a copy of

an address he had received from the latter. After referring to the troubled outlook he said that it was vital "...to ensure that there is an overwhelming preponderance of power on the side of those who wish to see peace maintained". If security cannot be found through the United Nations, Mr. King suggested that "perhaps those members of the United Nations who are willing to accept more specific international obligations in return for greater national security will have to consider whether they should not be prepared to agree to a treaty of mutual defence against any aggressor". By November, 1947, a draft of such a treaty had been prepared by Mr. Reid and circulated for comment to eight senior officials in Ottawa, Washington, New York, Buenos Aires and London. The draft, which was influenced by an examination of the United Kingdom-Polish Treaty of Mutual Assistance of August, 1939, and the Treaty of Rio de Janeiro of September, 1947, stipulated that "an armed attack by any State against any member State is an attack against all the member States", provided for a Board of Collective Self-Defence in which voting would be weighted, and a Military Co-operation Committee.

34. In Washington and New York, Mr. St. Laurent's remarks had not passed entirely unnoticed. There also had been considerable interest in an article by the editor of Foreign Affairs, Mr. Hamilton Fish Armstrong, published in the New York Times and subsequently expanded into a book, which suggested that United Nations members dissatisfied with present security arrangements might use Article 51 to enter into a supplementary pact binding themselves to carry out the Charter obligation to resist armed attack if two-thirds of the signatories so decided and the Security Council had failed to act. In October Mr. Hickerson, of the State Department, was reported as having said to Mr. Wrong that he was "almost convinced" that the time had come to follow up the Armstrong suggestion. But Mr. Wrong thought it was still considered "as an idea to which they may turn if the negotiations go very badly with the Russians." On December 2, 1947, Mr. Riddell talked in Washington with Mr. Rusk of the State Department who headed the United Nations Division. The latter also said that thinking had not proceeded very far, but gave enough indication of what had been considered in drafting a security treaty to convince Mr. Riddell that the idea was "considered attractive enough to merit serious attention". Besides the Canadians the only person with whom the State Department talked over these very tentative ideas was Sir Hartley Shawcross. Mr. Riddell thought the United States authorities "were already casting about to see if proposals for a Mutual Defence Treaty could not be brought forward from some source other than themselves". He did not think that Canada should take any further initiative, but should learn as much as possible about the intentions of the United States and the United Kingdom. With this attitude Mr. Pearson concurred.

35. In United Kingdom circles the same preliminary groping for a way out was taking place but was to produce more immediate action. Mr. Gladwyn Jebb described to Mr. Ignatieff on November 21 Foreign Office thinking which was still "pretty sketchy" on guarantees under Article 51 of a general nature or of a limited regional nature. Participation of the United States in any mutual self-defence scheme was regarded as essential. The Foreign Office was dubious of the value of a regional European grouping for containing Soviet expansion unless such a grouping could include the United States. The failure to reach any solution on the future of Germany in the meetings of the Council of Foreign Ministers in London during November and December, 1947, decided the United Kingdom to give a lead to Western Europe. As Mr. Attlee told Mr. King on January 14 "in a wider field we feel the time has come on the one hand to give a moral lead to the friendly countries of Western Europe and on the other hand to take a more active line against Communism". After commenting on the trend of Soviet policy, the United Kingdom Prime Minister urged the organization of the "ethical and spiritual forces of Western Europe backed by the power and resources of the Commonwealth and the Americas" as the necessary foundation for the defence of Western civilization in the widest sense. He spoke of seeking to form a Western democratic system comprising France, the Low Countries, Scandinavia, Portugal, Italy and Greece, which, when circumstances permitted, could be extended to include Germany and Spain. Not all of these states might be bound by an alliance. The essence would be "an understanding backed by resources and resolution of participants bound together by common ideals". Mr. Attlee thought the United Kingdom could give Europe the strong political and moral leadership required to build up a counter-attraction to the tenets of Communism. But he felt that the material help required for devastated countries would necessarily have to come from the United States and the Commonwealth. The success of the general concept depended upon the support of the other Commonwealth countries and the United States. He said that his government would welcome comments on the idea which would probably be ventilated later in January in the House of Commons by the Foreign Secretary.

36. Mr. King was uneasy about the meaning of the phrase "backed by the power and resources of the Commonwealth and the Americas" which he feared might imply "the centralizing of these powers and resources under a common direction and for a common use". Mr. Pearson, whom he consulted, was less disturbed in view of the Commonwealth association in such a project with the Americas. Based upon his talk with the Prime Minister he prepared a draft reply which said the lead given by the United Kingdom "must command the respect and mutual support of all countries which are on the right side in the vital issue". The draft spoke purposely of a western European democratic system backed by its <u>participants</u>

and said that the importance and value of such a development was fully appreciated. After referring to the role proposed for the Commonwealth and the Americas and to the decentralized character of the Commonwealth, it observed that the countries of the Americas, including Canada, had their own responsibility "for organizing the ethical, spiritual and possibly material forces of their people against Communist doctrines and disturbances and would no doubt wish to co-operate with each other and with others towards that end". The draft suggested that the United Nations might still be used as a centre where all the democratic and freedom loving countries could co-ordinate their energies and policies against "any subversive and destructive doctrines preached by the USSR and its satellites", but expressed appreciation "to the fullest extent" of the plans outlined in Mr. Attlee's message. Mr. King gave an oral rather than written reply based upon this draft to Sir Alexander Clutterbuck for transmission to London. A message along the same lines was sent by the United Kingdom to the United States, where Mr. Marshall was reported as expressing "his warm sympathy and support" for the general policies recently approved by the U.K. Cabinet. As Mr. Bidault, the French Foreign Minister, had already spoken to Mr. Bevin in favour of broadening the Anglo-French alliance to include Belgium, the policy which Mr. Bevin announced in parliament on January 22 of proceeding to consolidate Western Europe matured rapidly. From the beginning the United Kingdom regarded the project of Western unity "as a project for economic and cultural co-operation as well as for defence". As has more than once happened the Russians lent a hand by their methods in acquiring control of Czechoslovakia through the local Communists and by their pressure on Finland for a defence pact. When the Treaty of Brussels was announced on March 17, 1948, it was hailed with approval in both Washington and Ottawa. Mr. Marshall, who was prepared for bold measures, had already hinted at U.S. participation possibly in "the second round" after such a treaty had been negotiated, so that President Truman's cordial endorsation of the new alliance and reference to the determination of the United States to help the signatories help themselves was not unexpected. Welcomed also in London was the statement which the Prime Minister, with Cabinet approval, made in the House of Commons the same day. Mr. King referred to the new treaty as a "partial realization of the idea of collective security ... which may well be followed by other similar steps until there is built up an association of all free states which are willing to accept responsibilities of mutual assistance to prevent aggression and preserve peace". There followed a still more significant statement: "The people of all free countries may be assured that Canada will play her full part in every movement to give substance to the conception of an effective system of collective security by the development of regional pacts under the Charter of the United Nations".

37. These remarks of the Prime Minister were prompted not only by approval of the development of the idea of Western Union, but even

more so by alarming news received from the United Kingdom on March 10 that the Norwegian Government, the least neutrality-minded of the Scandinavian group had reason to expect in the very near future a demand from the Soviet Union for acceptance of a pact similar to the one then being negotiated with Finland. The United Kingdom and United States had been asked what help Norway could receive. The United Kingdom felt that only a bold step could avert the danger and believed that the most effective course was to take "very early steps" to negotiate under Article 51 of the Charter a regional Atlantic pact of mutual assistance "in which all countries threatened by a Russian move on the Atlantic could participate". Such countries might be the United Kingdom, the United States, Canada, Eire, Iceland, Norway, Denmark, France, Portugal and Spain "when it again has a democratic regime". The omission of Belgium and The Netherlands from this list puzzled the United States. Eventually the United Kingdom envisaged the possibility of three overlapping security systems, the first including the Western Union powers and with the backing of the United States, the second the Atlantic group, in which the United States would be even more closely concerned, and a Mediterranean security system of particular interest to Italy. To form an Atlantic group was the most important and urgent project and the United Kingdom suggested that officials from the United States, the United Kingdom and Canada should meet "very secretly" to explore the prospect for an Atlantic system. In his reply to this message Mr. King said he was deeply impressed with the gravity of these developments and agreed that everything possible should be done to avoid the disastrous experiences of pre-war years when peaceful states successively became victims of aggression. He believed that collective measures were essential under the active leadership of the United States and the United Kingdom and was prepared to send a representative to Washington to join in the exploratory talks on the proposed Atlantic system.

38. The United States promptly agreed to the proposals, and one of the senior officials told the United Kingdom ambassador that they would cordially welcome Canadian participation in the talks. Before leaving for Washington Mr. Pearson sent a departmental memorandum commenting on the proposed pact to the Prime Minister. It suggested there was much to be said for including the Benelux countries in the Pact as well as Sweden, and thought, if the exclusion of Italy from the Communist bloc was as important as the exclusion of Norway, a guarantee to Italy was at least as urgent as one to Norway. A pact should be more than " a merely negative anti-Soviet military alliance". It should be the basis for a "positive liberal and democratic counter-offensive". For that reason the pact should make as clear as possible how the people and governments of the Free World intended to make good "their faith in human rights and fundamental freedoms, in the worth and dignity of man and in the principles of parliamentary democracy, personal freedom and political liberty".

39. Before the talks began in Washington on March 22 Mr. Pearson had a lengthy conversation with Mr. Jebb, the chief United Kingdom delegate. What the United Kingdom would like was a direct association by the United States with the Brussels Pact and a separate Atlantic Pact. Mr. Pearson suggested tentatively that if the Three Powers could agree on certain principles these might be submitted to a wider group who might then work them out in detail and sign a pact. He thought it most important to avoid giving any impression in public that Italy was being excluded or ignored, but that the admission of Portugal to the group was hardly consistent with declarations of belief in democracy, etc. such as appeared in the Brussels Pact. On this point Mr. Jebb tersely commented that "the Azores were important". Mr. Pearson also welcomed the participation of France from the beginning, if that could be arranged satisfactorily. It emerged in these talks that no other Commonwealth country had expressed an interest in them or a desire to participate in arrangements.

40. In the three days' talks in Washington the United States, mainly on the ground of the danger of premature disclosures, secured assent to the exclusion of the French from the discussions. On the question of the merits of an extension of the Brussels Treaty versus an Atlantic Pact Mr. Pearson indicated a personal preference for the latter, arguing that although great importance might be attached to the United States accession to the Brussels Pact this would not be true of similar action by Canada "for which, in fact, there is neither more or less reason than for accession by say Brazil or Australia". With this view the Prime Minister and Mr. St. Laurent were in agreement, although they were prepared to recommend accession by Canada, if necessary, to a pact in which the other signatories were the United States, the United Kingdom and France. They believed the essential things were for the United States and the United Kingdom to underwrite the security of the Brussels Pact countries and Scandinavia, and to act speedily so that the Soviet might be sufficiently impressed. Later the Atlantic Pact could become the basis for discussions of a wider union. The first stage of the talks ended with the Americans stressing their determination to make the question domestically one of bi-partisan policy on which Senator Vandenberg in particular would have to be informed. They also favoured proposals for subsequent action to be issued solely in the name of the United States, which would cover up the preliminary three power talks from French gaze and would be valuable, from the Canadian point of view, in emphasizing the non-committal character of the current discussions. Such a policy put Canada in the privileged and unusual position of having an opportunity to influence recommendations before being called upon to discuss them with the wider group. When Mr. King talked over with Mr. Pearson the initial plans, he expressed himself as greatly pleased with them, "from our point they could not be better". He expressed a desire for

references to economic co-operation appearing in both the preamble and draft treaty itself. Another reason for Canadian satisfaction with the progress of discussions was given by Mr. Wrong who thought that the military planning which would follow a North Atlantic Treaty would tend to modify the concentration of United States-Canada planners on defence of North America from outside attack. As he put it: "If the North Atlantic is bridged by a new defensive alliance, the problems of North America defence would become a small part of the larger plan, the purpose of which would be the means of defeating the larger enemy. In such a plan the offensive aspect would be the primary consideration". Mr. Wrong also thought that political difficulties that arise from the role of United States forces on Canadian territory would also be substantially diminished "if such activities could be seen as a fraction of a larger scheme".

41. During April Prime Minister Spaak of Belgium visited Ottawa and in his conversations with Cabinet Ministers and officials showed a wholesome desire to make the Brussels Pact a "going concern" before asking for Canadian and American backing. When it was hinted that there might develop a situation in which the United States would take the initiative in converting the Brussels Pact into a wider security pact, to which Canada might also be a party, Mr. Spaak commented that in such an event "the whole situation would, of course, be changed and the Brussels powers and other western powers would be foolish indeed not to take advantage of such an initiative". Meanwhile the Canadian public could be gradually prepared for the developments that are under way. On March 24, 1948, Mr. St. Laurent told an audience in Kitchener that it might not be only Western Europe "which will be forced into a spiritual, cultural, economic and political union to offset the union of totalitarian states under the aggressive leadership of Russia". It was possible for free nations to form their own union for collective self defence under Article 51 of the Charter and such a trend was not "a confession of despair but rather a message of hope". A month later the Minister spoke at a Rotary Conference in Montreal and referred to the need for a sufficient degree of unity to prevent the free nations from being destroyed or defeated one by one. He suggested that the overwhelming preponderance of force and unity required for that purpose might require "the establishment of international political institutions which will appear to trench much more upon old-fashioned concepts of national sovereignty than any of the international institutions that have been established in the past". In his review of international affairs in the House of Commons on April 29, Mr. St. Laurent quoted the Prime Minister's statement of March 17 and discussed his references to security pacts at the General Assembly Session. He then said that it might happen that "the free states, or some of them, will soon find it necessary to consult together on how best to establish such a collective security league", and that such a league "might grow out of the plans

for Western union" now maturing in Europe. Such a league would be as necessary for the defence of Canada and the United States as for the defence of Western Europe and it was in the national interest of Canada to see that the flood of communist expansion was held back. Mr. St. Laurent was sure that it was the desire of the people of Canada that "Canada should play its full part in creating and maintaining this overwhelming preponderance of moral, economic and military force and the necessary unity for its effective use". Since Canadian foreign policy must now be based upon recognition of the fact that totalitarian communist aggression endangers the freedom and peace of every democratic country including Canada, Mr. St. Laurent maintained that "we should be willing to associate ourselves with the other free states in any appropriate collective security arrangement which may be worked out under Articles 51 or 52 of the Charter." Mr. St. Laurent's comments were quoted appreciatively by Mr. Bevin in despatches to the United Kingdom Ambassador in Washington.

42. In the United States it took longer than had been anticipated to grease the machinery of domestic politics, especially in a presidential election year, before decisive action could take place in the diplomatic sphere. On May 19, 1948, the Senate Committee on Foreign Relations adopted the Vandenberg Resolution (later approved by Senate 64.4) which, for tactical reasons, was henceforth used by the State Department as the basis for its action. This resolution included among objectives which the United States should pursue under the United Nations Charter progressive development of regional and other collective arrangements for individual and collective self-defence, association of the United States by constitutional process with such arrangements "as are based on continuous and effective self-help and mutual aid and as affect our national security", and making clear the determination of the United States "to exercise the right of collective individual self-defence under Article 51 should any armed attack occur affecting its national security". The delays in negotiation worried Ottawa, which began to feel that the United States was relapsing into short-sighted and insufficient policies, and that there was a real danger of a reliance on old fashioned alliance policies dictated by purely military considerations". Mr. Wrong conveyed some of this concern to State Department officials. He pointed out that collaboration by Canada with the United States would be easier under a pact than a unilateral United States declaration. He made his point on United States-Canada defence co-operation, to which reference has already been made, and added: "an Atlantic Pact would go a long way towards curing our split personality in defence matters by bringing the United States, United Kingdom and Canada into regular partnership". This argument seems to have carried some weight. What Mr. Wrong did not say, but was also appreciated in Ottawa, as a departmental memorandum of June 1 shows, was that an Atlantic Treaty "would help to ensure that

Canada was not pushed ahead of the United States in the event of war". A treaty commitment rather than a presidential declaration or a congressional resolution would lessen the danger of history repeating itself. In response to United States soundings Canadian officials expressed their personal view that Canada might be prepared to take part in preliminary political talks with the United States and the Brussels Powers in Washington, and with the same powers on military questions in London. On June 23 an invitation to attend diplomatic talks with the United States and the Brussels Powers was extended by the State Department and the Prime Minister readily gave approval to acceptance. Four days before Mr. St. Laurent had said in the House of Commons that the phrase used by the Ottawa Journal "the crusade by Canada" for the completion of a Western Union or North Atlantic regional pact justly described the attitude the government had adopted. In a departmental press release on July 5 the Washington discussions were described as purely exploratory and on the diplomatic level. They were to be concerned with "Western Security arrangements and United States and Canadian association with them". The omission of any reference to a North Atlantic Pact was due to American insistence with which the government reluctantly concurred. Yet from the beginning in the discussions Mr. Lovett, the Chairman, kept referring to a "North Atlantic system". It was not until July 15 that the invitation for military talks in London was received. The way had already been cleared for Brigadier H. Graham to act as the chief Canadian observer. He was the senior army liaison officer in London but had just been designated as Vice Chief of Staff. It was in the latter capacity, in order to keep the record clear on the duties of liaison officers, that he attended the London talks. He was instructed to take part "in no discussion on major policy and to avoid making commitments on behalf of Canada". It was typical of the close-working relations that Canada had established with both the United Kingdom and the United States that the Washington Embassy was given a copy of the instructions given by the United States Government to its senior representatives attending the talks in London. When Mr. Robertson was in Ottawa in September 1948 and attended a meeting of the Cabinet Defence Committee, he said that the presence of a Canadian observer had proved desirable. In the discussions on the military activities of the Brussels Powers, "It had been necessary to make clear that Canada's relationship to any continuing organization must be on a similar basis to that of the United States and not as part of a Commonwealth Bloc". This necessity had arisen from an attempt on the part of the United Kingdom Chiefs of Staff to act as the link between Western Union and "the machinery for Commonwealth defence".

43. As the discussions proceeded in London and Washington at a leisurely pace the Department became disturbed at the emphasis placed by France, Belgium and to a lesser degree Holland, upon securing immediate American military assistance and their

their apparent lack of awareness of the importance of securing through a Treaty long-term American co-operation. Mr. Pearson felt that the European view that the presence of American troops in Europe meant the United States involvement in a Soviet attack on Western Europe in any event was "profoundly wrong and short-sighted". He was convinced that their main hope lay in a regional pact and that it would be folly not to push ahead with that policy because of eagerness about immediate military assistance. In despatches to Mr. Dupuy, Mr. Doré and General Vanier, this conviction was vigorously expressed. On August 13 General Vanier was asked to do anything he could "... to help convince the French Foreign Office that the national interest of France require the conclusion of the earliest possible date of a North Atlantic pact". It was the Canadian view that an Atlantic pact would progressively lessen the danger of a Soviet occupation of France (an obsession which as Mr. Ritchie wrote from Paris "may blind the French to wide vistas and more remote contingencies") by making it less likely that the Soviet Union would believe the Western powers were bluffing in their opposition. Under such a pact the Western powers could exert a "steady and constructive influence in Washington". It would give France and other countries a larger say in framing political and strategic decisions. The hope was expressed that "... the French will realize that a North Atlantic Treaty, even if it is not as precise as they would like it to be, will create a new living international institution which will have within itself possibilities of growth and of adaptation to changing conditions. The United States Department was shown the letter and thought so highly of it that copies were sent to United States ambassadors in Paris, Brussels and the Hague who were asked to keep in touch with their Canadian colleagues. On August 20, 1948, at an informal meeting at Mr. Lovett's house with the French, Belgian and Netherlands ambassadors, where the talk was of the frankest and most informal character Mr. Pearson made the following points:

1. The extension of the Brussels Pact to include trans-Atlantic countries was impracticable and undesirable.

2. A unilateral guarantee of the Brussels Pact countries would not be given by Canada. Any obligations would have to be on a fully reciprocal basis.

3. What was required then was a North Atlantic security pact on a fully reciprocal basis.

4. Only in the framework of such a long-term collective arrangement could Canada, or any other country, be expected to give maximum support for measures to meet the short-term emergency.

44. By the middle of September there had been sufficient progress in both London and Washington for governments to be asked for their comments on military discussions and the preparation of a draft treaty. At the Cabinet Defence Committee on September 14 a report was given on the London talks where consideration was being given to the formation of a Western Union Chiefs of Staff committee as the directing military group. It was thought desirable for Canada to continue representation if the new committee was established. The United States, which was considering grants of military equipment, was anxious for Canada to be kept in touch with developments. There was already emerging a suggestion that Canada might release stocks of United Kingdom type military equipment to the Western Union countries and replace them by United States equipment. Mr. Robertson supported Canadian representation on the same basis as the United States on the ground that the London talks were a counterpart of the political discussions in Washington. The Committee was not prepared to make a firm decision until the situation had clarified and merely agreed to reconsider the character of Canadian participation when the organization was definitely established. When this did take place and an invitation was formally extended to Canada to take part in meetings of the Chiefs of Staff and also of the Military Supply Board, action was deferred until the certainty of United States participation was assured. Once this was known the Government agreed in December that Canada should also co-operate.

45. On October 4 a memorandum favouring acceptance of a treaty went to Cabinet. It summarized the exploratory conversations in Washington on the proposed North Atlantic Treaty. It pointed out that such a treaty would also serve in creating and maintaining a North Atlantic Community, which would provide "the dynamic counter-attraction to totalitarian communism - a free, prosperous and aggressive society". The submission did not attempt to assess the increases in defence expenditure which might be necessary under a pact but stated that:

> "After the pact has been in operation for some six months or so, and unless the present international tension has sensibly diminished, the Canadian Government may be asked to authorize commitments by Canada, the cost of which would be in excess of current defence expenditures. These costs would be for the purpose of maintaining our own armed forces and our industrial machine in a state of readiness and possibly for assisting in the rearming of the Western European countries".

After enumerating arguments previously advanced for such a pact, the submission recommended that Canada signify her willingness to proceed with the negotiations for a treaty along the general lines of the working paper. Fortified by the press response to

speeches recently made by Mr. St. Laurent and Mr. Pearson on the subject, and by the knowledge that the three chief political parties had indicated approval of such a treaty at National Conventions Cabinet approved the recommendation.

46. Although the Brussels Powers expressed their willingness to proceed with a treaty by the end of October, it was not until a month later that they had agreed among themselves on the possible character of such a treaty. In the interval Canadian officials were examining a series of papers drafted by Mr. Reid, which arose from his earlier studies for that purpose, and were designed for Cabinet, as instructions for Mr. Wrong, and as a commentary for the Washington talks. In general because of the breadth of the proposals they urged, as Mr. Robertson did, the " wisdom of starting modestly and creating specific agencies to do specific jobs as the need for them becomes clear to the partner governments". After much exchange of comment along these lines among Ottawa, Washington, London and Paris, where Mr. Pearson, now a Cabinet Minister was attending the Session of the General Assembly, a memorandum was sent to Cabinet on December 1 for approval which was designed as guidance for Mr. Wrong in the second series of Washington talks.

47. The proposed treaty , of a possible duration of twenty to twenty-five years, should include provision for consultation, co-operation and common action in the economic field and should emphasize in the preamble common values as was done in the Treaty of Brussels. It should be approved by Parliament and the Canadian Government should retain ultimate control of "any measures recommended by the Council (of foreign ministers) which may entail military or economic contributions by Canada". The memorandum favoured the inclusion of the Scandinavian countries, Iceland and Ireland in the treaty. It was amended by Cabinet to allow, if essential, the inclusion of Portugal, since Canada would not wish to oppose that state's membership on purely ideological grounds.

48. The problem of Italy was covered by a proposal that after the new organization had been established special defence arrangements might be concluded with that country. It was suggested that the treaty should not apply to the defence of non self-governing/territories belonging to the signatories unless, as Cabinet suggested, they were specifically included for strategic reasons. With the amendments described Cabinet approved of the set of instructions. On December 10 the meetings began in Washington, and at the outset Mr. Wrong gave a brief review of the Canadian position. Under instructions, Mr. Wrong also distributed privately to the working party a Canadian commentary on the Washington proposals of September, which set forth provisional views to which the Canadian Government was not necessarily committed. What might be called the first reading of a draft treaty was completed in two weeks' time.

The draft was generally satisfactory and on January 5 Cabinet agreed to consider the text in detail after it was further revised in Washington. It also favoured a Parliamentary resolution approving the treaty before signature. Three days later the Prime Minister told Mr. Pearson and Mr. Wrong he was opposed to the area specifically covered by the treaty including French North Africa or any Colonial territory and would prefer Italy's not becoming a full partner. He was prepared, if necessary, to have Canada join in special assurances about Italian security but did not want similar collective action taken for Greece, Turkey or other countries. Mr. St. Laurent thought a firm term of twelve years would be adequate for the treaty's duration and remarked that, obviously, the treaty was now directed towards the Soviet Union. While this situation continued "it would be politically easy to defend Canadian participation". The world situation might however drastically change in a decade. He thought that, if the treaty were for a period of twenty years, the signatories might meet at the end of ten years to decide whether it required revision. A provision of that kind was agreed to by the working group in Washington during the January talks and eventually became part of Article Eleven. It became necessary, however, from French intransigence, upon which Canadian representations through General Vanier had no effect, to include Algeria within the scope of the treaty. It was also necessary to accept the inclusion of Italy, after that state formally requested membership and its strategic importance found some value in the eyes of the American experts. Canadian consent on those points was formally sanctioned on February 9. The active part which Canada had taken in the discussions had led some European diplomats to suggest that the treaty when concluded should be signed in Ottawa, "on this side of the Atlantic but not at the capital of the greatest power of them all" as the Belgian Ambassador put it, and some State department officials to suggest that the original treaty and ratifications might be deposited in Ottawa. It was felt here that the role of Canada should not be overstressed, thus leading to criticism of the Government for "getting too big for its boots" as Mr. Wrong put it. On February 3 the Cabinet agreed that it was preferable to have the treaty signed at Washington or elsewhere rather than at Ottawa.

49. The Department was far from happy about the draft of Article 2 of the treaty which dealt with co-operative efforts to promote the general welfare through collaboration in the cultural, economic and social fields. Canada was the only country which had strongly favoured this article in the discussions. Such a policy has been stressed in Parliament and elsewhere by the Prime Minister and Mr. Pearson as proof of the fact that the proposed treaty was more than a mere military alliance. In a telegram of February 7 the draft article was criticized for its weakness and the comment made that "the Canadian Parliament and the people will

expect the Canadian Government to secure something a good deal stronger". At the first meeting of the Ambassadors with Mr. Acheson, the new Secretary of State, where more serious problems emerged about the "pledge" article of the draft Treaty (Article 5), Mr. Wrong presented the Canadian views and proposed a more strongly worded Article. He reported that they received next to no discussion. He added that a phrase in the draft article "to promote the general welfare" would tend to rouse in senatorial minds "a vision of endless hand-outs to the other parties". Mr. Acheson did not think the article meant anything while Senators Connolly and Vandenberg would prefer its deletion from what to them should be a straight defence agreement. It was also thought that the State Department was inclined to regard the article as redundant for their purposes, since parallel declarations had been given in various ECA agreements, and as an unnecessary complicating factor with Congress. Faced by this situation the Department set to work to mobilize as much support as possible to secure at least a minimum draft. The High Commissioner in London was asked to request United Kingdom assistance "both in terms of strengthening the treaty and in terms of practical considerations". He reported that support would be given for the present article but there was no interest in strengthening it. When Prime Minister St. Laurent visited Washington on February 12, 1949, he told President Truman and Mr. Acheson that it was most important to him that the treaty should be not a military alliance only but should hold out the prospect of close economic and social collaboration between the parties. An article to this effect would be of the greatest value to him politically in securing full acceptance of the treaty by the Canadian people. Mr. St. Laurent's views were sympathetically received and Mr Wrong reported afterwards that there should be no difficulty in securing at least the current draft Article. On February 17 the Canadian Ambassadors in Paris, Brussels and The Hague were briefed on the question and asked to explain why Canada wanted a stronger article, and to request support in Washington for it. When approached all three governments proved well disposed, Mr. Schuman in Paris undertaking to tell his representative in Washington to support the Canadian proposal "to the hilt". The Dutch also strongly supported it at a meeting in Brussels of the Western Union Powers. Five days later Mr. Wrong had a long discussion with State Department officials. He told them that unless an Article on the lines suggested appeared in the Treaty "the Canadian Government would have to review its position towards the whole project". If it did accept the Treaty minus the article, it would have to make it clear publicly that the omission was solely due to the United States. A revised article was drafted, of which the first sentence was prepared by the Americans, and the rest embodied Canadian proposals. The new article read:

> "The parties will contribute toward further development of peaceful and friendly international relations by strengthening their free institutions and promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them. They will make every effort to bring about a better understanding of the principles which form the basis of their common civilization".

The revised article was well received at the Ambassadors' meeting on February 25, where Mr. Acheson remarked that he had been surprised at the success the State Department had had in securing its acceptance by some of the Senate. He also said that the President had been very helpful "in getting the Canadian position across". It would ease the position of his government if the Canadian Government would decide that this draft was adequate. The Government decided that it was. In its final form the order of the clauses in the article underwent some change, but there was no departure from the basic ideas. It has been generally regarded as "the Canadian Article".

50. The struggle over the "Pledge" article, Article 5, which was concurrent with the debates on Article 2, was a far more fundamental one from the standpoint of the Europeans, since it threatened to undermine the precision of the pledges for effective defence which they rightly regarded as the core of the treaty. Mr. Acheson told the Ambassadors on February 9 that he had encountered difficulty with those Senators who had been shown the draft treaty and that Article 5 was "the heart of the Senators' concern". They wished to modify some of the language. On their behalf Mr. Acheson argued that no harm would be done since after all the Treaty depended "on the initiative and determination of the parties and not on verbal embellishments of the fundamental pledge to take action to restore and assure the security of the area". But others thought the words to be dropped were more than embellishments and were confirmed in their uneasiness by careless and unhelpful remarks made in Senate debates. Mr. Wrong said in the initial discussion that the Canadian Government liked the language of Article 5 and did not think the language could be watered down very much. He suggested to Ottawa that Mr. St. Laurent should, in addition to advocating Article 2, also stress the need for a strong pledge in Article 5 when he talked to the President. The Prime Minister is reported to have expressed in his conversation the view that the major value of the Treaty was its role as a deterrent to war but does not appear to have discussed the pledge question in detail. On February 17 Mr. Wrong, who had asked for specific approval of his opposition to weakening the pledge, was told that the Department believed it was better "... to

have no treaty at all than to have a treaty which is so weak and ambiguous as to be meaningless and therefore mischievous". The Department believed the treaty must represent a sufficient concentration of force to prevent aggression and to give reasonable assurance that this force can be quickly and effectively mobilized when required. To water down the undertakings would be "reducing the proposed North Atlantic Treaty almost to the level of a Kellogg-Briand peace pact". It was in the long-run interest of Canada and the United States to bind Western Europe in a close security arrangement, since in ten years' time it might be the industrial centres of North America which felt the first shock of an aggressive attack.

51. Examples were given of equally strong American pledges in other draft treaties which had been made public and the point was repeatedly stressed that whatever was being undertaken should be made clear beyond possibility of a doubt. It was not necessary for the United States Congress to surrender its right to declare war but "the Congress would be under a moral obligation (which Senator Connally had denied) to declare war". It was appreciated that forthright pledges might cause difficulties in securing public support, in Canada as well as the United States. But the Canadian view was "we propose to meet criticism by stating that the national interest demands the conclusion of a treaty which is best calculated to prevent war, and that the best chance of preventing war lies in making it clear to the Soviet Union that war with one of the signatories means war with all". Some of the Canadian arguments proved helpful to the State Department in discussions with Senators. Eventually Mr. Acheson was able to get agreement in Senate to a revised version of Article 5 which involved only minor drafting changes. Mr. Wrong advised acceptance of the changes. He was supported by the Department on February 25. In the Ambassadors' meeting when there was some criticism of the rewording, he stated that the Canadian Government would probably favour a stronger pledge than the one originally contemplated, but understood the difficulties faced by the State Department and felt that the Secretary of State should be congratulated on saving so much from what had almost looked like a hopeless situation. Once the pledge article was cleared the drafting of the rest of the treaty caused less difficulty.

52. These anxious moments over key clauses of the treaty were not the only difficulties the Department faced in January and February 1949. There were exchanges of letters with the Irish Government and interviews with its High Commissioner over the Irish attempt to induce Canada to take the initiative in bringing before the Washington working party the Irish determination not to adhere to a North Atlantic Treaty so long as Ireland was partitioned. Mr. MacBride, the Foreign Minister, maintained in a personal letter to Mr. Pearson on February 7 that partition was clearly an international problem

"just as much as Palestine and Indonesia are international problems", and that Canada would be the one country that could most appropriately take the initiative in this matter because of her close relationship with both Britain and Ireland. The Irish Prime Minister also sent a copy of his reply to the United States on adherence to the North Atlantic Pact. The government had already had in mind an approach to the Irish Government, and had actually prepared an aide-mémoire for use in Dublin on the adherence to the Pact. But it did not believe it appropriate for Canada to raise with the other North Atlantic States the question of partition. The Canadian view was that the dangers to peace and freedom were so serious at the moment that an agreement to stand together in an emergency was of the first importance. Other problems should be left for settlement by a process of negotiation and compromise. Mr. Pearson suggested Ireland would gain by becoming an original member of the North Atlantic Community where it could play "the same sort of creative and valuable role which it is now playing in the OEEC". Participation would help to enhance the sense of unity among the members so that "any barriers of misunderstanding which separate the various North Atlantic countries should disappear and Ireland and the United Kingdom would become closer partners and friends". He thought that in that manner a generally satisfactory solution of the problem of partition could be expedited. Meanwhile, he said the Minister and the people of Ireland could be assured of Canada's understanding of their desire to find a solution on a basis "acceptable to the people of Ireland as a whole". The Irish High Commissioner, who was shown the letter, said that if any Irish Government joined the North Atlantic Treaty before partition was ended there would be civil war in Ireland. Mr. Hearn also commented that he supposed Mr. Pearson realized he "was reading Ireland a lecture on where its own national interest lay". However, when Mr. Johnson delivered the letter to Mr. MacBride he reported that the latter "gave no sign of any disappointment or annoyance with any part of your letter" and said he fully understood Canada's view.

53. Meanwhile other countries were also making overtures in Ottawa. The Italian Ambassador in Ottawa, unaware that Canada had abandoned rigid opposition to Italy's inclusion in the Pact, kept pressing for news of the Canadian position and for a denial of erroneous press reports. When Italy was formally invited to sign the Pact the Canadian Ambassador to Rome was instructed to tell the Foreign Office that Canada heartily associated herself with the invitation. The Swedish Minister explained why Sweden did not wish to abandon her traditional policy of neutrality, and hoped that Canada would do what it could "to ensure that the Scandinavian countries got raw materials essential to their defence even if none of them entered the North Atlantic Treaty". The Danish Minister described his country's doubts

about entering a treaty. The Norwegian Minister asked for Canadian support for membership in the pact and was told that we had always favoured it. On hearing that the French Ambassador in Washington was attempting to link together the questions of Italian and Norwegian membership the Department had General Vanier take up the question with Mr. Schuman on February 26, and obtained his assurances that France would not do so. By interview and letter the Greek Ambassador expressed the view of his government that if a special declaration concerning Italy were issued when the treaty was signed "it is of special importance that such a declaration with regard to Greece be made in the name of Canada as well as in the name of the United States, Great Britain and France". He was told that it would be "inappropriate and misinterpreted" if a smaller country like Canada were to participate in a declaration of this kind. To this rather forced argument was added another that "the declaration signed by all of the participants to the Treaty might be interpreted as being somewhat weaker than the guarantees already given by the United States and the United Kingdom and, as a consequence, such a declaration might have a tendency to weaken those earlier guarantees".

54. In March things moved much faster. Cabinet approved of the draft treaty on March 10, one year less a day since the United Kingdom appeal for discussion of a Pact. The leaders of the three opposition parties were given advance copies of the document. the treaty in its final form, which reflected several of the last minute Canadian suggestions for phraseology, was released on March 18. By press conference and radio efforts were made to continue the process of preparing the Canadian people for the new responsibility which had to date gone so satisfactorily. No attempt was made to claim too much for the new treaty which the Prime Minister himself told the Press was a "second best". At the instance of the Canadian Government, it was associated with the United Kingdom in releasing in advance of publication the draft treaty to the other Commonwealth governments. On March 28 the Prime Minister presented a resolution to the House of Commons which, after a declaration of support of the United Nations, declared that "the conclusion among states of the North Atlantic area of a treaty within the meaning of Article 51 of the Charter is, in present circumstances, of vital importance for the protection of Canada, the preservation of peace, and the development of political, social and economic co-operation among North Atlantic democracies".

55. The resolution then called for approval of Canadian representation at the conference to be held in Washington to complete the treaty. In Mr. Pearson's speech he underlined the government's views on the relation of the United Nations Charter to the new treaty by saying that the government pledged itself "not to take part in any activity under the North Atlantic Treaty which contravenes

the principles and purposes of the United Nations Charter, or which is provocative and aggressive of character". Later he added "Canada's support of this pact, therefore, is not in any sense a change in our policy towards the United Nations and what it stands for". Having in mind possible doubts in some countries, including Commonwealth ones, that the treaty might mean a diminution of Canadian interest in developing co-operation with them the Minister spoke of "strong and responsible members of this democratic community" which were not included in the Treaty and declared: "Our relations with them will be no less cordial, and our willingness to co-operate with them for mutual welfare and security will be no less effective because we have made this North Atlantic Treaty". He insisted that there was nothing in the treaty that should produce "an exclusive or isolationist or superior attitude among members of the group". The debate was over in a single day in the House of Commons, with only two members from Quebec opposing the resolution. A week later Mr. Pearson and Mr. Wrong signed the North Atlantic Treaty on behalf of Canada. When Parliament was asked to approve of ratification the debates were equally brief and convincing in their support. On May 3 Mr. Wrong was able to deposit Canada s Instrument of Ratification with the State Department thus making Canada the first country to complete ratification.

56. Meanwhile the government had reacted vigorously to a note from the Soviet Government which had been sent to all North Atlantic powers that sharply attacked the Treaty and the intent of its authors. The Canadian reply, which was made public, categorically denied "the accuracy and validity of the conclusions" and declared that the Treaty "is not directed against any country which does not plan aggression nor does it contravene in any respect the Charter of the United Nations".

57. When the Foreign Ministers had briefly discussed the possible working of the Treaty they agreed that on the Council provided for in Article Eight the governments should be represented either by their Foreign Ministers or appropriate plenipotentiaries (Mr. Acheson's word). The Defence Committee which was to be set up by the Council would be a civilian body composed of representatives of the Ministers of Defence. It, in turn, would set up suitable committees for strategic planning and related matters. Other details were left over for further discussion by the working party. In United Kingdom circles there was some talk of an inner working group along the lines of a Chiefs of Staff Committee which should be composed of the United States, the United Kingdom, France and Canada. They favoured the NATO Chiefs of Staff being located in London and closely linked with the Western Union machinery. Mr. Reid who, like officers of the recently created Defence Liaison Division, regarded

it as of "very great political importance" that Canada should be a full member of a Chiefs of Staff committee, discovered when in Washington for the signing of the Treaty that some State Department officials were turning over in their minds the idea of a steering committee of the North Atlantic Chiefs of Staffs composed only of the United States, the United Kingdom and France. Such an idea Mr. Pearson had described as "possibly the best course" in a memorandum as early as April 13, 1948. However thinking was still fluid and Mr. Wrong reported that the British, French and Americans all appeared to agree that Canada should be represented on the top military body under the Defence Committee, and that prior agreement on policy should be worked out informally in general terms by the United States, the United Kingdom, France and Canada. He asked for comment on Canadian membership in this "exclusive group". From Paris Mr. Ritchie reported on similar lines. There French authorities were quite prepared to see Canada take part in such a committee located in Washington and regarded by them as to become "the highest planning body considering questions of world strategy". In June 1949, the French Foreign Office told Mr. Ritchie that Canadian membership was in the highest degree desirable, not only from the point of view of Canada's relationship to North Atlantic defence but from the overall political and diplomatic point of view. Canada was "first cousin" to all other of our proposed members of the committee and could perform an invaluable role as an intermediary between them . A second question, which was already being raised in Washington by both Senators and officials, was the possible participation of Canada in providing military equipment or key minerals to the European partners in NATO. However, Mr. Wrong told the State Department that Canada could take no action until the Treaty was in force and consultations had taken place. He thought Senator Pepper, who had inquired about it, should be answered "by pointing to the Canadian record of living up to international obligations and saying that they had no doubt that the Canadian Government would give proper effect to the principle of mutual aid". He also pertinently remarked that since military equipment produced in Canada had a United States dollar content "Canada could not be expected to do very much unless there was United States military procurement in Canada".

58. In Ottawa the inclination in the Department was to go slow and not take a leading part suggesting the form that defence organization should take. As a memorandum to Mr. Pearson pointed out on April 1, "it could indeed prove very embarrassing if we were to insist on any given scheme for our own representation and then find that we seriously disagree with the criteria proposed by other countries for apportioning the burden in men, money and supplies". On the other hand Canada would be in a better position to determine the nature of the Canadian contribution to NATO defence if it was represented on a Chiefs of Staff Committee. It was thought highly desirable

that all the members of the Pact should jointly confer authority upon the Supreme Commanders who would have authority over their forces. The Chiefs of Staff were naturally keenly interested in this aspect of policy, and General Foulkes had drafted in March a personal paper which he submitted to senior American and United Kingdom generals. He advocated regional planning groups and a "strategic reserve group", composed of troops of the United States, the United Kingdom and Canada, which would be controlled by a Chiefs of Staff Committee drawn from the three countries. On May 18 Mr. Heeney, Mr. Robertson and Mr. Wrong met with the Chiefs of Staff and the committee agreed that defence planning could best be done on a regional basis, with co-ordination of such planning vested in a small committee on which the United States, the United Kingdom and possibly France should be represented. They felt that Canada should accept membership on this committee if invited to do so. Unlike the United Kingdom experts they favoured Washington as the headquarters of the military committee, in association with a parallel committee on supply. These views were endorsed by Cabinet, which believed that Canada should have a voice in the planning of any operations in which Canadian troops might be involved. Mr. Wrong conveyed this information to the State Department with the qualification that Canada "was not lobbying for an invitation". At the same time, to avoid embarrassment the senior Canadian army officer who sat in with the Western Union Military Committee was advised to take no part in discussions of the future role of NATO. Early in August it became clear that the United States Chiefs of Staff did not favour Canadian membership on the small committee, lest Italy and The Netherlands should also seek membership on such a committee. It was then decided that Canada should advocate the principle that, in any case where the Steering Group, as it was originally called before the term Standing Group was adopted, planned the use of forces or facilities of any signatory outside the regional grouping of which it was a member, that signatory should have the right to participate as a member in the deliberations of the Steering Group. Such a policy paralleled closely the Canadian attitude at San Francisco on the role of the Security Council. It was also agreed that, because of the probability of Canadian resources being required, Canada should seek membership on any executive committee of the Military Supply Board if one should be established. Canada should also continue her present relationship to Western Union by being represented as an observer at its deliberations, but would be unlikely to favour becoming more closely associated with it, even if the United States should do so. On the wider question of the scope of planning to be carried on by the Standing Group, it was the Canadian view that the general interest would best be served "by avoiding any attempt at this time to define the Committee's role with any greater precision than does the Treaty itself". It was admitted that this tactic only avoided the issue but it would avert an impasse at the outset. It

was hoped that the conflict between the notions of regional and global planning could in practice be reconciled within the organization as experience dictated.

59. On economic questions the Canadian position was initially cautious. When the question of Canadian participation in a Military Assistance Programme was again raised rather forcibly in Washington on July 12, 1949, Mr. Wrong declined to consent to any public statement being made other than that the question had been raised by the United States with Canada. He realized that American officials were anxious to be able to tell Congress that some other country besides the United States was contributing to the re-armament of Western Europe. It was not unreasonable for the State Department to hint that Canada should be in a position to give some very general indication of what sort of policy it was intended to pursue. For that reason he asked Ottawa if it would be possible "to go a little further in general terms". Not much could be said however in view of the difficult financial situation of the United Kingdom and of the sterling area but Washington was assured that Canada would, as in the past, pay for supplies required for her own purposes and would do her best in giving effect to obligations under Article 3 of the Treaty. In the initial meetings of the Working Group the United States tentatively suggested the possibility of an "Economic Advisory Committee on Defence" to consider payments problems especially for arms supplied to European members, and for items in production programmes which required dollar expenditure, and to lay down the financial and economic limits of long term planning. The Canadian view was that it was both "unnecessary and undesirable" to establish any economic machinery at such an early stage since the Military Supply Board should be able to deal with the chief questions at the outset.

60. The possible use of Article 2 upon which so much emphasis had been placed by Canada had been raised earlier by the United Kingdom. Our High Commissioner cabled on May 23, that Canada might be asked for specific suggestions for the establishment of economic machinery to forward its objectives. In reply he was informed that, although the Government attached importance to the provisions of the Article, Cabinet Ministers had not yet considered the question of machinery and in view of the General Election it might be some time "before Ministerial consideration will be feasible". It was anticipated that an Economic Committee might be created to parallel the Defence one. For the time being the High Commissioner should indicate to the Foreign Office that Canada had no specific suggestions to make. This cautious attitude was endorsed by Mr. Wrong, who recalled that, at a very early stage both he and Mr. Pearson had taken the line that "while Canada attached great importance in the Treaty to a pledge of economic collaboration, it was not our purpose to urge the establishment of special North Atlantic economic

agencies". Without such an assurance he believed Canada could not have got American approval for Article 2 in its present form. He agreed that a supply agency concerned with financial and economic problems would have to be set up and recommended concentration upon this and going slow about the role of Article 2.

61. The Working Group had three weeks in which to get as far as possible with organisational questions before the first meeting of the North Atlantic Council was held in Washington. Some of its most difficult problems concerned the nature and powers of the Standing Group of the Military Committee and the composition of the regional planning groups. On the first question the Canadians stuck to their formula which has already been described and eventually succeeded, with minor amendments, in getting approval for it. There were some United States military men who felt that the Canadian proposals gave most members too easy an access to the Standing Group. But Mr. Pearson was definite that "we must stand firm on this no matter what the United States Chiefs of Staff may think". The formula, which was finally agreed to by all, read:

> "... Before the Standing Group makes recommendations to the Military Committee on any plan or course of action involving the use of forces, facilities or resources of a Party not represented on the Standing Group, going beyond or differing from arrangements previously agreed by the Party concerned, the Party shall have the right of participation in the Standing Group in the work of formulating such recommendations".

Towards the end of the discussions when it became apparent that Italy, Belgium, The Netherlands and Portugal were still voicing claims for membership on the Standing Group, the Department instructed Mr. Ignatieff on September 15 to repeat strongly the view of the Canadian Government that in the interests of efficiency and security membership in this body should be restricted to the United States, the United Kingdom and France. The rights of others were protected through the Group being by definition a Sub-Committee of the Military Committee, as Canada had favoured, and by the "participation" formula. If reservations re membership were accepted by the Council, the Canadian Government "would be compelled to give further consideration to the whole question of the establishment, terms of reference and composition of the Standing Group". For his guidance Mr. Ignatieff was told not to press this argument to the point of a reservation but that it would be "quite intolerable" if Italy were admitted to the Group and Canada was not.

62. The question of regional groups was complicated by the anxiety of the European states to get the United States included in each one of them, the jurisdictional squabbles among themselves as to which group in Europe should or should not include certain states, and the Canadian desire to avoid becoming too directly involved in the work of the Western European group. Canada was of course in the North American regional group and was willing to serve in the North Atlantic Ocean Group in which it preferred membership restricted to the United States, United Kingdom, Portugal and Canada. It was also willing to invite Denmark to join in United-States-Canada planning if Greenland were involved. It did not prove possible to limit the size of the North Atlantic group since so many states bordered on that ocean. It was agreed to divide responsibilities on functional lines, and allocate them to those parties best able to perform the respective defence functions. For Western European regional planning the states included were the Western Union Powers, with whom the United States agreed to participate actively in defence planning as appropriate. The draft recommendation then proceeded to list Canada, Denmark, and Italy as states which might also participate in Western European planning as the group thought appropriate. This wording was not liked in Ottawa, where it was felt that the position of Canada was more akin to that of the United States than of Italy or Denmark. The Department and the Chiefs of Staff favoured deletion of Canada from the clause and a separate subparagraph stating that "Canada will participate under the provisions listed above and has expressed a desire to continue her role as observer". This suggestion was made by Mr. Ignatieff at the Working Group. While his proposal was being debated, he received word by telephone that the Cabinet Defence Committee had overruled its advisers and decided to ask for all specific reference to Canada being deleted in the description of planning in the Western European region. Canada would rely instead on the general provisions to permit participation when necessary. When Mr. Ignatieff acted on this instruction the response was virtually unanimous that "the omission of reference to Canada ... would have a most unfortunate psychological effect upon the other members of the North Atlantic Treaty Organization". The Working Group decided to defer action on the question. Privately both the United States and United Kingdom representatives asked for a review of the decision. The Cabinet reconsidered the matter on the morning of the Fourteenth and decided that, subject to further consideration by Mr. Pearson and Mr. Claxton, a reference might be made to Canada in terms identical with those for the United States. After they had approved, and Mr. Ignatieff was authorized to request inclusion of a sentence stating that "The United States and Canada have been requested and have agreed to participate actively in the defence planning as appropriate". His request was accepted with the minor correction that Canada and the United States were to be named in alphabetical order.

63. The question of the duties of a Supply Board also caused some difficulties for Canada. The United Kingdom favoured a co-ordinating body in Washington and regional supply boards in connection with European regional planning groups. The United States wanted this body located in Europe to be more closely in touch with European production, with the provisions that its officials could go to Washington for work with the Defence Committee when that was necessary. Departmental thinking favoured the American proposal on the ground that it would place more responsibility on the European members for meeting their needs, would make easier direct arrangements between Canada and the United States on supply and production matters, and would leave greater initiative for Canada and the United States in meeting European needs. But it was not thought necessary to participate actively in the discussions in Washington and the Working Group's first report to Council straddled the issue. When Mr. Pearson examined the draft report in Washington before the NATO Council met, he felt that the section on economic and financial aspects of defence might be interpreted as a commitment not to establish any new economic machinery under Article 2 of the Treaty. He suggested one or two minor changes to preclude this interpretation which Mr. Ignatieff presented without success. On September 15 he was instructed to press the point on the ground that Canada regarded Article 2 as "integral part of the Treaty", and, while not wishing to press for special machinery in that connection, believed that any machinery dealing with economic or financial questions should operate under terms of reference broad enough to include the general objectives contained in Article 2. Mr. Ignatieff was to ask the Working Group to accept a sentence which read "The Council recognizes the importance of economic and financial factors in contributing to the stability and well-being of the North Atlantic area and for the development and implementation of military plans for its defence". If this proposal was not acceptable, he should make a reservation on behalf of Canada. At the meeting on September 15 the Canadian proposal got some support from Norway and Denmark but from no others. The United States argued that the existing text did not preclude consideration later of broader questions, and its representative said that if any direct reference to Article 2 appeared he might be accused by Congress of having "sold the pass". The United Kingdom preferred the more modest language of the text and said the Foreign Ministers could broaden the scope of the machinery contemplated later if they so desired. Privately they explained that they were uncertain of the effect of new machinery upon such bodies as OEEC and upon the continuing tripartite consultations among the United States, the United Kingdom and Canada that had been provided for in the recent financial talks in Washington upon the dollar crisis. As a result Mr. Ignatieff could do nothing but reserve the Canadian position. Later it was decided

to withdraw a formal reservation, since other footnotes recording differences were being eliminated and simply state that the Minister would describe the Canadian views in the Council. Mr. Pearson did so at the one day session on September 17. He received satisfactory assurances that the recommendations of the Working Group would not preclude in any way the establishment of machinery under other articles of the Treaty. A Council minute stated in effect that the powers of the Council in setting up agencies had not been exhausted and the Council had initially only created those agencies regarded as absolutely necessary for defence.

64. Meanwhile in the second round of discussions by the Working Group Canada had less occasion for vigorous argument. On the question of a Military Production and Supply Board, Canada favoured a small organization to grow as requirements indicated and supported the United States preference for its location in Europe with suitable liaison arrangements with the Military Committee in Washington. It did not think any formal financial organization was necessary at the initial stage. The discussion in the Working Group proceeded along the lines Canada favoured. The new Board was approved at the first meeting of the NATO Defence Committee on October 5 with headquarters in London. London also became the headquarters of the staff of Defence Finance and Economic Committee, approved at the Second Council Meeting in November. Its duty was to make recommendations on financial and economic considerations affecting defence planning within the North Atlantic area. With two such important bodies located in London the burden of duties assigned to Canada House increased considerably. National Defence was also under greater necessity of strengthening its service representation in London and Washington. Reorganization plans were discussed with the Department and approved by the Cabinet Defence Committee on November 23. The Liaison Officers in London became a Joint Staff and more senior officers (in Washington an Air Vice Marshal in London a Major-General) were appointed to head them. In Washington and London these officers would act as the Principal Military Advisers to the head of the Mission and direct planning operations.

65. In October the Department's attention was drawn to the requests made by the United States to France, Italy and Denmark for military facilities. Although the State Department kept the Washington Embassy informed on this development, there was some feeling that the unilateral American action was unfortunate and might establish a precedent that would affect Canada-United States negotiations on such questions as the Newfoundland bases. The Embassy was asked to get as much information as possible on what was happening. Mr. Wrong did not secure much more information in his interview on November 3, but made the point that Canada hoped

the negotiations would not in any way delay agreement with Canada on the question of United States base rights in Newfoundland on which negotiations had been initiated before the North Atlantic Treaty.

66. Mr. Wrong also utilized the occasion of his interview to urge that some action be taken to facilitate procurement of equipment for Canadian forces, on which despite repeated requests no statement of American policy had been secured. He was given a promise of information soon and asked to provide detailed lists of equipment required.

67. On October 1, 1949, in an address at Troy to an American audience, the Prime Minister publicly referred to the principle of integrated defence which had been accepted by the Defence Committee of NATO as the governing factor in defence planning. He then said "without some arrangement for reciprocal defence purchasings with the United States Canada cannot make the most effective contribution to the security of this continent and the North Atlantic area". State Department officials realized the nature of the Canadian problem but could do no more than promise to attempt to secure some reform of the situation.

68. When the new year began it was broadly true that NATO defence planning had just got under way. Canada was still uncertain what the nature and extent of her contribution in the military and economic fields might be and had just begun to explore plans for Mutual Aid. The Department had planned to hold a meeting in November to set up what was to become the Panel on Economic Aspects of Defence Questions but inter-departmental discussions delayed its convening until January 6, 1950. By February it was agreed that the Panel "would not consider questions of financial policy that are fundamentally political such as the defence estimates". Meanwhile Mr. Claxton placed the problem of Mutual Aid before the Cabinet Defence Committee on November 23, pointing out that Canada could not provide many troops for Europe and was handicapped in making available finished military equipment by its large United States dollar content. He suggested as an immediate possibility that Canada could provide training facilities for NATO forces. He was authorized to explore that problem at the next NATO Defence Committee meeting and to make, if necessary, the guarded statement that in the field of Mutual Aid "the procedure should be to determine deficiencies of military equipment and supplies with NATO and thus permit consideration to be given to the problem of meeting the deficiencies in the light of physical and financial capabilities to do so". He was also to point out that any contribution of equipment and supplies by Canada "would inevitably raise the problem of the United States dollar content".

69. In April after returning from a Defence Committee meeting in The Hague, Mr. Claxton reported that there was general uneasiness about the unrealistic Medium Term Plan for Defence which he described as "a conglomeration of plans that had not yet been fully integrated". It resulted in excessive requirements for men and munitions when sent for implementation to the other committees. Mr. Pearson agreed with this analysis and pointed out that if steps were not taken to redress matters it might lead to recriminations against Canada as a supplier country. An officer of the department, who attended the meetings with the Minister of National Defence, wrote on April 5, 1950, in a memorandum that under the Medium Term Plan which was to be completed by July 1, 1954 "There has as yet been no decision as to how those forces should be financed, raised, or allocated as between countries". The Plan was approved "rather as a target considered desirable for security regardless of its financial implications". The latter were of a serious character, pointing to a deficit on military requirements of something like fifteen billion dollars for the NATO countries, at a time when neither the United States nor the United Kingdom were intending to increase their budgets for North Atlantic Defence. Equally discouraging comments were made on the difficulties of standardizing equipment and of security regulations, since the United States, the United Kingdom and Canada were particularly reluctant to give the French and Portuguese highly classified information on research and development. The basic element of confidence, which General Eisenhower was to stress so heavily in 1951, had still to be developed, before, for example, the United States, the United Kingdom and Canada would be more explicit about the forces which they were prepared to commit on the Continent. As Mr. George commented "from the European point of view the present attitude of the United States and United Kingdom military authorities cannot be very encouraging". This lack of confidence caused military planning, in spite of intentions to the contrary, to develop in fairly water-tight regional compartments.

70. The general conclusion which Mr. George reached in his memorandum was that

> "the military machine now set in motion will enable the North Atlantic area to spend its defence dollar to better effect; but it is by no means certain that it will enable a community of more than twice the population and industrial resources to produce armed forces capable of defending itself effectively in the event of a Soviet attack by 1954".

He quoted the private comment of one delegate: "the cost of living everywhere has gone up; the cost of freedom has gone up too". A second realistic comment on developments was written by the Secretary of the Chiefs of Staff in a personal memorandum entitled "What's Wrong With NATO?"

71. In the light of these comments it was ironical that, at the time they were being written, Mr. Pearson and Mr. Acheson received identical telegrams of greeting and solidarity from their NATO confreres in Europe referring to "much valuable work which had been done" and pledging co-operation at the next meeting in London in carrying forward "the work of consolidation which has been so well begun". In his reply Mr. Pearson referred to substantial progress in planning our common defence but, in keeping with the Canadian theme of Article 2, spoke of also carrying forward "to its fullest development the great conception we share of the North Atlantic community as a citadel of Western civilization".

72. Canadian policy in NATO during the second year of its development was chiefly concerned with improving its machinery in deciding how far Canada could and would go in "burden-sharing" under the mutual aid provisions of the Treaty and in accelerating military contributions after the Korean crisis. On the first problem the Canadian contribution was substantial. It had become evident that too many committees reaching what were often unrelated decisions had decentralized responsibility to a dangerous degree. It was also felt in Europe, as Mr. Heeney discovered during his visit in the spring of 1950, that there was not enough political co-ordination. The expedient recommended in May of setting up a standing committee of Deputies to the Foreign Ministers in London, to which Mr. Wilgress had made a most useful contribution, led to some improvement but did not reduce the number of Committees or fully co-ordinate them.

73. At the meeting of the Council in New York in September, Mr. Pearson suggested that, with the early prospect of enlarged responsibilities arising from the events in Korea, there was a real need for streamlining the machinery of NATO. One Council of Ministers would be better than three in which the ministers concerned with Foreign Policy, Defence and Finance belonged to separate committees. After the Council adjourned, Mr. Heeney had a talk with Mr. Spofford, the permanent Chairman of the Council of Deputies, and developed at greater length the Canadian concept of a single Ministerial Council. The latter, who was largely in agreement with what was said, asked if a paper could be produced setting out the Canadian views, before the Defence Committee met in Washington. In Washington it was learned that the French were also exploring the question and that the State Department would welcome some specific proposals from Canada. The Canadian memorandum, which was sent to Mr. Spofford on October 17, ended on the theme "the time has come to concentrate in one Council of Governments the full authority of the organization". It believed this could be done without amending the Treaty by changing the membership of the Council so that any government might be represented by one or more ministers, according to the nature of the agenda. By changing

the character of membership it would remove the necessity for the three separate committees of ministers, which did not "correspond accurately to any precise division of responsibilities in the governments of member countries". The Council of Deputies would remain and would also be regarded as representing governments, which would enhance its importance and prestige. The Standing Group would become directly responsible to the Council, or to the Deputies when the former was not in session, virtually as a combined Chiefs of Staff Committee. The Military Committee might be reorganized as "a continuing advisory or consultative body of the Standing Group". No precise conclusions were advanced on the type of machinery in the field of production and finance, but it was suggested that the Deputies might serve as co-ordinators and thus preclude the setting up of new executive agencies. The Deputies should also supervise the working staffs of the Military Production and Supply Board and the Defence Financial and Economic Committee which, under the plan, would become redundant. The memorandum was warmly received by Mr. Spofford, who suggested that it might be shown to representatives from other countries during the Defence Committee meetings. Accordingly copies were distributed in Washington on November 2. Later it was also released to the Deputies in London, on the recommendation of Mr. Wilgress, and, at the request of several Deputies for study before the Brussels meetings of the Council and the Defence Committee in December.

74. By the time these meetings were held the rapid march of events had caught up with some of the recommendations of the memorandum and made necessary some revision. Recommendation for a Defence Production Board to replace the existing Military and Production Supply Board was included and the Board actually began work in December. The revised memorandum was received in Brussels with approval, but the urgency of the decisions resulting in the appointment of General Eisenhower, as Supreme Commander of the Atlantic Powers in Europe, which was formally proposed by Mr. Claxton, and the controversy over an integrated army for the defence of Western Europe, in which German troops should be included, caused its return to the Deputies for further consideration and report. The Deputies decided that a new Financial and Economic Board, which was to supersede a number of economic agencies in London, be established in Paris. With this addition they received approval from the various governments of reorganization along the lines envisaged by Canada. On May 4, 1951, Mr. Spofford held a press conference in London to announce the changes. As a gesture to Canada Mr. Wilgress was asked to be present at the conference.

75. Early in 1950 opinion in Ottawa was still divided on what Canada could contribute as Mutual Aid, beyond the offer of training

facilities in Canada for NATO forces. Both Mr. Wrong and Mr. Wilgress believed that Canada should make an early declaration of intent stating for a one or two year period how much Canada was prepared to allocate and then meeting proven deficiencies of NATO states from a fund set aside for that purpose. They argued that such an announcement of policy would be more effective politically than the allocation of varying amounts over a period of time. On the other hand Mr. Pierce had previously recommended to Mr. Howe that it would be better not to draw up a complete program of Mutual Aid, but to proceed on an ad hoc basis making specific proposals to the government as definite requests came from partner governments. As Cabinet seemed to favour the ad hoc approach no immediate action was taken and this Micawberish policy continued until Korea. Meanwhile Mr. Wilgress had asked what the Canadian view was on a study of the comparative defence efforts of the various NATO countries which was being considered by the working staff on the Financial and Economic Committee in London. The Panel on Economic Aspects of Defence Questions, largely under the influence of its members from the Department of Finance, opposed such a study as liable to be unfair and unrealistic but agreed to help to provide information if the study was undertaken. Mr. Wilgress was asked to urge that more practical studies be pursued on such questions as the exchange of military surpluses, in which it was realized that Canada could be of possible assistance. At that time the government and the Panel were more directly concerned with the long standing problem of facilitating military procurement in the United States on a reasonable basis. The very fact that Canada was not receiving military aid under Congressional legislation, as most NATO countries were, paradoxically made it difficult to work out suitable arrangements for purchasing United States military equipment and components for Canadian production which would not place too great a strain on Canada's store of United States dollars. In these tedious negotiations the Washington Embassy played a useful role. Before the Korean crisis broke there were some indications abroad that Canada was not considered as spending sufficient on defence to correspond with the role which she was playing in politics. The figure of 2% of the national income was quoted in support of that argument in English and American papers and was cited in a Swedish paper. To combat such unfavourable publicity in Sweden Mr. Stone was told in July, 1950, that the 2% figure was based on 1948 statistics and that the proportion had risen to 3% in 1949 and 3.2% estimated in 1950. It was also pointed out that, on a per capita basis, only the United States and the United Kingdom exceeded Canada, that the defence expenditures were 50% higher in 1949-50 than the preceding year, and seventeen times higher than the "normal pre-war defence budget".

76. At the London meeting of the Council in May a recommendation was adopted which asked each country to "make its full contribution through mutual assistance in all practicable forms". After the meeting Mr. Gill cabled from London to recommend that consideration be given to the possibility of contributing at an early date military equipment to NATO states. Such a contribution would be especially welcome to The Netherlands where a small amount of equipment might keep mobilized a division being repatriated from Indonesia. It would also accord with the recent stress at the Council meeting on the urgency of having in Western Europe sufficient forces to meet an initial attack. Mr. Gill believed this offer should be made, in whole, or in part, as quickly as possible, and as generously as possible, since it would inevitably be compared with United States military aid. The question was placed on the agenda of the Panel and during the discussions at meetings on June 6 and 7 Mr. Wrong commented that we had so far escaped much serious criticism because of our wartime and immediate post-war record in providing economic assistance. He then added:

> "It was becoming increasingly difficult to explain our present inaction, especially when our public statements on financial and trade matters were so optimistic in tone...and it would not be long before we would find that our partners, and particularly the United States, would be asking us why we had dropped out".

For political reasons he believed we should show our hand soon and say what we intended to do to help our Atlantic partners in one way or another. National Defence spokesmen thought some army equipment might be spared, especially if it could be replaced shortly after mobilization, and that the transfer of it might be linked up with an effort to persuade the United States to help Canada replace with United States-style equipment any stocks made available. The Panel decided that enquiries should be made in Washington on this possible gift as contributing to the overall plan for "balanced collective forces" which had been approved in London. It was also decided that, if equipment was available, the gift should be tabled with NATO and not arranged simply by a bilateral arrangement with The Netherlands or any other country. Accordingly the Washington Embassy made preliminary enquiries and forwarded the suggestion that compilation of a concrete list of possible transfers to The Netherlands would facilitate American co-operation. A special committee of the Panel was set up to accelerate action and to study alternative methods of extending military aid. On July 19, 1950, it was first brought to the attention of the Cabinet Defence Committee. It was realized that the outbreak of fighting in Korea would make it easier for the United States administration to secure funds for defence, and would intensify support of the building-up of

strength in the North Atlantic area, which Mr. Averell Harriman was reported to regard as his most important task in his new duties as assistant to President Truman. At the same time the pressure of the fighting in Korea might, at least initially, reduce the amount of United States equipment that could be sent to Europe and thus make more important the Canadian contribution. A hint of this "temporary diminution to non-Asiatic countries" was offered in a memorandum submitted by the United States Ambassador in Canada on June 29, which also implied that it might be possible for the United States to make more military purchases in Canada as had long been desired. On July 24 the State Department began talks with the Embassy in Washington and Mr. Ignatieff reported the United States officers had reached the conclusion that the Canadian Government "was underestimating the present crisis and the importance of the contribution Canada could make to the common security". What seemed to be emerging was a return to the policy of the Hyde Park Agreement policy of 1941, which had very largely integrated the industrial production of the two countries and led to large orders for munitions being placed in Canada. But stepping up purchases in Canada and facilitating the procurement of equipment in the United States was likely to be tied in with the promise of greater defence activity by Canada. A departmental memorandum of July 26 remarked that "there is little doubt that the negotiations which seem in prospect with the United States for a revival of the Hyde Park Agreement would be greatly simplified by a Canadian declaration that we intend to spend up to, say, $75,000,000, or $100,000,000, on mutual aid in the next year or two; and it would also be timely in allaying strong criticism of Canada, at home and abroad, over the extent of our participation in the Korean crisis". On the same day the United States Ambassador left with the Department an aide-memoire which, after referring to the recent request of President Truman in Congress for an additional $10 billion for defence, higher taxes and a system of domestic controls, stated that in the view of the United States Government "the world situation required action by other North Atlantic Treaty countries reflecting a similar sense of urgency". The note said that the Government hoped to have by August 5 "... the firmest possible statement from European countries, especially the United Kingdom and France, of the nature and extent of the increased effort". A hint in which Canada was especially concerned came in the observation that countries should plan maximum production not only for themselves but "for distribution to other countries in accordance with the programme for concentrating production in the most efficient locations". In so doing normal financial criteria might have to be disregarded, but the hope was held out "that further United States assistance will enable the development of a satisfactory arrangement for inter-country transfers". The note ended with the blunt statement "The extreme importance of immediate action by each North Atlantic Treaty cannot be over-emphasized".

77. At the time the aide-mémoire was received Canada had increased the defence budget of $425 million by an additional $50 million for accelerating existing programmes, an achievement which seemed to engender more satisfaction than the amount justified. Mr. Pearson had suggested when approval was given to this increase that "it would be wise to make an announcement as soon as possible indicating any increase in defence activity that might be approved". He forwarded to Cabinet on August 5 a memorandum summarizing the decisions of the Council of Deputies of NATO, which had just concluded its first session. It had asked each Deputy to consult with his government to ascertain what steps were being taken "to fulfill obligations in regard to development of individual and collective capacity to resist attack". There had been some discussion of a "common fund" to finance production and inter-change of military materials among European members. Canadian economic experts were opposed to such a proposal or to a parallel plan for a "Central Fund for Multilateral Armaments Exchanges". A note was sent to Mr. Wilgress as a basis for his comments when such proposals were again discussed. He was to make it clear that Canada could not participate in either project and to state that "the Canadian Government proposed to provide equipment, supplies and services, either from new production or reserves, directly to the recipients without financial transfers being involved". This was regarded as the most effective and expeditious procedure and reflected the experience gained in the administration of Mutual Aid during the war.

78. On August 8, 1950, a meeting was held in Ottawa of the United States-Canada Joint Industrial Mobilization Planning Committee that had been established in April, 1949. The Committee adopted, with minor changes, the "Statement of Principles" that had been previously discussed in Washington. These principles were designed "to the end that the economic efforts of the two countries be co-ordinated for the common defence and that the production and resources of both countries be used for the best combined results". The Chairman of the United States Munitions Board, who was present, presented to the meeting details of defence purchases that might be made in Canada to the extent of some $25 million.

79. When this encouraging news was presented to the Panel on the following day it strengthened the position of Mr. Wilgress who was present and reported on the recent meeting of the Deputies. He warned that he would be called upon to give further details to the Council on Canada's position and observed that if Canadian defence expenditures were to be the same percentage of its national income as those of the United States they would be of the order of $1.6 billion a year. It might not be always a fair basis of comparison for Canada, but "the tendency to use it was increasing all the time". As before he argued the case for contributing a limited sum for equipment to be used in NATO defence. To make the

offer promptly would have a good psychological effect in Europe and might actually prove to be cheaper for Canada, than to be called upon to provide a number of individual contributions for equipment as the Military Production and Supply Board make known requirements. Mr. Wilgress thought it was important to begin defence production immediately, and believed it would be possible to recover from the United States the United States dollar content of equipment produced and given to European countries. A final argument which Mr. Wilgress advanced was that the pressure which might come from European countries, particularly France, for Canada to send garrison troops to Europe might be forestalled by prompt despatch of equipment. No immediate decision was taken but a week later a memorandum went to Cabinet outlining what the Canadian deputy might say at a NATO council meeting on the subject of the production of military equipment. It recommended that Parliament be asked for an appropriation of $300 million for the specific purpose of financing the provision of additional military equipment for the needs of the armed forces of Canada and other NATO countries and for other aspects of Mutual Aid, such as the providing of training facilities. Part of the appropriation should also be used for expanding existing production lines of certain types of high priority equipment which was in short supply. Another part would be used for providing free of charge at seaboard equipment for one division, less mechanical transport. As satisfactory arrangements for replacement could be made the weapons for a second division and for corps troops could be progressively made available. On the production of still more military equipment besides that mentioned action would depend upon information received from the Military Production and Supply Board. As production was approaching completion of new equipment the government would seek advice on what share should be allocated to other NATO countries "on the basis that the Canadian Government would bear the cost of the Canadian content entering into the end product and the other North Atlantic governments would bear the cost of the content contributed by their countries to the production of the end product". This draft statement was approved by Cabinet and Mr. Wilgress so informed the Deputies on August 23. At the special session of Parliament in September approval was secured in the Defence Appropriations Act for the $300 million Mutual Aid proposed and for an additional $142 million on defence expenditures. It was possible to inform the United States in a reply to its aide-mémoire of July that the Canadian defence appropriation for 1950-51 had risen to $987 million, if $120 million of related expenditures frequently listed in the defence budgets of other NATO countries were included. In the same note the United States was reminded that "the reactivation of Canada's vast productive capacity is dependent upon orders from the United States and other NATO partners since the industrial potential is in excess of Canada's requirements".

80. The way was now clear for the agreements, approved by the Standing Group and Deputies, for the transfer of Canadian equipment for one division each of Dutch, Belgian and Italian forces and for heavy guns to Luxembourg.

81. This policy of transferring United Kingdom type equipment to NATO forces and its replacement as quickly as possible by equipment of United States character had two important consequences. As Mr. Claxton informed the Cabinet Defence Committee on October 4 "this programme involves the complete replacement of the army's present holdings of armament, ancillary stores and ammunition by United States types". This type of integration, which proceeded more slowly than was originally expected, because of heavy demands upon United States production, brought Canada further into the orbit of American policy. It posed new questions about the grouping of Canadian forces in another war. It also affected the nature of Mutual Aid, since under its auspices Canada carried out what was primarily a programme of conversion of its own army equipment. By April, 1951, it was found that, of the Mutual Aid total of almost $362 million to the end of the fiscal year 1951-52, almost $273 million had been fully earmarked or committed for expenditure on transfers of equipment and replacement. Only $33 million had been committed for aid to NATO countries through new production. It is true that as a part of Mutual Aid the costs of NATO aircrew training in Canada, for which the government undertook early in 1951 increased responsibilities, would reach almost $56 million. But the fact remained, as Mr. Pearson, who was fortified by a despatch on April 7 from Mr. Wilgress in London on this subject, pointed out in Cabinet Defence Committee that "Canadian representatives in NATO would be in some difficulties in view of the fact that, while there had been some statements that Canada would serve as an arsenal of democracy only 9% of the aid programme was being devoted to aid from production".

82. At the September, 1950 meeting of the Council in New York the governments had agreed in principle to the establishment of a North Atlantic integrated force for the defence of Western Europe under a Supreme Commander. They had not been able to agree upon the manner in which German forces should be included in it. The concept of the new force, which could only come into being gradually, was described in the departmental memorandum on the subject for the Prime Minister as "the biggest step forward towards the effective defence of the West since the signing of the North Atlantic Treaty". It meant that the Standing Group would in effect become a Combined Chiefs of Staff, especially so far as Western Europe was concerned. Consequently, Mr. Pearson and other Ministers, whose countries were not represented on the Standing Group, urged that it was more important than ever that the non-members be brought in closer touch with it. In its plan for an integrated force the Council recommended that the governments concerned

"should make firm commitments at the earliest possible date as to the forces to be placed under the control of the Supreme Commander in peacetime, including the date upon which they will be placed under this control, and as to the additional forces which will be initially placed under his command in the event of war".

83. Recommendations on the forces required were to be considered by the Defence Committee at a meeting in October. During the discussion of the integrated force the United States chairman and others expressed the hope that all members would contribute to it. Canada, in company with Portugal, Norway and Denmark reserved its position stating that this was a question which would have to be decided by Parliament after a specific recommendation had come from the Council. In taking this action, which was especially affected by Canada's system of voluntary enlistment, Mr. Pearson referred to the Prime Minister's pledge to the Canadian people that forces would not be sent to Europe or elsewhere without Parliamentary sanction. The Canadian position was carefully examined before the Defence Committee meeting. At the initial discussion of the problem in Cabinet Defence Committee on October 4, the Minister of National Defence pointed out that the new organization would greatly change the nature of planning. Whereas previously governments had only been committed when the time came to implement plans (Canada had never formally approved the Medium Term Defence Plan), in future, when plans showing requirements were transmitted to the countries concerned, they would be considered "as a moral commitment". He had instructed the Chiefs of Staff that "Canadian planners should not indicate to NATO plans for meeting requirements or deficiencies without the approval of the Chiefs of Staff and such approval was only to be given in terms of plans already approved by the Government". At the next meeting of the Committee he further pointed out that Canada's position was unique, in that it would be the only country not looking to the United States for assistance. Others might make commitments of forces in the expectation of receiving at least some American financial or economic aid in equipping them, but Canada would be in the position of discharging entirely from Canadian resources any responsibilities that were assumed. Mr. Claxton described what had previously been regarded as Canada's role in the defence of the North Atlantic and North America and pointed out that the cost of these obligations was already considerably more than had been originally anticipated. If still further commitments were assumed, the cost would be very much greater. In such circumstances, unless the government would be willing to assume these costs, it would be necessary to indicate that Canada could not go beyond the defence programmes that had already been worked out by the government for the next three years. (The sum required for these was estimated at about $3 billion). Later the government might consider what could be done to meet the figures shown in the NATO Plan for July 1, 1954, which was assumed as D. Day. In the discussion that

followed, which endorsed Mr. Claxton's proposals, the Prime Minister said that Canada would have to do her part in making the Europeans realize that the plan was a genuine one, but must be given some clear indication of the way in which it could best contribute. He was prepared to support the use of the Canadian Special Force (to which reference is being made in the chapter on the United Nations), either for Korea or as part of the integrated European army, with the approval of Parliament being secured in the latter case. There was general agreement in the Committee that Western Germans should be included in the Integrated Force "in as rapid and effective a manner as was consistent with unanimity among the members of the North Atlantic Treaty Organization". On this question the French Minister of National Defence, Mr. Moch, subsequently attended a Cabinet Defence Committee to explain why France was so dubious of the United States proposal for German forces, and to advocate the French proposal for a European army of which 20% would be German troops but in smaller units than a division. He suggested that "Canada was perhaps in a better position than any other country to understand the various and frequently conflicting points of view of the NATO countries, and could be of very great assistance in helping to reach a satisfactory solution to this very difficult problem". Mr. St. Laurent expressed the Committee's sympathy for the real difficulties that France faced, but indicated some doubt as to the feasibility of securing speedy action on the French plan. He believed "it was essential for all NATO countries to resolve their difficulties at the earliest possible moment, since it was all too clear that if those difficulties were not overcome we would, in fact, be playing the enemy's game".

84. At the Defence Committee meeting in October the Canadian representatives reserved, as instructed, the government's position on the force commitments which were contained in the revised Medium Term Defence Plan. The tabulations which had been put down for Canada, especially in the Air Force (11 squadrons and 203 aircraft) were described by Mr. Claxton as "well beyond Canadian capacity as presently organized for defence purposes". They had been made without prior consultation with Canadian authorities. The Defence Committee also approved a paper recommending that all NATO members accept a minimum of 18 months' compulsory military service. Canada secured the inclusion of a clause stating that an "adequate organized volunteer reserve" should be considered an acceptable substitute if it produced the forces required to meet NATO commitments. What made the Canadian position particularly irritating was that other countries were naturally not unwilling to accept high target figures for forces as a means of increasing their pressure upon the United States. It was Mr. Claxton's impression that the special position in which Canada found herself was neither adequately understood nor appreciated. As a result the Cabinet Defence Committee decided that informal conversations should be

held between General Foulkes and General Bradley to point out that "Canada wanted military plans which she could fulfill". Later the Standing Group could be given an official statement of Canadian views.

85. The seriousness of the situation in Korea at the close of 1950 and the increased danger of general war only intensified the desire of the NATO Council to speed up completion of plans. At its Brussels meeting the Council asked the governments to give "urgent consideration" to means of rapidly effecting completion of their contributions to the Integrated Force, and to indicate as well what additional contributions they could make. The date set for replies was January 10. The government, after considering a joint memorandum on the international situation by Mr. Pearson and Mr. Claxton which recommended an increased defence effort at a considerably accelerated speed, decided that Canada should agree to contribute a brigade group to General Eisenhower's command (the General subsequently met with the Cabinet Defence Committee on January 26), and should make available for the Integrated Force the RCAF fighter squadron, which was to undergo operational training in the United Kingdom "with an indication that further squadrons would follow, the number to be dependent on a decision regarding North American regional requirements". Eventually it agreed to meet the Air Force target of 11 squadrons by July, 1954. Pressure continued on the government to expand still more its contribution to the Integrated Force, particularly in the air, in which planners at General Eisenhower's headquarters, SHAPE, began to take some part. Departmental doubts of this new source of pressure were expressed in a telegram to Mr. Wilgress on March 17, 1951, and Mr. Pearson drew attention to it at the Cabinet Defence Committee. He said "it would not be desirable for the Canadian Military Representative to SHAPE to be summoned before General Eisenhower to justify Canada's method of meeting its force requirements. Canada has accepted obligations which it should discharge in its own way." His view was shared by the Committee. It agreed that information should be supplied in connection with a study under way of whether national measures would produce the forces required for defence plans but on the stipulation that "provision of the information would not imply any understanding that the Canadian Government would be prepared to modify its policies". Yet modification was actually taking place, as was shown in the size of the defence estimates which were raised to $1,650 billion for the fiscal year 1951-52 as part of an estimated $5 billion over three years. This increase caused the Defence appropriation to reach an estimated 11% of the net national income for 1951.

86. As the burdens of defence increased and the costs arose through inflationary pressures for all the NATO powers the concept of "burden-sharing" which, put in simplest form meant

"share the wealth" to raise and equip the necessary forces began to come more and more under consideration. Both the United Kingdom and the United States, for somewhat different reasons, urged at a meeting in London that careful studies be made of what the latter called methods "for arriving at an equitable distribution of economic burdens in carrying out the Medium Term Defence Plan". In Ottawa it was the view of the Department of Finance in particular that decisions in this field were "basically political". The nature of any statistical investigations undertaken for this purpose by the Working Group on Production and Finance should be very carefully scrutinized. When the United Kingdom presented a paper in November, 1950, outlining its views which contained a "philosophical memorandum" on burden-sharing and some suggestions on devices for enabling an "under-mobilized" country to compensate an "over-mobilized" country, the reaction in Ottawa was forcibly disapproving. It regarded an attempt to get agreement on ultimate philosophies as liable to produce little but disharmony and disunity. It was felt that the United Kingdom "should not divert our eyes to the distant scene; one step at a time along the path of burden-sharing will be enough". The limits to burden-sharing were political, not economic, and consequently "economic and statistical analysis, if pressed beyond a certain modest limit, will be not only waste of time but seriously misleading". The most that could usefully be done was to accept that part of the United States proposals which suggested an analysis be made by a Committee in Paris of the initial impact of the military programme upon each country's allocation of resources, budgetary position, balance of payments, etc., and should assess the adequacy of measures being taken or proposed to be taken by that country to deal with these impacts. These views were put forward in London but secured no support for their stress upon limitation of statistical inquiries. The other countries had become used to that type of analysis from their experience with the Marshall Plan and did not see why such studies would not facilitate future negotiations without prejudicing them. When informed of their attitude, the Minister of Finance was opposed to making any further concession to the point of view of the other countries since the decisions to be made were largely political and the extended economic analysis suggested was "nonsense". The question was referred to Cabinet. In the meantime Mr. Wilgress asked, on November 11, to secure if possible the deletion of the word "multilateral" from a United Kingdom recommendation which said that "the burden of defence effort required to achieve this common aim should be distributed equitably among the North Atlantic Treaty countries on a basis to be agreed multilaterally by them". If this deletion could not be secured, he was to place on the minutes the statement that "the Canadian Government interprets the word 'multilaterally' to mean that as far as possible there should be general agreement on the basis of burden-sharing. It does not interpret

this word to mean that it will necessarily accept in advance any particular formula or report relating to this matter". The Department prepared a draft memorandum for the Panel on burden-sharing in NATO which pointed out some of the difficulties involved:

> "If we go in for the full-fledged exercise in burden-sharing we are exposing ourselves to two dangers; we may be pushed around by the United States as if we were receiving United States aid and, at the same time, we may be expected by other countries to put in our Canadian two-cents' worth just as slight premium on top of the American dollar".

It pointed out, on the other hand, that if Canada did not participate in this inquiry, it might appear to be flouting the principles of "pooling resources", to which it had to some extent subscribed in the past. Canada's motives might also be misunderstood and Canada suspected "of willingness to play the game only as long as it did not cost too much, of unwillingness to allow our partners even to look at the rich resources that we might be devoting to the common cause". On these grounds the Department favoured full participation in discussions, a policy which both Mr. Wrong and Mr. Wilgress supported. Before Cabinet met Mr. Pearson sent the Prime Minister a copy of the departmental memorandum prepared for him. He believed that, after having put forward our views in London and found ourselves in the minority, it would be "a very great mistake" not to participate in the subsequent discussions. At the Cabinet meeting on November 22 the Department's recommendation was accepted with the understanding that the Canadian representatives who took part in the inquiry should "... make it clear that Canada was joining in the study on the understanding that the findings of the experts were not binding in any way upon the participating governments or upon the Committee of Deputies". Mr. Wilgress was informed of the decision in a personal cable from Mr. Pearson who said that "... we must now do our best to make sure that the difficulties and dangers which we have always anticipated are reduced to a minimum". When Mr. Wrong explained the reasons for the "reluctant decision" to American officials he found considerable sympathy for the Canadian position and agreement that "it would not be possible for the experts to develop a formula which could be used to indicate what a country's contribution to the common defence effort should be". Accordingly, the burden-sharing studies proceeded as planned with the limitation that the experts could not make a recommendation on the nature and amounts of aid from one country to another. This provision was in accord with Canadian policy. Yet the problem of burden-sharing remains, in one form or another. It is faced, on occasion, in piecemeal fashion through the consideration of what share Canada should assume of the administrative costs of SHAPE. Canada agreed to contribute

about 8% of the total, with the stipulation that such a grant was not to constitute a precedent. It arises as well in discussions on sharing the capital cost of "infrastructure" an ugly word for the costs of fixed defence facilities developed in a NATO country for the general use of Integrated Forces. Cabinet Defence Committee decided on April 17 that the maximum Canadian commitment for those infrastructure items in which we agreed to share the cost should not be estimated on a basis greater than that of relative capacity to pay. On this basis in terms of national income the Canadian contribution would be about 4% of the total.

87. The concentration upon security, with its parallel emphasis upon strategic considerations, which has characterized the second year of the North Atlantic Pact, has revived a problem of membership of major importance. In August, 1950, Turkey applied for membership in NATO. The argument was advanced by states like Italy that the admission of both Turkey and Greece would contribute to Western security through those states assuming specific obligations under the treaty and sharing in the planned defence of the Eastern Mediterranean. But the majority of the countries, including Canada, believed that such a policy would be inadvisable as expanding security risks, creating new strategic problems which were not directly related to Western Europe, and undermining the concept of the Atlantic Community which had already been dangerously stretched by the admission of Italy. The solution of associate membership, with Greece and Turkey co-operating in "appropriate phases of military planning" was a compromise one about which no one was enthusiastic. When the United States became converted, for strategic reasons, to the belief that full membership for Greece and Turkey was advisable, the problem re-appeared. To date the Government has been anxious to avoid a hasty decision, hoping that the military considerations which prompted the change of policy may assume less urgency or take a different form. It has also well-grounded doubts that the entry of the two states into NATO will still further complicate the problems of finance and burden-sharing. Canada still regards the Treaty as Mr. Pearson told the Deputies on June 25 "... as the expression of the reality of the North Atlantic community" and believes that "there is no reason why we should lose sight of the farther horizon - the ultimate creation in the Atlantic area of a great community of free nations". Accordingly it hopes that adequate and alternative means may be found to meet the needs of Greece and Turkey, and that these should be examined before decisive action is taken in the Council upon the question. But Canada is in the dilemma of a small state which is not prepared to assume direct commitments in that region and cannot, therefore, very well urge large ones, such as the United States, to take such a step. It is also uneasily aware that the admission of Greece and Turkey will correspondingly strengthen the demand of Portugal that Spain be granted the same recognition.*

---

* This question is further discussed in the chapter on Canadian policy in Europe.

88. In spite of the increasing preoccupation of Canada and, to a much greater extent, the United States with questions of global or NATO strategy, negotiations continued on the continental aspects of their joint defence policies. From the standpoint of Canadian sovereignty the most important problem was the renegotiation of United States rights in the four leased bases in Newfoundland. The position had been described to Secretary of Defence Forrestal when he visited Ottawa in August, 1948. Three months later Mr. Wrong was instructed to begin discussions with the State Department. Mr. Wrong did so on November 19. He presented a formal note stating that the prospective change in the status of Newfoundland of becoming a Canadian province justified some modification of the 1941 agreement in order to bring it more closely in accord with the principles governing the existing joint defence arrangements between Canada and the United States. The note referred in particular to the extent of the extra-territorial jurisdiction exercised by the United States authorities over non-military activities in the leased areas. Such jurisdiction might lead to complications when Newfoundland entered Confederation that would at best prove embarrassing and at worst "might prejudice essential collaboration in other aspects of North American defence". In an oral reply Mr. Hickerson implied that a surrender of what were undoubted United States legal rights would be difficult to justify to the Services, Congress and the public without some tangible advantage being secured by so doing. There were suggestions that a new agreement with some modifications might be negotiated, but it was suspected in Ottawa that it would be linked with some definite quid pro quo such as the right to install additional facilities at Goose Bay. When Prime Minister St. Laurent visited President Truman in February, 1949, he took with him a departmental memorandum, prepared in consultation with National Defence, as a background for remarks to the President. One of the arguments which, it was hoped, would influence the United States to relinquish unilaterally its existing extra-territorial rights was the fact that enabling legislation might be necessary before Canada could assume the obligations of the Bases Agreement which would bring consequently the whole matter before Parliament. In the Washington discussions President Truman expressed himself as desiring to secure a mutually agreeable solution and suggested that Canada submit a detailed statement of what was desired. This was done jointly by Mr. Pearson and Mr. Claxton on March 19 when they discussed the question with the United States Ambassador to Canada. The United States was asked to relinquish certain rights to civil and criminal jurisdiction in the base areas, the right to maintain United States postal facilities there, and certain customs and taxation exemptions. It was pointed out that none of these rights was essential to the military operation of the bases. Two months later when discussing a civil aviation agreement the United

States suggested a revision of the Bases Agreement so as to enlarge their use by commercial aircraft. This gave the Canadian Government an opportunity in expressing willingness to do so to add that "in view of this important concession in relation to these bases, the Canadian Government expects that the United States Government will give favourable consideration to the Canadian desiderata with respect to the Bases Agreement, and that the Canadian Government's willingness to meet the United States position will be taken into account in discussions concerning the Bases Agreement which should take place at an early date". So matters stood when Secretary of Defence Louis Johnson visited Ottawa in August, 1949. Like his predecessor before him he was given a full description of Canadian co-operation in defence matters and a summary of the Bases Position. The United States Ambassador who accompanied him admitted that "the interpretation by the United States military authorities of the Bases Agreement gave personnel of the United States Armed Forces stationed in the United States bases in Newfoundland extraordinary privileges concerning liability to Canadian civil and criminal jurisdiction". It was typical of Canadian difficulties in securing action from the United States over questions involving more than one department of government that Mr. Johnson declared that this question had not been previously brought to his attention. He fell back on the suggestion of further discussions.

89. The next avenue of discussion proved to be the Permanent Joint Board on Defence which, at the suggestion of the United States Government, held a special meeting at the United States Leased Bases in Newfoundland between January 3-8, 1950. Each section of the Board brought along a battery of technical advisers, and the Attorney-General of the Province of Newfoundland was also in attendance. The four revisions requested by Canada were examined in detail, after General McNaughton had indicated that in raising these matters the Canadian authorities had no intention whatsoever of implying any criticism of the conduct of the United States forces stationed in Newfoundland.

90. It was agreed that each Section should present the views of the other to its own government for consideration and review. At the next meeting of the PJBD in Montreal, between March 28 and March 30, 1950, the two Sections were able to agree upon a comprehensive recommendation in which each country made some concessions to the other's point of view but which substantially met Canadian wishes. There was no reduction in the period of tenure of the Leased Bases but other rights were pared down to bring them in line with those enjoyed by the United States forces under the Visiting Forces (U.S.A.) Act of 1947. By prior arrangement with the United States Section, and after agreement had previously been secured from Mr. Pearson, Mr. Claxton and Mr. Bradley, the Canadian Section then stated that they were ready to recommend to the Canadian Government that, at Goose Bay, where the

position of the United States forces had been anomalous for some time, a lease agreement be arranged for a period of twenty years, with the option of renewal, for a portion of the present base area for the accommodation of housing and military installations. The base was to remain under the overall command and administrative control of the R.C.A.F., whose Commanding Officer would have to give prior approval to all proposed United States construction. All proposed United States Service projects in Canada located in the United States areas were to have the prior approval of the Canadian Government. This offer played an important part in United States thinking, since it offered an important quid pro quo for their concession on jurisdiction. The Canadian Section also expressed the hope that the United States Government would give an assurance that Canada would be consulted prior to any proposed United States Service activities outside the leased areas. This suggestion was accepted by the United States Government in July, 1950, "with the understanding that only operations of reasonable consequence (exercises, surveys, etc) and not of an emergency nature would be involved". This "concession" means, as a departmental memorandum points out, that in times of war or emergency "... the United States may use the bases for offensive operations, or may use territories in the vicinity of the bases for these purposes". President Truman approved of the PJBD recommendation on August 1, 1950. Although the Cabinet War Committee "noted with approval" the Board's recommendation, the Government was less prompt in implementation because of its desire to examine the legislative changes which were required to make them effective. The Goose Bay lease was approved in February, 1951. It was only on May 1, 1951, that the Prime Minister was able to tell the House of Commons that the Government had approved of the PJBD recommendations and tabled them with a description of their significance. Mr. St. Laurent said that five legislative proposals would arise in whole or part from the decisions reached of which four were also "useful and possibly necessary measures to enable Canada to discharge obligations under the North Atlantic Treaty". In summing up the agreement Mr. St. Laurent described it as "a reasonable compromise in an admittedly unprecedented situation".

91. By this time the expansion of United States airpower, the growing importance of the Northeast Air Command and the possibility of the United States Strategic Air Command requiring Newfoundland bases, were leading to requests for further facilities in Newfoundland. In two notes during March, 1951, the United States asked for additional barrack and storage space at Torbay, where the United States Air Force had a lease, terminable on thirty days' notice, of a small number of buildings. Besides requiring additional space the United States Air Force wished to establish certain navigational aids and to make a survey of the airfield. The Chiefs of Staff approved its request, once agreement

had been reached on the operation of these aids. In view of their recent efforts to modify former United States rights, neither Mr. Claxton nor Mr. Pearson were enthusiastic about the proposal. They foresaw that approval of the present request might make difficult the refusal of larger developments which there was good reason to anticipate. As Mr. Pearson pointed out, if the international situation improved there would be no question of large United States forces remaining in Europe, but it would be more difficult to arrange for withdrawal of United States forces from defence installations in Canada since they would be considered part of the continental defence system. The Prime Minister thought that if United States requirements were consistent with NATO plans it would be desirable to be co-operative. Approval was given, therefore, with the suggestion that the general question of United States requirements be studied at the next PJBD meeting. There it was made plain in May, 1951, that Canada was not ready to give a lease at Torbay or any other Newfoundland site, but was prepared to co-operate in providing whatever facilities were clearly required for joint defence or under NATO requirements. At the same meeting the United States Chairman then requested on behalf of the United States Air Force permission "in the event of an early emergency" to use such capacity and facilities at Torbay as the Royal Canadian Air Force could make available, and the use of facilities at Gander for support of operation of the Military Air Transport Service. Both General McNaughton and the Vice-Chiefs of Staff Committee recommended approval of the request, subject to first priority for Canadian military and civilian arrangements and to arrangements being worked out between the Royal Canadian Air Force and the United States Air Force on the operation of United States aircraft at the fields. It was agreed at Cabinet Defence Committee in June, 1951, that the United States authorities be informed orally that "as the two countries were co-operating in the defence effort, it was considered that the United States authorities should be able to take it for granted that, in the event of an emergency, everything proper to meet it would be done". This statement still leaves open for future discussion probable United States requests for additional facilities to meet the demands now placed on the leased bases which seem to be overtaxed. The still larger problem of Command in the Newfoundland area also raises questions which require solution.

92. On the wider problem of defence installations on the main land of Canada, the Panel on Economic Aspects of Defence Questions received a memorandum in November, 1950, prepared by the Department. After listing certain possible requests that were already taking shape, which made it certain that the United States forces would ask for an increasing number and variety of new instal-

lations, it tried to lay down some general policy or policies that might be adopted. Five possible policies were listed and their comparative advantages summarized. These were:

(a) Canadian construction at United States expense of all permanent-type structures required by the United States forces with United States provision of all types of equipment and all military manpower required for these installations.

(b) Canadian construction at Canadian expense of all permanent-type structures with the United States contributing all equipment and military manpower.

(c) Canadian construction at Canadian expense of all permanent-type structures, Canadian provision of some proportion of the military manpower, with United States provision of all or a large proportion of the equipment required.

(d) United States construction, equipment and manning of all installations required by the United States forces on the understanding that being required for a period of emergency, the installations would be vacated by the United States forces by a specific date and put up for sale, or turned over to the Canadian Government without charge, or remain the property of the United States Government while available for use by the Canadian Government.

(e) Canadian assumption of the cost of constructing and manning some proportion of the installations required by the United States in exchange for United States provision of arms, training, etc. for the Canadian Forces.

No strong preference was expressed for any one of these policies, since further information was required as to the number and types of installations that will be required by the United States forces. It was suggested that National Defence might endeavour "to provide a realistic estimate in this field".

93. In the discussion that followed one of the difficulties was well described by the Deputy Minister of National Defence. Mr. Drury said that information on United States requests was not easy to secure "... because planning for continental defence was not always done horizontally and because in the sort of creeping mobilization which they were undergoing the tendency was to settle one project and push it through to completion without always relating it to the whole picture". He also pointed out that Canada was prepared to take certain risks in continental defence which the United States with its much greater economic resources was not willing

to accept. The Panel came to no immediate decision. It asked the Chairman of the Chiefs of Staff to attempt to secure from the United States authorities "the best possible estimate of their plans related to the North Atlantic Treaty Organization and the joint United States-Canada defence of North America."

94. No such general statement had been received by January, 1951, which was not surprising in view of the seriousness of the situation in Korea. It appeared likely that the major United States request would be for the extension of the radar screen. The United States was already constructing a comprehensive system, but was limited by the fact its screen could not provide adequate warning on the northern approaches to vital industrial areas close to the Canadian border. A Canadian system of nine stations had been authorized and was partly under construction, but covered only a limited area. For some months, officers of the Royal Canadian Air Force have been working in collaboration with officers of the United States Air Force on an extended radar system. They produced plans involving the expansion to thirty-one stations in Canada at a PJBD meeting in Washington on January 10-11. At that time, the Canadian Section had authority only to hear the United States proposals, and at another meeting three weeks later, the Board formulated a Recommendation. It was estimated that to erect the entire network would involve a cost of about $145 million. The Board agreed that the basis of a fair and equitable portion of costs would be approximately one-third for Canada and two-thirds for the United States, both in respect of capital and recurring cost. For administrative convenience, this formula was later modified in respect of capital costs in order that Canada would erect and pay for certain named stations. The United States would be responsible for the remainder. In this arrangement, the division of cost nevertheless remained about the same. In accepting one-third of the recurring cost for twenty-seven stations of the network, Canada assumed an estimated responsibility for about $12.5 million per annum. In manning the stations, Canada would provide personnel for thirteen, including the nine already authorized, and the United States for fourteen, six stations being required for the protection of United States interests in Newfoundland. In line with the policy involved in the last war, Canada should provide the land and retain title to it, a proviso which precluded the installations from acquiring an exclusively foreign character. All permanent installations would remain the property of Canada, and the United States would be free to dispose of moveable property. The bulk of the equipment would have to come from the United States. Ten sites in the Newfoundland and Labrador area were to be constructed through the facilities of the United States Army Corps of Engineers, and the remaining stations were to be constructed by Canadian contractors through the Canadian Defence Construction Corporation. The PJBD described these proposals as

"feasible and acceptable" and regarded their implementation as a "matter of great urgency" if they were to be in operation by the target date of July 1, 1952. The Recommendation was approved by both Governments, but at the insistence of the United States, it was followed by an exchange of notes on August 1.

95. Allied to the development of a continental radar screen was the question of dealing with unidentified aircraft which were detected through it or by other agencies. In August, 1950, the United States section of the PJBD had asked permission for the United States Air Force to send planes over Canadian territory between Lake Superior and the Atlantic in order to carry out effective interceptions of unidentified craft crossing the border from Canada into the United States. To grant such broad authority, even though it was a logical request arising from a joint air defence scheme, was thought to be going too far. Regulations were drafted by Transport and National Defence that were designed to protect normal southbound flights from Canada that were acceptable to the United States authorities. It was also felt that in keeping with the agreement of February, 1947, any rights extended should be from the outset on a completely reciprocal basis. With that stipulation the Cabinet Defence Committee agreed to endorse the request in December. Accordingly the PJBD worked out a revised arrangement, which was to become applicable to the whole border, and, with other slight changes, passed a formal Recommendation on the question in May, 1951. The arrangements would remain in force until modified by agreement or terminated by either government. This Recommendation was approved by the Cabinet Defence Committee at its May meeting. An arrangement on somewhat similar lines of great significance was approved by Mr. Pearson and Mr. Claxton on July 7, 1950, and again on January 8, 1951, which covers the calendar year only and allows the United States Strategic Air Force to carry out training flights over Canada on the understanding that these flights are not to be of a mass character and are to be at high levels. On each particular flight no live bombs are to be carried without specific permission.

96. As may have been noted the recommendations of the PJBD have almost invariably secured the approval of the two governments. The major exception has been the Board's recommendation in favour of the St. Lawrence Seaway and Power Project. It first issued a statement calling attention to the value of this project as related to the defence potential of Canada and the United States in May, 1947. This statement was expanded in the form of a recommendation in December, 1948, based upon a study prepared by a Canadian Inter-Departmental Committee on Great Lakes - St. Lawrence development. The Board concluded that the benefits to be derived from the completion of the project could be expected to outweigh by far the required expenditures and would "... fully warrant the acceptance of

a certain degree of risk from enemy attack". It believed that these risks could be considerably minimized by "reasonably precautionary and protective measures", and the vital portions of the project given defence protection on a "reasonably economical basis" comparable to that given other vital installations. For these reasons it urged that every effort be made to overcome the obstacles delaying the completion of the project. In January, 1951, after the Canadian views had been again placed before it with additional memoranda, the Board again recommended "that the two governments take immediate action to implement the St. Lawrence Agreement as a vital measure for their common defence". The Board's recommendation was cited by Secretary of State Acheson in the proceedings of the Committee on Public Works of the House of Representatives. To date it has been as unavailing as the other efforts which have been made to secure Congressional approval of this project over the past twenty years.

97. In its resolve to ensure Canadian sovereignty in Newfoundland the Government was as vigorous in its negotiations on defence properties with the United Kingdom as it had been with the United States. As the time drew near for the entry of Newfoundland into Confederation with Canada the Department drew to the attention of Mr. Claxton the fact that naval facilities and other property in St. John's remained vested in the Admiralty. It suggested that the Government might wish to extinguish the Admiralty title. On November 29, 1948, the Department of National Defence requested that negotiations be undertaken for that purpose. Accordingly, the Department wrote to Sir Alexander Clutterbuck on December 8, pointing out that the entry of Newfoundland into Confederation would entail direct responsibility by Canada for its defence and referring to the "long established Canadian policy of having title to defence properties in Canadian territory". The letter inquired if the assumption by Canada of all Admiralty properties in Newfoundland would be in accordance with the views of the United Kingdom. It was then assumed that the title could be secured without cost chiefly because the naval facilities were constructed at St. John's during the war largely at the expense of the Canadian taxpayer. Sir Alexander replied that the United Kingdom Government agreed in principle to negotiations and would shortly transmit a memorandum on the financial aspects of the question. He also said that the United Kingdom trusted that after transfer the Canadian Government would maintain the Naval establishment as an escort base, and would be willing to make it available for use by the Royal Navy at an early date after the outbreak of any future hostilities. It was not until the end of May that the Admiralty memorandum was received. The estimate placed by the Admiralty on the depreciated value of its holdings, $22 million, was sharply at variance with National Defence figures. In the bargaining that followed the price to be paid for the properties was finally fixed at $7 million.

98. There remained the question of advance "user rights" which National Defence was not prepared to concede, believing that it would be more appropriate for the Admiralty to rely on the intentions of the Royal Canadian Navy to look after matters properly. On December 15, 1949, a letter was sent to the United Kingdom High Commissioner, stating that the Government was prepared to purchase the properties at the price which had been agreed upon, and assuring him that it was the intention of the Royal Canadian Navy "to continue the Base at St. John's in a limited capacity during peacetime and to bring it to full capacity in an emergency". The letter further stated that the Admiralty had informally indicated that its initial requirements would be in the event of an emergency, and it was thought that the Royal Canadian Navy would be able to meet them adequately. The Admiralty's request for storage space in peacetime was refused from lack of space, but the assurance was given that if additional space were made available for the Royal Canadian Navy it would then be possible to earmark the necessary space for Royal Navy requirements. The United Kingdom accepted the offer and took note of the assurances. It was ironical that after the initial emphasis in Canada upon speed of negotiations the legal and administrative details of transferring title and looking after the property dragged on for months. As recently as June 14, 1951, the Deputy Minister of Public Works was writing this Department to say that the situation was "somewhat confused", that the position of his Department was "slowly crystallizing", and that it was hoped "... that the complete taking over will be accomplished at an early date".

99. In the five years that followed the end of hostilities in Europe, Canadian defence policy has undergone more rapid and radical changes than in any other comparable period of time. By entering the North Atlantic Treaty, for example, Canada accepted positive responsibilities for the defence of Western Europe that made continental defence only one aspect of our policy. For this development the progress of science, if such it can be called, and the policy of the U.S.S.R. are largely responsible. It is not necessary to dramatise the horrors of the atomic bomb to make people's flesh creep; Hiroshima was proof enough. A people aware that there is no place to hide is more willing to experiment in pooled security, more willing to fight a long way from home and more reconciled to say farewell to the one-time glories of splendid isolation. Without the words and deeds of the U.S.S.R. it would have been difficult to secure Canadian approval for advance commitments, but whenever signs of more normal times appeared on the horizon the Soviet rulers obligingly afforded a further demonstration of Communist tactics from Greece to Korea and from Czechoslovakia to Indo-China. But the Department in particular, and to a lesser extent the Government in general, has always

insisted that security by military alliance is not enough, that the North Atlantic Pact must be more than a retaining wall and that measures of economic co-operation and ideals of democratic solidarity are as much weapons against Communism as tanks or planes. Of that belief the record of negotiations in the North Atlantic Treaty offers ample proof. But the threat of a general war in the past year has postponed attempts to make the integration of the North Atlantic Community more than a mere phrase. In the discussions before and after the North Atlantic Treaty Canadian representatives earned respect for their thoroughness of preparation and their capacity to present practical ideas upon the form of institutions and administrative machinery. They have been in a position, because of past tradition or association, to secure information in advance from the Big Three of NATO which was not available to most countries. On occasion they have been able to influence negotiations by their suggestions and representations. They have also been almost embarrassed by the eagerness of the representatives of other small countries to enlist Canadian co-operation for their policies.

100. As the tension increased Canada found herself in a less fortunate position. As an ally of the United States with apparently unlimited funds for defence and of European countries with a chronic shortage of dollars and crying need for modern armaments, Canada found herself expected not only to finance her own defence effort but also, in accordance with her own professions, to assist in the re-equipping of others. She also found herself in the invidious position of being the only NATO country, except Iceland, that relied upon voluntary enlistment to fill the ranks of her forces. Under such conditions the Canadian dilemma, heightened by the costly pride of a nation which has not had to submit itself like so many countries to careful scrutiny as a worthy risk in the eyes of an American Congress, impinged upon policy. It was then too that difficulties developed over economic surveys, measures for burden-sharing, and methods of raising manpower of which the end if not yet in sight. Like the little man in a big poker game Canada must play her cards carefully at a time when the cost of buying cards is steadily mounting.

101. In Canadian defence policies vis-a-vis the United Kingdom there has been less change in climate of opinion partly from a time lag in thinking, partly because there has been a similar lack of change of outlook in the United Kingdom. The United Kingdom Government, much more than its Chiefs of Staff, had displayed tact and restraint in its discussions with Canada, Mr. Bevin occasionally excepted. But interchanges over liaison missions, over defence planning on a global or Commonwealth basis, over standardization of equipment and other related matters have shown on the United Kingdom side less awareness of changed conditions than might have been expected and on the Canadian occasional touchiness about

possible United Kingdom intentions. A partial exception to this attitude has been the comparative speed with which arrangements were concluded for a Commonwealth Division to be formed in Korea.

102. When this possibility was first discussed in August, 1950, the Government was dubious and told Mr. Wilgress it did not think the suggested title "Commonwealth Division" would be attractive to Canada, and proposed some such title as the "United Nations First Division". On October 5 the United Kingdom said that it would not accept a title which omitted the word "Commonwealth" and suggested "First (Commonwealth) Division, United Nations Forces." On December 8, Cabinet agreed to that title if such a division were formed. No further action was taken until after the announcement of a Canadian brigade being sent to Korea was made. Commenting on this announcement from Tokyo, in March, 1951, Mr. Menzies suggested that the inclusion of the Canadian brigade would "demonstrate to other Commonwealth governments that, when practical considerations dictate, we are as prepared to put an effort into co-operation with other Commonwealth governments as we are with the United States when different practical considerations suggest another pattern of military co-operation". Mr. Menzies' despatch was forwarded to the Prime Minister and Mr. Claxton. Shortly afterwards, the United Kingdom formally proposed the formation of the division under the title previously suggested. On April 11, Cabinet approved of the policy and in July the Division became a reality.

103. In negotiations with the United States the Government has been fortified by the realization in the past four years that the prospect of Canada being at war before the United States has virtually disappeared. It shows the United States conviction that this continent is becoming increasingly liable to attack. It has been able, with considerable success, to establish a measure of control over United States operations on Canadian territory (the leased bases in Newfoundland excepted) under a common plan. Such control, though imperfect, is as much as might be expected when a small power is located in a place of great strategic importance for a great neighbour. To slacken the pace of the United States in continental defence projects is also difficult, especially under the American system of government where military men, paradoxically have a freer hand than in a parliamentary democracy, but it has not been impossible in some instances. Yet it still remains true that Canada does not know enough of American military thinking in the sphere of global planning to estimate adequately its implications for continental and North Atlantic planning. Rarely can Canada induce the United States to put all its cards on the table. More than once it is confronted with far-reaching requests for action with no advance notice. The need to educate Washington officials and especially United States Service Chiefs to a

better appreciation of the Canadian position is a fixed charge upon the resources of Canadian diplomacy. In any event Canada has the current satisfaction of seeing her essential partners, the United States and the United Kingdom, working more and more with a reasonable degree of harmony in a manner that would have been impossible a generation ago. On occasion they have been willing to accord Canada a modest share in the formulation of policy.

104. The relationship between diplomacy and defence, which becomes more delicate as the danger of war increases, has not been a serious problem in Canadian policy. Indeed it may be claimed that liaison with National Defence has been achieved more successfully here than by our opposite numbers in either Washington or London. Liaison begins at the highest level in the Cabinet Defence Committee, and continues at the Deputy Level in the Chiefs of Staff Committee and the Interdepartmental Committee on the Economic Aspects of Defence Questions. A more recent development has been the creation of a Vice-Chief of Staff Committee which the head of the Defence Liaison Division attends. The Chairman of the Joint Intelligence Committee comes from this Department, which is also represented on the Joint Planning Committee. The Department provides a member of the Canadian Section of the Permanent Joint Board on Defence and also furnishes its Secretary. Other useful ties with National Defence have been afforded by the fact that the Minister of National Defence is usually Acting Secretary of State for External Affairs when Mr. Pearson is absent, and the Deputy Minister of National Defence is a former officer of this Department. There is always a possibility of military men placing too much stress on equipment and not enough on ideals of policy, and of diplomats concentrating too much upon the formulation of policy and not taking adequate account of the cost of its implementation. But these are dangers of which the Department is aware and which it has endeavoured to overcome.

BIBLIOGRAPHICAL NOTE

This Chapter is based upon the following sources:

7-DA-I (s) Establishment of Cabinet Defence Committee

7-DA-2 (s))
50046-A-40)Minutes of Cabinet Defence Committee Meetings - 2 vols.

7-DA (s))Agenda and Documents for Meetings on
50046-40)Defence Questions of Cabinet Defence Committee. - 4 vols.

65-C (s) Meeting of British Commonwealth Prime Ministers, London, May 1946

7-CM-I (s)	Defence Co-operation within the Commonwealth Inter-Governmental Correspondence
52-C (3)	Canadian Post-War Defence Relationship with the United States. Volumes 2,3
703-40-C	Defence Co-operation between Canada and the United States. Volume 2
703 -40	Defence Co-operation between Canada and the United States Joint Defence Statement
50204-40	Post-War Defence of Newfoundland and Labrador, Studies re Volume 2
10298-D-40	Acquisition by Canadian Government of Property in Newfoundland for Defence Purposes. 2 vols.
1268-H-40	St. Lawrence River Waterway Project. Defence Aspects.
50031-B-40	Canadian Policy regarding United States Defence Activities in Canada.
50210-40	Canada-United States Air Defence System. 2 vols.
283 (s)	Mutual Defence Pact - United Kingdom, United States-Canada - 1948. 11 vols.
277 (s)	Proposals re Consolidation of Western Europe.
211-J (s)	Western Mutual Pact under United Nations - Proposals.
50030-40	NATO General File 4 vols.
50030-s-40	NATO Defence Programs of Various Countries and Mutual Aid.
50096-40	NATO Economic Aspects of Defence Planning. 3 vols.
50030-C-40	NATO Financial and Economic Committee 3 vols.
50030-K-40	NATO Panel on Economic Aspects of Defence Questions 3 vols.
50069-B-40	Canadian Special Forces for Korea and Commonwealth Forces.

DECLASSIFIED = DÉCLASSÉ
EXTERNAL AFFAIRS = AFFAIRES EXTERIEURES

SECRET

A SURVEY OF CANADIAN EXTERNAL POLICY

CHAPTER 4

CANADIAN FAR EASTERN POLICY 1946-JUNE, 1950

INTRODUCTORY

An examination of departmental files as a background for a study of Canadian Far Eastern policy in the years 1946-50 reinforces one's instinctive feeling that there has never been any coherent Canadian pattern of diplomatic thinking and action in the Far East which could be dignified by the word "policy". This whole conclusion is so conveniently summed up in a few sentences appearing in Mr. Pearson's article in Foreign Affairs, October, 1951, "The Development of Canadian Foreign Policy" that it may be suitable to quote them here:

> "Far Eastern questions now absorb much of the attention of the Canadian Parliament and Government. The increase in interest in Asian matters among the public and the press has also been remarkable. In our Far Eastern relations we have not so much been opening a new chapter as opening a whole new volume; for, until recently, Asia to most Canadians was a closed book. One of our provinces is on the Pacific and through its ports for many years missionaries, businessmen and travellers had passed on their way to and from the Far East. There had been a Canadian Legation in Tokyo before the war and substantial Canadian economic interests in Japan. The Canadian Government had participated in a number of negotiations on particular questions dealing with commerce, with the position of Canadian missionaries and with Asian immigration. But none of these concerns made it necessary for Canada to have what could conceivably be called a Far Eastern policy."

2. Thus, the following survey cannot properly be termed an history but rather impressions, or more accurately, a review of two or three case studies of (1) Canadian reconstruction loan to China, (2) Canadian attitude towards recognition of Communist China, and (3) Canadian policy in the Far Eastern Commission. This last subject really takes the place of Canadian policy towards postwar Japan; since, by necessity, under occupation, Japan could not have any foreign relations, Canadian policy towards Japan could only be properly tested by its acts in the Far Eastern Commission which was set up by the Moscow Declaration of December, 1945 and in theory at least was a policy-making organization which issued through the United States Government directives to the Supreme Commander of Allied Powers.

CANADIAN LOAN TO CHINA

3. It is necessary to get some background on this subject which goes back slightly beyond the period to which this survey is limited. Early in the war years the Canadian Government exchanged diplomatic missions with the Republic of China. This exchange was long overdue and in fact had been considered before the outbreak of hostilities in Japan which had hitherto been our only diplomatic post in the Far East. The need for closer relations with all our major wartime allies therefore made it imperative to expedite the opening of a mission in China. Accordingly, a Canadian Ambassador arrived in Chungking early in 1943 in the person of Major-General Victor W. Odlum. Canada enjoyed a most favourable position in China. For years Canadian missionary, educational and philanthropic institutions had established a reputation in all parts of China both amongst the common people and educated classes. Canadian business, though on a much smaller scale than the United States or Great Britain was free from the taint of power politics. The Chinese Government and those in a position to be informed were therefore well aware of the genuine good will which Canadians entertained for China and its people - a good will that was free from overtones of selfish interest or extraterritorial privilege.[1] On a number of occasions distinguished Chinese visitors to Canada, such as T. V. Soong, Madame Chiang Kai-shek and a group of Chinese journalists and publicists headed by Mr. Hu Lin, proprietor of the most outstanding newspaper in China, the Ta Kung Pao, served to heighten Canadian governmental and public interest in war-torn China.

4. Behind sentiments of good will and sympathy for a suffering people lay a very real desire on the part of the Canadian Government to see China emerge as a stable, united and independent power in the postwar world which would fill the power vacuum that would be created by a weak and defeated Japan. It was realized of course that the greatest part in assisting postwar China would be played by the United States. As a Chinese expert of the Economic Research Department of the Central Bank of China, Mr. C.Y.W. Meng, wrote in two issues (late 1944) of The China Monthly:

> "Frankly speaking, when our economists discuss the employment of foreign capital in China's postwar economic reconstruction, they simply mean American capital...the only great creditor nation in the world will be the United States so in planning for raising capital through foreign sources, our economists hope for -- and count on -- U.S. $10,000,000,000 from the United States and U.S. $2,500,000,000 from Great Britain in the first four years and another U.S. $2,500,000,000 from all other sources within ten years after the war."

[1] The United States and the United Kingdom renounced all extraterritorial privileges on October 10, 1942.

Thus, in this semi-official estimate only a modest role was cast for loans from countries other than the United States and the United Kingdom; yet, as we shall see, the Chinese authorities showed particular interest in attracting Canadian interest in assisting Chinese postwar reconstruction.

5. Even during the war years the Chinese Government devoted the time of some of its best trained officials to drawing up what was known as a General Economic Plan to coordinate all economic enterprises; the purpose of such a plan was to delimit what enterprises should be private and what should be state controlled. Private enterprise was also expected to conform to the General Economic Plan. In this way, the Chinese Government endeavoured to reassure both foreign governments and private capital that any loans advanced to China to assist in reconstruction would be channelled in such a fashion as to conform to the general overall coordinated master plan which would point out the most important and vital areas for development.

6. Returning to our immediate subject of the Canadian role in Chinese reconstruction we have an indication in a letter from the Deputy Minister of Finance under date of November 6, 1944 to the Under-Secretary of State for External Affairs stating that a request had been received from the Chinese Ambassador in Ottawa for a loan of $50,000,000. In addition, an inquiry had come from the Ming Sung Industrial Company about the possibility of a loan for the purpose of purchasing vessels to engage in China river trade.

7. After drawing attention to some of the physical or technical problems and most notably transportation, this letter points out that it is much more difficult to decide on a loan or guaranteed credit to China than it is to almost any other Allied government. The desire was expressed for a greater knowledge of the postwar reconstruction plan of the Chinese Government and the direction such a development might take. Above all, however, the main problem was posed by the political rather than economic aspect. In the words of the letter referred to above:

> "The political advantages of assisting China to become a strong and democratic nation are so great as to make it worth while taking some considerable risk. On the other hand, the dangers of a divided and unstable China appear to me at the present time so impressive that I find it very difficult to recommend the granting of credits to the present Government. The events of the past year in particular, while showing some seeds of promise in China, have also appeared to me to show very grave evidence of basic weakness."

8. Early in the following year, 1945, there

were further signs of interest on the part of the Chinese Government and accordingly the Department undertook to review the situation and to attempt some assessment of the problems posed in the letter from the Deputy Minister of Finance. It was only natural that the Department should seek, on a confidential basis, the experience and opinion of responsible United States authorities on the subject. During the early part of 1945, Dr. H.L. Keenleyside had a number of talks with officers of the State Department and the Foreign Economic Administration and brought back a very strong impression that these advisers were on the whole rather sceptical if not critical towards Chinese postwar reconstruction and financing plans. Mr. Acheson, then Under-Secretary of State, told Dr. Keenleyside that even so-called Chinese experts were living in a shadowy land of make-believe. They had very little practical grasp of the problems involved and concerned themselves wholly with grandiose blueprints. The figure of $10,000,000,000 which the Chinese economic expert quoted in paragraph 4 gave as the amount they expect to get from the United States, was in Mr. Acheson's opinion far beyond reality. (During the war years the United States loaned China $550,000,000 and the United Kingdom £50,000,000.) Nor were the United States authorities happy about the conditions under which the Chinese would make use of such credits; for example, the Head of the Division of Chinese Affairs in the State Department told Dr. Keenleyside that they found considerable difficulty in persuading the Chinese to bend their gauge down to such prosaic matters as international trade as distinct from the vast financial projects dependent upon United States credits which were the chief focus of Chinese ambition.

9. The Department, drawing from the available material for study, appeared to be aware of the serious problems facing postwar China; these problems might extend through a whole range of economic and political difficulties including the ultimate event, namely, a civil war with a possibility of a Communist-dominated China. Although such dangers were adumbrated, opinion inclined towards the view that after the end of the Pacific war the Kuomintang would be able to work out some modus vivendi with the Communists. Further, since the Central Government rather than the Communists enjoyed the monopoly of experience in the form of qualified experienced personnel, even if there were a coalition government it was assumed that the Kuomintang would enjoy a comparatively strong position; the Communists would supply some of the morale and drive and the Kuomintang provide the expertise. If we follow the argument in Departmental memoranda there is apparent the risk the Government would be running in granting loans on what might be the eve of civil war. Rather than extend a loan of $50,000,000 without any condition, it was suggested that credits might be considered for the purchase in Canada of specified items of national use to China which could not in all fairness be regarded

as forming a military assistance to one side rather than the other in a civil war. A credit that was tied down in this way would more likely be honoured by the victor in a civil war if military equipment had not been a feature of the loan.

10. In the meantime, while the principle of a loan to China was being considered in the manner described above, a more definite request for aid came when Dr. T. V. Soong, Premier of China and President of the Executive Yuan, visited Canada twice in the course of 1945. In April of that year he presented a tentative list of Chinese lists of material requirements which the Chinese hoped would be supplied from Canada and were deemed necessary for the prosecution of the war and for the period immediately following the peace. When Dr. Soong visited Ottawa in the fall of 1945 immediately after the Japanese surrender a revision of the list became necessary. Studies of Chinese needs were undertaken by Canadian and Chinese engineers under the sponsorship of government agencies of both countries. The result of these studies was presented to various interested departments of the government under a letter of September 1, 1945 from Dr. Soong addressed to the Honourable C. D. Howe, Minister of Reconstruction and Supplies. A recapitulation of the Chinese request follows:

Industrial Programme		
Power Plants	$8,500,000	
Metals and Raw Materials	20,000,000	
Machine Tools	10,000,000	
Cement Plants	3,850,000	
Hydro Electric Projects	34,000,000	
Shipbuilding Yard	9,050,000	
Ships	91,500,000	
Motor Trucks	27,750,000	
R. R. Trains	7,720,000	
Communication Materials	5,000,000	
Sub Total		$217,370,000
Ordnance Programme, say		25,000,000
TOTAL		$242,370,000

In his letter Dr. Soong requested an expression from the Canadian Government of their agreement with the essential outlines to extend financial aid to China for the consummation of this industrial and ordnance programme. The letter concludes as follows:

"It is hoped also that these essential outlines will cover the following points:

a) To what extent the projects will be financed by a direct government loan from Canada and under what terms of repayment.

b) To what extent the projects will be financed under an export credits guarantee by the Canadian Government and whether the terms of repayment can also be determined."

11. It will be seen, therefore, that now the Chinese interest in securing Canadian credits had greatly increased; they were asking for credits to assist in projects to purchase industrial and ordnance equipment totalling $242,370,000. As a result of an interdepartmental decision on the request of the Chinese Government, the Canadian Government undertook to underwrite the purchase of industrial and ordnance equipment to the extent set forth below in a telegram of September 21, 1945, on credits to China from Ottawa to our Embassy in Chungking.

"1. For your information, we advised Dr. Soong before his departure from America that we would grant China a credit of $25,000,000 to cover an ordnance programme consisting of practically the same items which China had requested under Mutual Aid and practically all of which are already produced. In addition, we have agreed to finance a $50,000,000 programme of reconstruction supplies to be bought in Canada by furnishing $35,000,000 on credit on the understanding that China will pay cash for the remaining $15,000,000. This programme includes raw materials (aluminum, copper, zinc, etc.), amounting to about $25,000,000, engineering services, civilian trucks, machine tools, communication materials and small power plants.

"2. The total Chinese request was $242,000,000, consisting of an ordnance programme of $25,000,000, a reconstruction programme of $75,000,000 and, in addition, a long list of specific projects. The understanding arrived at is that we will consider any of the projects to determine their eligibility for financing under the guarantee provisions of the Export Credits Insurance Act.

"3. Our $60,000,000 credit is likely to compare favourably with the credits extended to China by the United States. We believe they will amount to about $550,000,000, although we have not yet received any official indication.

"4. Our decision on the credit was taken in an awareness that China may find it difficult to repay and that the prospects of trade with China, at least for the immediate future, are not bright. It was felt nevertheless that it was in Canada's long-run political and economic interest that China be strong and prosperous and that Canada should recognize some obligation to assist in the post-war development of the country, provided, however,

that the United States extended substantial credits. We felt that, while the amount of Canada's contribution can only be slight in comparison to Chinese needs or to the assistance which the United States could provide, nevertheless a show of confidence and interest by us would encourage China in her reconstruction efforts, aid her in her negotiations with other nations and help to maintain the good relations that have been built up between us during the war."

12. This telegram has been quoted in full because it sets out what for the next few years are to be the chief items in the Canadian credit of $60,000,000 to the Chinese Government. It will be noted that this amount falls far short of the Chinese request of $242,000,000. It should also be noted that this loan is distinct from another project, namely the extension of credit for the building of river craft for the Ming Sung Industrial Company. This latter was negotiated separately and guaranteed by the provisions of the Export Credits Insurance Act.

13. By the end of the year, in a memorandum (November 28, 1945) for the Minister on the subject of sale of munitions to China, anxiety was already expressed that in the event of civil war, that part of the credit which was earmarked for munitions might give rise to unpleasant political complications. It was estimated that civil war in China might drag on for years; that $25,000,000 worth of Canadian munitions could hardly play a decisive part in the conflict. An early end to a civil war would come from sharp foreign intervention - a prospect which was not deemed to be very likely.

14. Therefore it was felt that Canada should not be involved in any way in a Chinese civil war in a manner that could be interpreted as intervention; it was hoped that the Chinese themselves would appreciate the Canadian desire to avoid the sort of controversy that had arisen even in that early stage in the United States, the controversy that was intensified in that year by the resignation of Ambassador Hurley. Thus to avoid political difficulties which would be embarrassing, both for Canada and China, the following course was recommended: "To allow the Chinese the credit of the originally contemplated amount of $60,000,000 to cover a programme of $75,000,000, but to stipulate that none of this might be spent on munitions." It was further felt that for practical reasons alone, if not for political, the Chinese Government might well favour such an adjustment. They were well aware that the munitions themselves were surplus and therefore of little value, but they had indicated that they would not take advantage of this to drive a hard bargain. Thus the transfer of $25,000,000 to other projects might well enhance the value of the credit to them. If happily the civil disturbances proved only of short duration and the Chinese still desired to use that part of the credit which was originally marked for the purchase of munitions, then there would, of course, be no objection on the

Canadian side to the original arrangement being implemented.

15. Against the background of these negotiations between Canadian and Chinese authorities, and with the Department fully appraised of some of the political problems involved, an agreement was signed on February 7, 1946, in Ottawa which provided $60,000,000 credit to China. The text of the press release containing the agreement ran as follows:

> "The Minister of Finance, Right Honourable J. L. Ilsley, announced this evening that an agreement was signed yesterday between the Government of China, represented by Dr. Liu Shih Shun, Ambassador of China to Canada, and the Government of Canada, under which Canada will provide a credit of $60,000,000 to the Government of China, to enable the Government of China to purchase Canadian produced goods required by China during the years 1946 and 1947.
>
> "The Loan is made under The Export Credits Insurance Act, bears interest at 3% per annum and is repayable in equal instalments of principal extending over a period of thirty years, commencing in 1948.
>
> "$25,000,000 of the credit is to be reserved for the purchase of supplies and equipment originally requested by China from Canada as Mutual Aid but not delivered before V.J. Day, other items in production in Canada at September 1st, 1945, which are surplus to Canadian requirements and also certain items of used industrial equipment which China had sought to purchase from Canada.
>
> "The remaining $35,000,000 of the credit is to be available for purchasing equipment, supplies and services required by the Government of China for reconstruction and other post-war purposes, the items of which are to be agreed upon from time to time by the Chinese Government and by the Canadian Departments of Trade and Commerce and of Finance.
>
> "It is anticipated that Chinese requirements of Canadian dollars for purchases in Canada during the next two years will exceed the amount of the credit provided. The Chinese Government has accordingly agreed to purchase Canadian dollars for gold or foreign exchange convertible into gold in amounts equal to 20% of the credit drawn upon, and to use such funds for its current requirements in Canada in addition to the funds provided under the Loan.
>
> "In commenting on the agreement

Mr. Ilsley said 'The loan to be provided to China under the agreement signed today will enable an early start to be made in the development of trade between Canada and China on a scale much beyond pre-war levels. It will also assist our good friends, the people of China, in the enormous task of reconstructing their country, repairing the damage caused by war, and in developing their economic life along progressive lines that will enable them to fit into the peaceful pattern of expanding world trade that we all hope to see created over the next few years.'"

16. As a result of exchange of correspondence between the Department of Finance and the Department of External Affairs in the fall of 1946 an informal committee representing the Departments of Finance, Trade and Commerce and External Affairs discussed the request which had been received in various degrees of formality for further credits to China. This group was particularly concerned with a number of projects on which the Chinese were requesting Canadian credits. Those who received greatest attention were the Taiwan Electric Company with the request for $6,000,000 credits to repair bomb damage and to make improvements and the Hwainan Mining and Railway Company. As the amount of credit requested at the stage of negotiations was not mentioned, this request soon fell by the wayside. Serious consideration, however, was given to the former request and it was strongly supported in a letter from our Ambassador in China, Mr. Davis, to Mr. Pearson under date of February 17, 1947. In this letter the Ambassador expressed the view that there would be no large scale industrialization on the mainland of China for a long time but that Formosa was an area most promising both from the point of view of capital available and technical level of population. Accordingly any private Canadian interest whether banking or industrial which wished to assist in the development of Taiwan was to be encouraged, in Mr. Davis' opinion. In the same letter the Ambassador recommended that the request of the Chinese Government for the transfer of the unexpended portion of the $25,000,000 mutual aid loan to the straight loan of $35,000,000, be not agreed to, but that the Chinese Government be advised that it is free to purchase from the War Assets Corporation such surplus materials of a civilian character as it may desire up to the amount of such balance. He further recommended that the time for the expenditure of either of these loans, in the manner above described, be extended, as delivery of supplies cannot be made within the period for expenditure already designated. Finally he urged that no further guarantees be given by the Canadian Government in respect of Chinese projects under the Export Credit Act.

17. These recommendations of the Ambassador were carried forward in more detail in interdepartmental memoranda and correspondence. Thus, in the concluding

paragraph of a letter (May 3, 1947) from Mr. Abbott to the Chinese Chargé d'Affaires, in regard to the unused portion of the $25,000,000 credit, we read:

> "...we are prepared to broaden the purposes for which this portion of the credit can be used to include any goods owned by War Assets Corporation that are surplus to Canadian requirements. We will, therefore, be prepared to consider for approval as an expenditure under this reserved portion of the credit the purchase of any equipment or supplies which the War Assets Corporation are prepared to sell to your Supply Agency."

In this particular aspect of the credit negotiations, there was a further development when our Ambassador in Nanking telegraphed on August 23, 1947, to report that he had been officially requested by the Chinese Premier and Minister of Finance that the "$13,700,000 portion of the $25,000,000 loan be made available for purchase in Canada of Mosquito planes". While the Ambassador was noncommittal in his reply to the Chinese, he urged in a telegram that we should give a sympathetic reply to this request. As the sequel will show, this request was favourably entertained, and $5,500,000 out of the $25,000,000 portion of the credit was allocated to Mosquito aircraft and associated equipment. A breakdown of the various parts of the credit which carries the account to December 31, 1947, appears in full as an appendix to this study.

18. Drawing upon a letter of December 6, 1948, from the Minister of Finance to the Prime Minister, on the position in respect of credits made available to China by the Canadian Government in 1946, we can sum up the situation as follows:

> (1) Of that part of the $60,000,000 loan reserved for purchase of civilian supplies, namely, $35,000,000, all but a small balance was encumbered and all articles purchased under it had been shipped, with the exception of steel railway bridges and telecommunications equipment, to the value of roughly $2,000,000.
>
> (2) The balance of the $60,000,000 loan ($25,000,000) earmarked for supplies and equipment requested under Mutual Aid and for items in surplus, was encumbered to the extent of roughly $16,500,000, of which goods to the value of $600,000 remain to be shipped.

19. It is appropriate at this time to refer to the non-governmental loan of $12,750,000 extended by Canadian banks to the Ming Sung Industrial Company Ltd. with repayment guaranteed by the Government of Canada. Against this credit the Ming Sung Company placed orders for the construction of six small and three larger shallow craft to serve as passenger-cargo vessels on the

Yangtze River. Four of the smaller ships had been delivered to the Chinese and two more were en route. One of the large ships would be ready to set sail for China within a few days. An irrevocable letter of credit had been deposited with a Canadian bank by Dr. T. V. Soong for use in the purchase of small arms and ammunition to the value of, roughly, $5,000,000, this equipment to be delivered to Kwangtung Province in the South of China. The indications were that very little of this material could be shipped during 1949.

20. A study was to be prepared by the Department on the likelihood of survival by the Nationalist Government and consideration given to stopping the movement to China of those commodities which were mentioned above as purchased on credit. Mr. Abbott in his letter definitely stated that no further encumbrances under the second item above would be approved unless further consideration should reverse this stand. At the same time there was no disposition that a stop order should be placed on the delivery of arms and munitions to the Nationalist Government, since this would put Canada in the position of being the first country to withdraw aid from the recognized Government of China. With respect to the continued delivery of ships ordered by the Ming Sung Company, it was noted that word had been received from that Company that they would take measures to prevent, if possible, the ships falling into Communist hands and would, if necessary, detain them in Hong Kong until the situation cleared. There was no disposition on the part of Cabinet to impede delivery of purchases against the credit mentioned in the last item.

21. Authorized by a decision of Cabinet of November 11, 1949, steps were taken by the Departments of Trade and Commerce and External Affairs to make arrangements that would avoid the necessity of shipping bridge spans to Formosa. This decision was implemented on November 17 when the Chinese Chargé d'Affaires was informed of the Cabinet decision and undertook to transmit the decision to his Government. He expressed it as his view that the arrangement would likely be satisfactory and that his Government would agree to the cancellation of the contract on condition that the Chinese bonds in the appropriate amount were returned. On the loans made by a group of Canadian commercial banks to the Ming Sung Industrial Company, by the end of the year (1949) it was noted in the memorandum on credit to China that all the ships had been duly delivered to China, with two of the smaller vessels operating on the upper Yangtze and the remaining four smaller and three larger vessels being based at Hong Kong. On December 31, 1949, the Chinese Government defaulted in its repayment of the $60,000,000 loan. The amount in default was $2,200,000, which represented interest and part principal, and failure to make the payment automatically would bring into default the entire loan. In a memorandum of March 8, 1950, from the Department of Finance, various assets (five in

number) held by the Government of China, most notably the bridge spans (roughly $1,250,000) which were contracted to be built for Formosa, were to be applied against the defaulted loan. If these assets, which totalled roughly $2,500,000, could be made available to Canada, the final arrangement would be made by an exchange of notes between the Government of Canada and the Chinese Ambassador in Ottawa. These arrangements were carried out by the end of the year.

22. Before concluding this narrative account of Canadian postwar financial relations with China it is necessary to retrace our steps slightly and attempt to unravel the rather tangled skein of events relating to that part of the credits which covered the purchase of munitions by the Chinese Nationalist authorities. Some reference has been made to it but it would be convenient if we pick up the thread at the beginning of 1949.

23. The total amount of military equipment exported from Canada to China from February 1946 until January 28, 1949 was:

Under the Canadian Credit	Value
200 Mosquito aircraft	$5,500,000
Small arms and ammunition	3,495,000
Ammunition manufacturing plant[1]	2,266,000
For Cash	
200 Harvard trainer aircraft	140,000

24. On January 24, 1949 a memorandum was prepared for the Secretary of State for External Affairs reviewing Canadian exports to China with special reference to the sale of ammunition. After considering the various steps that might result from a termination of the contracts, it was recommended that the following course of action be adopted: (1) that an examination be made jointly by the Departments of Trade and Commerce and External Affairs of the list of civilian items to determine any item which for political or strategic reasons should not go forward; (2) that there be an immediate cessation of deliveries of all items of a strategic or military nature; (3) that the Minister of Trade and Commerce be empowered to negotiate with the Chinese Government Supply Agency and the Canadian producers concerned with a view to the cancellation of the orders and to recommend to Cabinet equitable terms of settlement; and finally, the recommendation of continued export of items not of strategic or military nature. These recommendations were very shortly adopted by Cabinet.

---

[1]This sum represents a considerable decrease of the original amount proposed. The Minister of Trade and Commerce agreed to reduce it to this amount following discussions on the subject with the Department of External Affairs.

25. At the end of January, 1949, the President of Canadian Arsenals Limited approached Mr. Howe to point out that if the order for ammunition were cancelled his company would stand to lose $1,600,000 which it had spent for the materials and in tooling up to produce the ammunition ordered by the Chinese Government Supply Agency. The President of the company further told Mr. Howe that it was his understanding that under prevailing circumstances the ammunition would be shipped to Formosa. In response to an enquiry on this point from Mr. Howe, the Department of External Affairs took up with the Department of Trade and Commerce the question of whether ammunition which had been ordered on behalf of the Government of Kwangtung should be diverted to the Government of Formosa. It was pointed out in a memorandum of January 29, 1949 to the Secretary of State for External Affairs that in the light of the uncertainty of the military situation and the difficulty in ascertaining what the long term United States policy towards Formosa would be and finally the difficulty in exercising control over shipments to ensure that they were directed to Formosa, that the question of diversion of the order from Kwantgung to Formosa be held in abeyance. This recommendation was adopted by Cabinet.

26. At a meeting of Cabinet on February 3 it was agreed that the question of export of military equipment to China be deferred for further consideration. In the meantime there was to be no interference with the manufacture of such supplies as were under order. Pursuant to the last part of this decision, Cabinet decided on the 17th to permit delivery to Formosa of Harvard aircraft engines and parts to the value of $575,000. On March 7 in response to an urgent request by the Chinese Government Supply Agency passed through the Canadian Commercial Corporation, Cabinet agreed to export 1,500,000 rounds of 7.92 mm. ammunition to Formosa. The file concerned shows considerable and frequent changes of decision on this question of export of 7.92 mm. ammunition. Between February and the end of July, Cabinet reversed itself twice, i.e. decided not to send it, then agreed to send it. During this period the Department memoranda, in attempting to balance the pros and cons of the matter, inclined towards stressing the disadvantages of going forward with the sale and shipment of military supplies. Thus, for example, the arguments in favour and against continued export are set forth in a memorandum to the Secretary of State for External Affairs of April 28, 1949. Without reviewing all the arguments here it appears that the memorandum's most telling arguments against continued export were, first, that there was considerable doubt as to whether military equipment would really reach the Nationalist army which had still not moved in force from the mainland and second, the consideration that the shipment of ammunition to the Nationalists might seriously prejudice the position of our Ambassador who had remained on in Nanking.

27. In August, 1949, it was decided that as of November 15, 1949, all further shipment of arms to China would be discontinued. Actually, between February and November, 1949, most orders of a military nature were cancelled with the exception of 26,650,000 rounds of 7.92 mm. ammunition. However, it was short to the extent of 3,386,000 rounds worth $204,307.55 which was not authorized for shipment. The Chinese Government Supply Agency bought back from the Canadian manufacturers the ammunition not shipped and in turn the Canadian Government marked up against the credit to China the same amount. Thus after a period of months in the early part of 1949 of intense consideration of the problem and after several changes in direction by the Cabinet, we note that by the end of the year no more war material was being shipped to China. It might be said in passing that the Department's memoranda on this subject are consistently sceptical of the wisdom of continuing shipments of arms to China. The fact that there were some reversals in this policy during the early part of the year was due in large measure to the views of the Minister of Trade and Commerce. By mid-year, however, he had accepted the view that it was hazardous to continue much longer the policy of arms shipments to the Nationalist authorities.

28. Having set forth in some detail the account of Canadian financial relations with China in the period under examination, it is now fitting to draw some generalizations from it. The first and most obvious observation to be made is that some years before the Colombo Plan was conceived, the Canadian Government was prepared to assist a friendly Asian power to cope with problems of a retarded economy which were further aggravated by wartime conditions. This willingness was tempered, however, by anxiety to see that those credits, no matter how modest - and they were, of course, slight in comparison with those of the United States - should not be syphoned off into channels where they might serve only the profitable interests of a few influential Chinese individuals. In other words, they were to assist in the reconstruction of the Chinese economy, and not as a means of commercial speculation; nor were they to be frittered away in utopian and grandiose blueprints. They were rather to serve in a modest fashion to contribute towards the repair or building up of some key sections in Chinese industrial and transportation networks.

29. Secondly, while recommending the granting of credits to China the Department's memoranda, starting from 1945, reveal an increasing awareness of the dangers of civil war. As far as the record shows, however, there was no disposition to discontinue or abandon projects even though civil war appeared inevitable. In fact, even well after the outbreak of the civil war that part of the credit which was earmarked for military equipment was, as we have seen, drawn upon

for the supply of ammunition until by the middle of 1949 it became clear that the dangers and disadvantages of continued shipment of military aid greatly outweighed any possible advantage. The decision therefore to refrain from further shipment of arms was not done from any desire to curry favour with what appeared to be the winning side, namely, the Communists (although due consideration was given to the dangers run by our Embassy in Nanking if we continued last ditch assistance to the Nationalists) but rather because the further shipment of arms would have assisted the Communists who had already gained enormous strength from the capture of arms provided by the United States to the Nationalists.

30. One further generalization which while it cannot be so well supported by the record as the above considerations might nevertheless be worth hazarding. The obviously keen desire on the part of the Chinese Government and notably its leading financial expert, Dr. T. V. Soong, to secure Canadian credits was due in large measure, so it seems to the special position Canada enjoys as a nation free from political or territorial ambitions in Asia and at the same time as a major industrial power. This comparative freedom from the suspicion of ulterior motives in assistance to undeveloped areas combined with a high technical level could permit Canada to play a far more active role in Asia than has been the case heretofore, the Colombo Plan notwithstanding. This is not the place to speculate on what more might have been done but simply to emphasize that Canadian political capital in the sense of enjoying the goodwill and trust of the non-Communist Asian world appears to be quite strong. It may, however, gradually disappear due to our own lack of imagination and initiative or be frittered away by engaging in petty schemes which are not followed through. In the case of China, the Canadian Government was experimenting in this field for the first time and through no miscalculation, at least as far as the files show, their effort was largely defeated because of the victory of a hostile group in the civil war.

31. This page of Canadian Far Eastern relations is marked by a combination of pragmatism and caution tinctured with that degree of idealistic hope and goodwill without which international politics are reduced to nihilism. The financial losses, although considerable, were not of an alarmingly heavy nature while, on the other hand, this venture served as an earnest of our intention to play an active, though modest, part in assisting in development of impoverished and war-torn countries.

THE QUESTION OF RECOGNITION OF THE COMMUNIST REGIME IN CHINA

32. Well before the Chinese Communists themselves had proclaimed their government in October,

1949, both the Canadian Embassy in Nanking and the Department of External Affairs were exploring the question that would be presented to them when the Communists would clearly be the de facto authority in China. Thus, in a despatch to the Ambassador in Nanking from the Department, under date of April 22, 1949, it was pointed out that a memorandum of March 22, 1949, prepared by the United Kingdom Government had been shown to the Department of External Affairs with the suggestion that the latter might wish to comment on it. The despatch proceeded to outline to the Ambassador what the Canadian thinking at the moment was on this question. It emphasized that for the present the Canadian Government was not concerned with the problem of possible recognition of any new form of government; this was a matter on which the Ambassador's views were anxiously awaited. The Department was therefore confining its observations to the question of consular relations with local authorities in territory which might come under Communist control. In anticipation of the possible extension of Communist control to the Yangtse Valley, all the officers of the Embassy staff in Nanking, with the exception of the Military Attache, were given consular status. This was to enable them, in the event of the Nationalist Government losing control over Central China, to maintain contact with the de facto governing authorities.

33. The hope was expressed that if Nanking and Shanghai were to come under Communist control, Canadian and other consular officers would be permitted to carry out their functions without any special representations being made. Should it be thought necessary for the de facto authorities to be approached on the matter, the Department authorized the Embassy to make oral communication with these authorities either through consular officers in Nanking or Shanghai. These officers might express the expectation that, in accordance with accepted international practice, they would be able to continue to discharge their normal functions of looking after Canadian citizens and Canadian interests. If it appeared that an oral communication was inadequate and a more formal approach required, the Ambassador was requested to consult with Ottawa before proceeding further along these lines.

34. The preliminary Departmental views on recognition were set forth in a memorandum of April 23, which was in the form of comments on the United Kingdom memorandum referred to above. It was pointed out in this memorandum, first, that there was complete agreement with the main thesis in the United Kingdom memorandum that the Chinese communists were orthodox communists and not merely agrarian reformers. Attention was drawn to the very great importance to the United Kingdom of its investments and trade with China, whereas in the case of Canada investments were small and trade was of a nature making Sino-Canadian trade of much greater significance for China than for Canada. This meant that Canada could afford to look at the problem of recognition with less urgency than the

United Kingdom; the various advantages and disadvantages could be weighed carefully and Canada could therefore afford the luxury of a comparatively dispassionate view of the problem.

35. In a telegram of May 3, 1949, from the Embassy in Nanking to the Department there was some expectation that most of the powers would be shortly extending de facto recognition, following which the Ambassador expressed the view that it might be desirable for him then to return to Canada for consultation on the question of de jure recognition.

36. In a telegram of May 5 from the Department the Canadian Ambassador in Washington was informed that our Ambassador in Nanking had been endeavouring to work closely with his colleagues from the Atlantic Powers and the Commonwealth and to maintain a united front on the question of recognition. The Ambassador was informed that he need have no anxiety lest the Canadian Government should move precipitously and without full consultation with other interested powers. In a telegram of May 9, 1949, from the Embassy in Nanking the Department was informed that the Indian Government would be prepared to move quickly towards full recognition and would only delay in deference to the United Kingdom in case the latter wished to take this step in the near future. There was also a clear indication that the United States would procrastinate on this question, as there were a number of political problems, including the status of Formosa, that would make full recognition unlikely in the immediate future.

37. It should be pointed out again at this juncture that all these considerations were prior to any formal request for recognition from the Communist authorities themselves. Throughout the summer of 1949 there was no indication given to diplomatic missions in Nanking, or at least to those with which our Embassy was in close touch, of when and how the Communists would set up a government claiming to control all of China. It will be recalled from the preceding study of Canadian financial relations with China that a decision was taken during this summer by the Cabinet to discontinue all military aid to the Nationalists. This was made partly to break clear of embarrassing entanglements with the Nationalists so as to make the position of our Ambassador in Nanking less equivocal in case there was a decision to move towards recognition. The basic reason, of course, was the realization that continued military aid to the Nationalists would in the long run only assist the Communists, who would almost certainly succeed in capturing a greater part of such foreign aid. The late summer and fall saw the Communist forces firmly entrenched in the Yangtse Valley and sweeping deep into the south. The Nationalist forces had set up a temporary capital in Canton in April, 1949, and some Embassies sent senior diplomatic officers to the new seat of the Nationalist Government. Curiously enough, one of the few foreign representatives to go along in person with the Nationalists

was the Soviet Ambassador. The Canadian Ambassador and his staff, however, remained in Nanking and sent no representative to the new Nationalist capital. As anticipated, in December, 1949, the Nationalist Government moved from the mainland to Formosa where it set up its temporary capital in Taipeh. Here again, the Canadian Government did not instruct the Embassy to send any representation to the Formosan capital.

38. During the summer and early fall of 1949, while the Communist local authorities were taking over Nanking and other Yangtse cities, the Embassy, carrying out its instructions, approached Communist authorities to learn whether they would recognize the consular power of the officials in the Embassy. In the oral exchanges that took place on this subject the Communist authorities refused to recognize the consular jurisdiction of the officers of the Embassy but, in practice, in a number of instances they appeared to have given them this recognition. Now, following the proclamation in Peking on October 1 of the Central People's Government of the People's Republic of China, the diplomatic corps in Nanking were summoned on October 2 by a Communist official in Nanking who read the text of the declaration and then a second document which implicitly called for the powers to break off relations with the Nationalist Government and to extend full recognition to the new Communist regime. The text of an official communication addressed to the Ambassador on October 4 from the Communist Minister for Foreign Affairs was telegraphed to Ottawa on October 7.

39. The more pertinent part of this telegram is incorporated in a telegram of October 17 from the Department to the Minister, who was then in New York, and reads as follows:

> "Mr. Ronning, the officer in charge of our Embassy in Nanking, has received the following communication from the Foreign Affairs Bureau:
>
> 'Peking, October 1st, 1949, to Mr. T. C. Davis, I am sending you herewith the announcement that has been made today by the Chairman, Mao Tse-tung, of Central People's Government of People's Republic of China and hope you will transmit it to your Government. I am of opinion that it is necessary for the People's Republic of China to establish normal diplomatic relations with various nations of the world. Yours faithfully (signed and sealed) Chou En-lai, Acting Minister of Foreign Affairs of Central People's Government, the People's Republic of China.'"

Mr. Ronning, who was the officer in charge in the absence

of the Ambassador, was authorized by a telegram from the Department of October 21 "to make oral acknowledgment to responsible official of Foreign Affairs Bureau, Nanking, while avoiding so far as possible giving recognition of official status of that office, to the effect that Canadian Government has received the communication of October 1 and that the communication is being studied".

40. Similar communications were sent to representatives of other foreign governments. The United Kingdom Consul-General in Peking was authorized to reply that the matter was being studied and to suggest that in the meantime it would be to the advantage of both countries if informal relations were established between the Communist authorities and United Kingdom consular officers. United States consular representatives in Peking were instructed to reply in a personal capacity, merely acknowledging the communication. The State Department considered this would leave the door open for further communications without committing the United States Government in any way.

41. In previous instructions to the Canadian Ambassador in Nanking concerning relations with Communists, the view was maintained that, in accordance with the principles of international law, Canadian consular officers in China should be permitted to fulfil their functions, without prejudice to the question of recognition of a new regime. It was felt therefore that it might be as well for Mr. Ronning to make this point when he acknowledged the communication from the Chinese Communist Government.

42. In considering further the question of diplomatic recognition, the Department's files show that, both in the Departmental thinking and the views made available to the Department by the United Kingdom, all indications were that the Chinese Communists would be unlikely to be content with de facto recognition. This was borne out by the silence of the Communist authorities over the message conveyed to them by the United Kingdom Consul-General in Peking on October 5 (this refers to the question of securing consular relations) and the parallel communication made by the Australian representative. These messages, whose purpose was no more than to establish day to day working relations between the United Kingdom consular officials and the Communist authorities, could well be regarded in law as constituting de facto recognition. The lack of response, however, on the part of the Chinese Communist authorities indicated that they would insist upon full diplomatic recognition preceded by a breaking off of relations with the Nationalist Government. This was therefore the prospect with which the Canadian Government was faced following the first, and to date, the last official approach from the Communist authorities requesting recognition.

43. It might be pertinent at this time to introduce an important journalistic view, namely, the special view on the situation in China. It is a report of The Times' (London) special correspondent in Hong Kong, under date-line of October 26th, and reads in part:

> "The new Communist regime, which is rapidly supplanting nationalist power everywhere on the mainland, will soon have defined frontiers; it undoubtedly enjoys the acquiescence, even if that is only passive, of the majority of the population; and it will soon be in a position, even if it is not already, to fulfil the usual international obligations of a modern state.
>
> "The great majority of British observers in the Far East, although prepared to admit that they may not see this question in all its global implications, remain convinced that from the Asiatic standpoint nothing is to be gained by withholding recognition, and that much may be lost by delaying it unduly. Britain, whose interests in China vastly exceed those of any other foreign power, is entitled to take the lead in this question."

44. On the return of Mr. Davis to Canada in October, 1949, questions were raised in the House, notably by Mr. Green. Thus, on October 25 the Minister made the following statement in the House:

> "I might, however, say at this time that Canadian policy with regard to the recognition of any government, in China or elsewhere, will naturally take into consideration the usual requirements of international law. These provide that before a government is granted recognition it must be shown to be independent of external control by any other state; it must exercise effective control over the territory which it claims, and that territory must be reasonably well defined. If and when these requirements are met, then I believe, Mr. Speaker, that consideration should be given to the recognition of a government in China or in any other part of the world.
>
> "The Canadian Government is in close touch with other like-minded governments on all aspects of the present state of affairs in China, and careful consideration is being and will continue to be given to all the implications arising out of the situation there, which is so important to peace in that area and indeed throughout the world."

45. While the Canadian Government took the attitude that a decision on recognition was not as urgent

as, for example, it might be in the case of the United Kingdom or India, nevertheless it was a matter which could not be left long in abeyance and it would have to be frequently reviewed and re-examined in the light of a continually developing situation. Thus, on November 4, 1949, a memorandum was prepared for the Minister to serve, if he so wished, as guidance for any views on recognition which he might wish to put before Cabinet for their consideration. It was pointed out therein that the Communists by now controlled the greater part of China, and in those areas where they still had not full control, the morale of the scattered Nationalist forces was very low. It was particularly stressed that, regardless of the question of recognition, the Chinese Communists would exert considerable influence throughout South-East Asia both through covert or clandestine relations on the one hand and through propaganda, and possibly through military assistance to dissident elements, on the other. The new regime had up to that time received recognition only from the Soviet Government and its satellites. It was recognized that the Soviet Union would replace the United States as the most influential foreign power in China. Despite this, however, it was anticipated that Chinese suspicion of foreign meddling would act as a possible check upon this influence. The degree of influence exercised on China by Soviet Russia would be expected to be in inverse ratio to the extent of direct Soviet interference in Chinese affairs. It was therefore postulated that the Russians would be careful not to arouse Chinese susceptibilities by interference of too flagrant a nature. In assessing the probable trend of policy in other countries, it was suggested that, although the British were not particularly happy about the situation, they would probably recognize the new regime shortly, chiefly to protect their commercial interests, and partly as a means of keeping open some channel of information and influence for the Western democracies.

46. As for the United States, the White Paper "United States Relations with China" had just been published clearly indicating that the judgement of United States official and expert opinion of the Kuomintang regime was critical if not unfavourable. Unlike the British, it was estimated that economic interests would count far less with the United States than strategic. Altogether, United States opinion was inclined to regard a China dominated by Communists as a hostile country and therefore one which should be isolated and refused any possible assistance through trade or normal relations. Already the executive branch of the Government had assured Congress that no step would be taken with regard to recognition until that body had been fully consulted. All this indicated that the United States attitude was, on the whole, negative and would certainly not move as rapidly towards recognition as the British.

47. It was noted that from what one could learn of Indian thinking, they were inclined to regard the Communists in China as nationalists rather than as satellites of Russia and that, as an Asian country which had achieved independence, they favoured extending recognition to it despite the hostility with which Indian leaders regarded Communism.

48. In conclusion, the memorandum, after balancing various factors both of direct national interest as well as longer-range considerations, suggested that, on the whole, while it was perhaps premature to take a decisive step at the time of writing, it would be the lesser of two evils if the Canadian Government should extend recognition. The factors inclining towards this conclusion were (a) the desire to strengthen the position of non-Communist elements in China; (b) to keep open channels "for the infiltration of democratic propaganda through the activities of Western businessmen, missionaries, etc." and (c) to explore opportunities of conflict which might arise between China and the Soviet Union. If Soviet and satellite ambassadors were left in unchallenged possession, as it were, of the diplomatic corps in Peking, Chinese Communists would have even less opportunity of deriving any but the most unfavourable impressions of Western intentions and policy. The possibility of bringing Chinese Communists to a more pliable attitude by the cutting off of trade was minimized; therefore this aspect of recognition would not be treated as highly significant.

49. The assessment given above of the United States position, which of course was of paramount importance to Canada, proved to be fully borne out by developments. In a telegram of November 15, 1949, from the Canadian Embassy in Washington, the Department of External Affairs was informed that the competent officials in the State Department were concerned that Canada should not move rapidly in the direction of recognition. They attached the utmost importance to the question of how the Chinese Communists would behave towards United States officials. The Angus Ward case had naturally given cause for great alarm both to the public and to officials.[1] The State Department was surprised that apparently Canadian thinking had not been concerned with the question of obtaining "some sort of assurance from the Communists that they would observe international obligations and the normal standards of international conduct". They further stressed the inadvisability of giving any appearance of being in a hurry to extend recognition; further, the Chinese Communists should be shown "that the democracies are not in fact dependent upon trade relations with China and that China cannot call the tune simply because of the inherent weaknesses of capitalism".

---

[1]He was the United States consul-general who was held in prison for two or three weeks at the end of 1949.

50. Throughout this period close consultation amongst Commonwealth countries with diplomatic representation in China was maintained at the highest level. Thus, in a telegram from the Canadian High Commissioner in London, dated November 16, 1949, the Department of External Affairs was informed that Mr. Bevin had called a meeting of all Commonwealth representatives to discuss the problem of recognition. The Australian representative indicated that his government would not be likely to recognize soon. The New Zealand representative indicated his government was averse to recognition at the present time. This view was also expressed by the South African representative. The Indian High Commissioner reported that the question of recognition had become acute as far as his government was concerned; his government took the view that the internal character of the Chinese Government was a matter for the Chinese and not for India. He stated that diplomatic relations were maintained with the Soviet Union and other Central European states "without disastrous consequences". While the Indian representative realized that each Commonwealth government was free to make its own decision, he hoped that they might, if possible, act closely together. The Indian view, in short, was that early recognition "with grace and in time" was preferable to tardy recognition. The Pakistani representative was without any instructions on the subject. Mr. Bevin indicated agreement with the Canadian position that no action should be taken until after the present session of the General Assembly. He hoped it would be possible to take action sometime in the first fortnight of January (1950), that is, roughly coinciding with the Colombo Conference.

51. On November 16 Cabinet approved recognition of the Chinese Communist regime in principle but deferred consideration of the question of timing. Further evidence of the seriousness with which the Canadian Government was considering the question of recognition may be seen from perhaps the longest statement to be given in the Canadian House of Commons by a Cabinet Minister at any time on a question directly relating to China. Speaking in the House on November 16, the Minister made the following remarks:

> "This brings me to the present situation in China, a matter which is of course of very great interest, I am sure, to all honourable members. I do not try to minimize the gravity or the magnitude of the recent events in China. A small revolutionary party there, espousing an alien philosophy, looking to the Soviet Union as the author and interpreter of that philosophy and as a guide in international relations, has seized military and governmental power throughout the greater part of China. It has done so, I believe, by riding in on the crest of a wave of peasant revolt begun more than a hundred years ago in the great Tai-ping rebellion; by building a tough peasant army during the war of

resistance to Japan; by exploiting the failures of the national government and by shrewd political manoeuvering in the Chinese manner. The 'Central Government of the People's Republic of China', as it is called, was proclaimed in Peking on October 1, 1949. Other co-operating parties and individuals are represented in that government, but effective control is held by the Chinese Communist party. The new regime has invited recognition from foreign governments on a basis of equality, friendship, respect for territorial integrity and withdrawal of recognition from the national government. The Soviet government and its satellites promptly accorded recognition on this basis. No other state has yet done so.

"What should be our attitude in the face of these profound changes in China? Well, it is not an easy matter to talk about. One must speak of it with a certain amount of hesitation and with I think reservation, as conditions change, and may change again, quickly in this part of the world. But I suggest to you, Mr. Speaker, that the first thing we should do is to try to understand what has happened. We must understand that today China is under the control of a Communist party, which professes Marxist-Leninism as its social philosophy, and which has patterned its government on that of the new 'popular democracies' of eastern Europe. It will set about, I assume, the introduction in China as soon as it can, of what it will call socialism. This kind of socialism will not be, however, the liberal democratic socialism of western tradition, but the kind called for in Communist doctrine.

"China, as the greatest eastern country to come under Communist control, has become significant as a testing ground for the adaptation of Marxist-Leninist principles to the Asian scene and as a base for further pressures against the rest of Asia. Of course we in Canada reject completely the Marxist-Leninist principles espoused by the Chinese Communists, but we cannot reject the fact of China and its 450 million people. For seventy-five years Canadians have been in direct contact with the Chinese people. We respect their ancient and humanitarian culture. We admire the cheerful industry of the Chinese peasant. We accept the Chinese as good neighbours across the Pacific with whom we would live on terms of friendship and respect. We are interested in the welfare of the Chinese people as an end in itself and not as a means to somebody else's end. We know that the problems and sorrows of China cannot be confined within the borders of that ancient land.

"There is also the continuing friendship by the people of Canada for the people of China which has been expressed in a variety of ways for so many years. We have been asked to recognize the new Communist government in Peking which does in fact control a large part of that country. Recognition, of course, does not imply or signify moral approval, it is simply an acknowledgment of a state of affairs that exists. If the fact of Communist control of China is demonstrated and an independent - I stress the word 'independent' - Chinese government, able to discharge its international obligations, is established there, which is accepted by the Chinese people, then in due course and after consultation with other friendly governments we will have to recognize the facts which confront us. If we indicate, in the future, recognition of the Chinese government, that will not indicate approval of Communism in China any more than our recognition of the Communist states of eastern Europe indicated approval of their form of government. It should, however, safeguard the maintenance of contact between the Canadian and Chinese people, of which I have spoken already.

"I think it would be inappropriate to leave this subject without saying something about the national government of China, sometimes called the nationalist government - although I hope that all Chinese governments will continue to be nationalist in the broadest and best sense of that word. It is a fact of political life, either domestic or international, that the loser is often made the scapegoat. Whatever the shortcomings of the national government of China may been, whatever were the inadequacies of individual officials to shoulder the grave burdens, and they were grave, that were thrust upon them, we would be wanting in common decency if we did not acknowledge that that government stood strongly by us as allies in the last war and that they have professed and proclaimed the ideals of our own democratic way of life."

This statement is quoted in full chiefly because it gives a useful background of the Canadian point of view, not only on the problem of recognition but the Canadian attitude towards China going back over a period from our earliest contacts with that nation.

52. On November 22 Mr. Drew, the Leader of the Opposition, on the Orders of the Day asked a question of the Prime Minister (in the absence of Mr. Pearson) regarding a report that "eight nations of the Commonwealth agreed last week to recognize the Moscow-dominated Communist Government of China". In

reply to this, the Prime Minister stated that he had heard of no such report and that, as soon as there were any developments in this regard, the Secretary of State or the Acting Secretary of State for External Affairs would inform the House. This indicates how closely not only the Government but other political leaders were following the situation. On his side, the Prime Minister authorized that copies of the departmental memorandum of November 4 on "Policy Towards Communist China" should be made available to Mr. Drew and Mr. Coldwell.

53. On November 21 the Indian High Commissioner in Ottawa left a memorandum with the Under-Secretary, the gist of which was that, in the view of the Indian Government, the Communist regime in China gave indications of being "well-established, stable and likely to endure". It further maintained that there was no serious opposition left and that there was no alternative to the new regime. It pointed out that recognition did not involve approval but simply recognition of a political and historical fact. The only question left, therefore, was that of timing, and it was further stated that delay would be injurious politically and economically. These points were developed in some detail, and it concluded by informing the Canadian Government that the Indian Government considered the proper time for recognition would be somewhere between the 15th and 25th of December (1949).

54. On December 2 a reply was sent to the Indian Government. It began by expressing appreciation to the Indian Government for keeping the Canadian Government closely informed of their thinking and policy regarding recognition of the Communist regime. It noted with satisfaction that India did not propose to recognize the new regime until after the conclusion of the present General Assembly. The dates suggested in the Indian memorandum for recognition were, however, somewhat earlier than would be appropriate for Canadian action. It would not be likely that the Canadian Government would move in this direction until at least after the Colombo Conference of January, 1950. The Canadian Government, in reaching this conclusion, had taken into account the attitude of other friendly governments, notably the United States, France and the Netherlands. The message ended by saying that, while the Canadian Government had hoped that recognition would have been deferred until after the Colombo Conference, it fully appreciated the considerations which had led the Government of India to the conclusion that they should recognize the new regime in China in the period they had suggested.

55. On December 17, 1949, the High Commissioner for the United Kingdom left with the Prime Minister a personal message of December 16 from Mr. Attlee. In this message the Canadian Government was informed that the United Kingdom Government on December 16 had

decided, in principle, to accord de jure recognition to the Chinese Communist Government. In this message Mr. Attlee stated that his government would officially notify the Chinese Communist Government on January 2, 1950, of this decision. In informing Mr. St. Laurent of this decision, Mr. Attlee pointed out that,

> "after careful consideration, we have reached the conclusion that recognition cannot be long delayed if we are to avoid consequences which would gravely affect United Kingdom interests not only in China itself but also in Hong Kong, Malaya and Singapore, where there are very large Chinese communities. Now that the Chinese Communist Government has gained control over virtually the whole of China, the time may not be far distant when it will seek to put pressure upon the officials and interests of Powers who do not recognize it. To accord recognition in response to such pressure would be to lower our prestige throughout the Far East. To withhold it indefinitely as a gesture against pressure, on the other hand, would mean the sacrifice of our interests in China and have serious repercussions in Hong Kong and Malaya".

56. The statement went on to point out that recognition was simply an acknowledgment of the inescapable fact that the Communist Government was in effective control of China. This recognition, however, did not denote any lessening in the determination of the United Kingdom authorities to resist Communism in South-East Asia and elsewhere. While it was not possible to say so in a public statement, Mr. Attlee pointed out to Mr. St. Laurent that recognition did not, of course, imply any moral approval. Nor did the United Kingdom Government expect its decision to be followed by a similar decision on the part of the United States Government.

57. On December 19 Mr. St. Laurent replied to Mr. Attlee's personal message and, while expressing appreciation for being kept informed, pointed out that the Canadian Government did not consider it appropriate to recognize the new regime in China until at least after the Colombo Conference, that Canadian interests in China were not so great and therefore there was not the same degree of urgency as in the case of the United Kingdom.

58. Following the decisions of these friendly governments, particularly of India and the United Kingdom, a memorandum of December 20 which reviewed again the question of recognition was prepared for the Minister by the Department. It noted (paragraph 5) that on November 16 the Cabinet approved recognition in principle of the Chinese Communist regime but deferred consideration of the question of timing. The suggestion was made to the Minister that he might wish to postpone

any further action on the question until his return from the East, particularly because of the growing reluctance on the part of the United States to recognize the Communist regime and because of the repercussions that Canadian recognition might have on United States official and public opinion. At the same time indefinite or extended delay in recognition, it was pointed out, had certain disadvantages. It was therefore hoped that, on Mr. Pearson's return from the Far East, he might discuss the whole question with leaders of the Opposition with a view to arriving, if possible, at a broad Canadian policy on this question.

59. A telegram from the Canadian Embassy in Nanking on December 29, 1949, presented the following considerations which would favour early recognition:

1) The indications were that since the Communist assumption of power, China had at long last an efficient and honest administration;

2) the United States analysis of the situation in China had been consistently incorrect for a number of years, and China was still viewed only as a factor in Soviet-American relations, an attitude which tended to distort the United States view of China;

3) there were still many Chinese who were basically friendly to the United States and their influence would be increased by recognition and, conversely, would be decreased if the United States did not shortly recognize the new regime;

4) if the Western Powers who could dispense economic assistance to China refused recognition, that would inevitably compel the Chinese Communists to seek even closer relations with the Soviet Government.

60. This telegram was answered by one from the Minister on December 31 stating that the views given in the telegram from Nanking arrived most opportunely on the eve of his departure for Colombo. In his reply, the officer in charge at Nanking was informed that the Cabinet had accepted in principle the Canadian recognition of the new government, and the main question was that of timing. Further action on this question would be taken after the Colombo Conference and after Parliament had reassembled early in February.

61. In a telegram from Karachi of January 4, 1950, the Department was informed that the Government

of Pakistan would recognize the Peking Government. The Ceylon Government also informed the Department in a telegram of January 5 that they would be recognizing the new regime, thus bringing to four the number of Commonwealth countries who had given de jure recognition to the Communist regime.

62. Although only a fortnight had passed since the United Kingdom Government had extended recognition, there were indications that the follow-through would be difficult and that, in fact, the Peking regime was inclined to adopt a stiff attitude on all subsidiary questions connected with recognition. Thus, a telegram of January 13 from the High Commissioner for Canada in London summarized a comment of the China News Agency (Communist) of January 10 on the United Kingdom recognition. This statement began by asserting that diplomatic relations established "on a basis of equality, mutual benefit and mutual respect for territory and sovereignty" were desirable to the Chinese people. It went on to charge that there was evidence shown of British hostility to the new regime, and resentment was expressed over alleged British comparison of the Franco regime in Spain with the People's Republic of China (i.e. on the point that recognition did not imply approval). There were other somewhat ominous remarks in the statement which suggested that immediately after recognition, the path would be strewn with obstacles. This point is of some importance because it was known that one of the Canadian Government's considerations in recognition was to see how other governments, and particularly the United Kingdom, would fare in their efforts to establish normal relations. Evidence steadily mounted of the difficulties which the United Kingdom authorities were encountering in establishing such relations. It might, for instance, be mentioned in passing that the Chinese Government steadfastly refused to receive a United Kingdom ambassador and, in return, to send one to London presumably until the United Kingdom Government openly supported the Chinese Communists' claim to the Chinese seat in the United Nations. This is to anticipate somewhat since, at this particular time, the chief problem between the United Kingdom and the Chinese Communists was the interpretation of "the establishment of diplomatic relations", but continued Chinese stiffness on this whole question might properly be emphasized at this point. Under these circumstances, it was only natural that the United Kingdom experience should be a factor in retarding Canadian recognition.

63. On January 26, 1950, a telegram was received from the Canadian Ambassador in Washington conveying the official United States view on the question of possible Canadian recognition of the Communist Government. The first point made by Mr. Sprouse, Director of the Office of Chinese Affairs, in his conversation with a member of the Embassy, as reported in the telegram, was that it would be wise for Canada to wait and see the possible difficulties for other governments,

notably the British and Indian, that might arise over Peking's interpretation of the "establishment of diplomatic relations". On this point the United States official raised the question "whether or not there has been a deliberate misunderstanding and whether it is the intention of the /Chinese/ Ministry of External Affairs to impose certain conditions before 'diplomatic relations' are officially established.

64. In reply to this telegram, the Ambassador in Washington was instructed to inform Mr. Sprouse confidentially that, unless some major difficulty should arise in the negotiations being conducted by the United Kingdom and other governments in Peking, it was likely that the Canadian Government would consider the question of recognition after the return of the Minister from Colombo and after the opening of the session of Parliament on February 16, 1950.

65. The Department was informed by a confidential despatch from the Canadian Embassy in Washington, under date of February 4, 1950, that the recognition of Communist China was a dead issue at the moment in the United States. The seizure of United States consular property in Peking on January 14, resulting in the withdrawal of United States officials from China, eliminated the possibility of action at least in the near future, and with elections coming up in November, it was considered most unlikely that the Administration would care to raise the question before the end of the year. The despatch went on to analyze in some detail the arguments of those few voices which were raised in favour of recognition, but concluded in the manner stated above, namely, that recognition was not practical politics for the present. The despatch concluded by indicating that early Canadian recognition would not surprise the State Department but would certainly stir up adverse reaction in some quarters of Congress and in the press. Whatever other friendly governments might do, the despatch expressed what was considered to be the United States official view, namely, that "the United States will gain more respect and in the long run exert more influence in China by proceeding with caution and as much dignity as can be mustered in the circumstances".

66. By early February, 1950, the Minister had returned from the Colombo Conference and his tour of the Far East. As indicated above, this was the time that he would be faced again with the need for urgent consideration of recognition. On February 8 he was informed in a memorandum prepared by the Under-Secretary that the Chinese Ambassador in Ottawa had visited the Under-Secretary to argue with great emphasis against the recognition by Canada of the Peking regime. He stressed the point that Canada did not have the same material interests in China as had the United Kingdom

and that therefore, as the first American nation to recognize Communist China, Canadian recognition would carry considerable moral and political influence. He was assured by the Under-Secretary that no step in this direction was being considered until it was fully discussed both in Cabinet and in Parliament. The Ambassador then asked that he might be permitted to present his case directly to the Minister. This he did on February 13, 1950. At this interview Dr. Liu, the Ambassador, in addition to the arguments he made in his talk with the Under-Secretary, stated that the Chinese Communist leaders were completely subservient to Moscow; he did not believe that Mao entertained any Titoist tendencies; that, on the other hand, the Nationalist regime was well entrenched in Formosa; and that continued recognition of that regime was not only legally correct but morally justified. In reply to his representations, the Minister stated that no decision would be taken for the immediate present and that there would be a further opportunity for the Ambassador to present his views before action would be taken.

67. The rapid sequence of events in the extension of recognition of Communist China by a number of Commonwealth countries, the increasing stiffening of the United States attitude, the representations of the Chinese Ambassador in Ottawa, and the undoubted interest which Parliament would show in the question, all combined to keep the question high on the agenda of the Cabinet at this time. The Minister again requested that a memorandum, both for Cabinet and for his own guidance, be prepared on the question. This was done on February 16, 1950.[1]

68. The arguments in the memorandum to Cabinet did not contain any fresh recommendations but simply reviewed the arguments for and against recognition under headings of legal, political and Canadian considerations. Thus, although the field was left open, the shorter memorandum for the Minister indicated that the arguments in favour seemed to be gaining in weight and that no doubt he would wish at a suitable opportunity to advocate recognition in the House of Commons.

69. Moving along the lines of this recommendation, a later memorandum to the Minister of February 23, 1950, suggested that it would be convenient if the Cabinet should decide to accord recognition during the week of March 13 or March 20, 1950, leaving the exact date to be determined by the Secretary of State for External Affairs. At the same time, if recognition should be extended, it was recommended that the Government decide not to appoint an Ambassador to the Peking regime in order at this time to avoid any

[1]The memorandum to Cabinet appears as Appendix 11.

appearance of approval that recognition might convey to the public. This would also be in accordance with Canadian practice in Moscow and Eastern European capitals.

70. In the meantime, the Chinese Ambassador in Ottawa, on February 21, 1950, wrote to the Prime Minister setting forth arguments against the recognition of the Peking Government. This move on the part of the Ambassador, who had only within the last two weeks been granted an interview both by the Under-Secretary and, very shortly after his return, by the Minister, could not but give the appearance of going over the head of the Minister to the Prime Minister. The Minister, who had in his interview of February 13, 1950, agreed to meet the Ambassador shortly again, in the light of this new development, that is, of the letter to the Prime Minister, indicated on the margin of the memorandum covering a copy of the letter from the Ambassador to the Prime Minister that this exempted him from his commitment to see the Ambassador again on this matter. It might be added that the Prime Minister, in acknowledging the Chinese Ambassador's letter, which incidentally contained much the same arguments as those expressed in his interview with the Minister on February 13, replied briefly in formal and general terms.

71. There was no relaxation in the interest of other friendly governments in the Canadian position on recognition. Thus, the Australian High Commissioner to Canada presented a note on February 18, 1950, conveying a message from the Hon. P.C. Spender enquiring about the Canadian Government's attitude on this question. The Minister replied (February 24) to Mr. Forde asking him to convey to Mr. Spender a message which stated that Cabinet had not taken a final decision but that, for Mr. Spender's own secret information, consideration was being given to according recognition about the middle of March. If recognition was accorded, however, the Government was not contemplating the early appointment of an Ambassador. The rest of the message discussed briefly the United States position on recognition.

72. In a telegram of February 28, 1950, to Nanking the officer in charge was kept informed of the developments, as described above, and the Government's attitude towards recognition. In a telegram of March 2, 1950, the Canadian High Commissioner in Wellington was instructed to inform the New Zealand Government of the Canadian attitude on recognition, and the views of the New Zealand Government were solicited in return. Under the same date, a telegram was despatched to the Canadian High Commissioner in London requesting him to keep the British Government similarly informed. The same step was taken with regard to the South African Government on the same date.

73. At this stage it might be convenient to

list those countries which, as of the beginning of March, 1950, had extended de jure recognition to the Central People's Government. The list follows the sequence of recognition. The first was the Soviet Union, followed by the six East European satellite governments together with East Germany, then North Korea, Outer Mongolia, Yugoslavia, Burma, India, Pakistan, United Kingdom, Norway, Ceylon, Denmark, Israel, Afghanistan, Finland, Sweden, Ho Chi-minh Government in Vietnam, Switzerland, and The Netherlands at the end of March.

74. Throughout these weeks the Canadian Government kept itself as closely informed as it could of the United Kingdom and Indian negotiations with the Chinese Communists for the establishment of full diplomatic relations. In a memorandum to the Minister of March 8, 1950, summarizing the situation, a recommendation was made that the United Kingdom and Indian Governments indicate to the appropriate authorities in Peking that other governments, which had not yet recognized Peking, had been watching (1) the progress made by the United Kingdom and Indian representatives in their efforts to arrange for the establishment of diplomatic relations with Communist China, and (2) the treatment accorded these representatives, after the extending of recognition by India and the United Kingdom. It was hoped that this would have a considerable effect upon other governments. Telegrams along these lines were despatched to the Canadian High Commissioners in London and New Delhi under date of March 10, 1950.

75. This narrative must be retraced slightly to give the picture in Parliament. On March 3, 1950, the Leader of the Opposition, Mr. Drew, speaking in the House of Commons, stressed particularly the question of recognition of China in commenting on the general field of Canadian foreign relations. He expressed the wish that the House might receive more information from the Secretary of State on the question of recognition. Quoting from a speech of General McNaughton, who had been the Canadian Representative at the United Nations, he raised the question whether the Communist regime would shortly be taking the Chinese seat in the United Nations, then, as the crux of his remarks, he posed three conditions which he stated must be regarded as criteria for recognition: the Government of Communist China must be independent, it must be able to discharge its international obligations, and it must be accepted by the Chinese people. He proceeded to amplify these questions and then ended by reminding the House of a decision of the United Nations taken on December 12, 1946, when a resolution was adopted by which governments were requested not to extend recognition until the Spanish Government could clearly be described as a government by the consent of the governed. Mr. Drew then drew the parallel that the Mao regime in China had been imposed by force and not by the consent of the people. He spoke at some length on this subject

and concluded with a strong plea that the Canadian Government should not extend recognition to the Mao regime. /Debates of the House of Commons, Session 1950, Vol. I, pp. 459 to 466./

76. On March 7, 1950, speaking on the same subject of external affairs, Mr. Alistair Stewart of the Co-operative Commonwealth Federation took up the question that had been raised by the Leader of the Opposition and, while not disputing the argument of Mr. Drew that the Mao regime was imposed by force, suggested that "it was a force which was acceptable to the peasants and workers in the cities and also to the intellectuals of China. Obviously the Kuomintang regime had little hold on the loyalty or affections of the Chinese people". He claimed that the Kuomintang had forfeited the respect and hopes of the Chinese and that, whether we liked the nature of the new regime or not, non-recognition might not be the most effective way to cope with the problem; rather it might be a "surrender by default to Moscow of leadership which we ought to be giving Asia". These two views, then, may be taken as representing the opinion of, first, the Progressive-Conservative party and, second, the Co-operative Commonwealth Federation, showing quite clearly that there would not be any unanimity on the question of recognition by all major parties represented in the House.

77. To anticipate somewhat and to keep within the purely Parliamentary frame of reference, Mr. Coldwell (C.C.F.) speaking in the House on June 5, referred to the example of India and of the United Kingdom in the recognition of China, and, stressing the importance of maintaining contact, urged the Government to grant recognition. Speaking also on the same day in the House, Mr. Gordon Graydon (P.C.) briefly raised the question of the recognition of China, merely asking that the Minister "will enlighten us at a convenient time as to what changes have taken place in that position during the last few weeks". In reply to these two members of the Opposition, the Minister, speaking on the same day in the House, in reference to his recent talks in London, stated that he did not know of any change of attitude on the part of the United States on the question of the recognition of China.

78. On April 20, 1950, the question of recognition was reviewed once again for the Minister. In this departmental memorandum no new considerations, either arguing for or against recognition, were brought forward but it was pointed out that half the Commonwealth governments and a majority of the Western European governments had accorded recognition, that a large majority of the United Nations still had not done so and that no nation in the Western hemisphere had yet taken this step. It was only proper to observe that while the Canadian Government was studying both the legal and political merits of

recognition itself, it would have to consider carefully the attitude of other American governments if it were to take the step of being the first government in the hemisphere to recognize the Peking regime.

79. In a telegram to Mr. Ronning, the officer in charge in Nanking, on April 27, 1950, the Department explained first of all the reasons for the delay in recognition and then requested him to make a different approach to the problem (if and when he was so instructed) so as to avoid if possible some of the difficulties encountered by the United Kingdom Government. The pertinent part of the telegram reads as follows:

> "On receipt of further instructions, you would make an oral communication to the responsible official of the Foreign Nationals Bureau in Nanking stating that you had been instructed by the Government of Canada to inform the responsible Chinese authorities that consideration is being given to the simultaneous announcement of recognition of the Central Government of the People's Republic of China and agreement between the two governments to exchange diplomatic Missions. Before doing so, however, your government would wish to know whether such a procedure would be agreeable to the Chinese authorities and had authorized you to proceed to Peking to discuss in advance any questions which the Chinese authorities might wish to raise in this connection."

80. Another telegram was despatched the next day in which a number of detailed questions were outlined and Mr. Ronning was requested to comment on them and to take them up with the Chinese Communist authorities. The telegram of April 28, 1950, reads as follows:

> "My telegram No. 40 of April 27 regarding recognition. I should be grateful for your comments on the following points that we suggest that you might take up with the Peking authorities if the approach suggested in my telegram No. 40 is approved.
>
> (a) The Canadian announcement of recognition would designate you as Charge d'Affaires a.i. and the wording would follow that employed by other Western governments and would include withdrawal of recognition from the Nationalist Government in Formosa.
>
> (b) Canadian representatives would be instructed to support resolutions in international bodies calling for the seating of Peking representatives, provided the proper procedures in making application were followed and that the body was competent to determine its own membership. (The Canadian example

might have some influence on other governments and a change in our vote in the Far Eastern Commission would create a majority for recognizing the Peking Government.)

(c) The Canadian Government would be prepared to accept a diplomatic mission in Ottawa and a Consulate General in Vancouver representing the Peking Government and to grant them the usual privileges.

(d) The Canadian Government would expect facilities for the transfer of the Canadian Embassy from Nanking to Peking and the usual privileges attached to the work of a diplomatic mission and to that of a Consulate General in Shanghai.

(e) The Canadian Government has long accorded to Chinese citizens in Canada the general freedoms of travel, residence and carrying on their legitimate occupations. It would expect reciprocal treatment for Canadians in China in accordance with the provisions of the 1944 treaty for the Relinquishment of Extra-territorial Rights. (There are 100 Chinese in Canada for every Canadian in China.)

(f) The Canadian Government would expect the Peking Government to assume responsibility for approximately 40 million dollars of the Sino-Canadian loan of February 1946, being that portion which was used for the purchase in Canada by the National Government of China of items other than military equipment.

(g) The Canadian Government would expect the Peking Government to take over the guarantee of credit of $12,750,000 extended to the Ming Sung Industrial Company for the construction of vessels in Canada.

(h) The Canadian Government would be prepared to enter into normal commercial relations with the new government and for this purpose would be prepared (i) to grant most favoured nation treatment to Chinese imports into Canada in exchange for reciprocal rights and privileges in China as provided in the commercial modus vivendi signed in September 1946, and (ii) to maintain the exchange of tariff concessions with China under G.A.T.T. if the Peking Government remains a member of G.A.T.T.

"2. If the discussions resulted in an agreement, you would hand the Peking authorities a Note informing them of recognition and you would exchange notes recording the understandings reached on the other points in paragraph 1."

81. On May 1 Mr. Ronning replied by telegram that he would prefer to defer the discussion of points (e),

(f), (g) and (h) of the telegram from Ottawa of April 28. (See paragraph above.) These points he suggested he would rather take up after diplomatic relations had been established unless they were first raised by the Peking authorities themselves. He advised that negotiations prior to the agreement to exchange diplomatic missions should be limited as far as possible to preliminary and procedural matters.

82. The next move came from the Department in a telegram of May 13, 1950 to Nanking, in which Mr. Ronning was informed that the Cabinet felt that

> "there should not be any formal approach at this time. However, should a favourable opportunity present itself, you may personally and informally sound out the Foreign Nationals Bureau in Nanking informing them that (a) your Government has been giving consideration to the matter of relations with the Central People's Government; (b) your Government has been concerned over the procedural difficulties encountered by the United Kingdom Charge d'Affaires in completing negotiations for the establishment of full diplomatic relations with Peiping, after the extension of recognition by the United Kingdom more than four months ago. It has queried you as to whether another procedure would be more efficacious, such as the holding of informal discussions in advance of a possible simultaneous announcement of recognition and the establishment of diplomatic relations; (c) while considering the principles for the establishment of diplomatic relations enunciated by Chairman Mao Tse-tung on October 1, 1949, to be generally acceptable, your Government has requested you to try to find out from the competent Chinese authorities on a completely informal and non-committal basis how these principles might be applied to Sino-Canadian relations, in particular to certain financial, consular and commercial matters (for these, together with the Canadian Government's views upon them, please refer to my telegram No. 42 of April 28, sections (e), (f) and (h), paragraph one).
>
> "With regard to procedural matters you might indicate, should you judge it appropriate from the trend of your discussions, that you had reported to your Government the points raised by Peiping in negotiations with recognizing governments and had inferred from their comments that, if and when it was decided to extend recognition, your Government envisaged a procedure such as that outlined in sections (a), (b), (c) and (d), paragraph one, of my telegram No. 42 of April 28."

83. On May 16, 1950, a reply came from Mr. Ronning in which he reported meeting with representatives of the Foreign Nationals Bureau on a personal basis; he

had sounded them out on the prospects of negotiating in Peking prior to the announcement of recognition. The Director of the Bureau seemed favourably disposed to the idea and promised to sound out Peking. In the meantime, Mr. Ronning asked authority to proceed to Peking for preliminary discussions. On May 22, 1950, Mr. Ronning sent a brief telegram stating that the Ministry of Foreign Affairs would "welcome me to Peking for preliminary negotiations if Canada will 'formally indicate' its desire to recognize". In a telegram supplementary to this of May 23, 1950, Mr. Ronning further explained that the Bureau of Foreign Nationals in Nanking had been reduced to a very unimportant office and that, therefore, the acting director did not feel competent to expand on the meaning of "formally indicate". Mr. Ronning gave as his interpretation of "formally indicate" that Peking would be satisfied by his oral statement to the effect that the Canadian Government desired to recognize the Central People's Government of China. Mr. Ronning subsequently heard nothing from the Chinese to challenge his interpretation. He ended by urging that Ottawa decide to take formal action at the earliest possible moment, and that the sooner the informal proposal was followed by acceptance of the Chinese invitation the greater would be the chances of achieving results. Mr. Ronning telegraphed again on May 31, 1950, stating that he assumed delay in replying was due to the absence of the Minister in Europe, and he went on to urge action along the lines indicated in his preceding telegrams.

84. In the meantime, Ottawa had been kept informed of the thinking of other friendly countries, notably the United States and the United Kingdom, on the question of China. Thus, a telegram of May 11, 1950, from the Commonwealth Relations Office to the High Commissioner for the United Kingdom in Ottawa was made available to the Department. This described a bilateral meeting between the United States and the United Kingdom officials preparatory to ministerial talks on the subject of China. It was agreed at this meeting that both governments had the same general objective in China, namely, to prevent alienation of China from the West and her domination by the Soviet Union. China was not irrevocably lost to the West. It was also agreed that "time was not on our side in the Far East and South-East Asia. Chinese and Russians would derive full benefit from the absence of clear and agreed policy for the future". It concluded by stating that United States officials were indicating that there was no likelihood of their government extending recognition in the near future but they would continue diplomatic relations with the Nationalists as long as the latter maintained their position in Formosa. They would vote against any proposal to unseat the Chinese Nationalist representatives in the United Nations but would accept a majority decision. This telegram was supplemented by another of May 17, 1950, from the same source, which summarized the views of Mr. Bevin and Mr. Acheson with regard to China. Mr. Bevin had explained that the United Kingdom Government had felt it was essential to

keep a foot in the door in case things would work out favourably. In these two-power talks, four possible developments in China were visualized:

"(a) China might become a Soviet satellite;
(b) Mao Tse-tung may break away on Titoist lines;
(c) Traditional trends may lead to a general break-up of central authority in China;
(d) China might become a great Communist power in her own right.

"Mr. Acheson explained that American policy was based on the hope of development of either (b) or (c) above and they therefore felt it would pay to convince the Chinese that Communism was another name for Russian imperialism. Mr. Bevin on the other hand thought that Communist technique knew too well how to deal with dissidents or defaulters for it to allow any internab break-up in China. The strong central regime now set up offered the Chinese peace which they all longed for.

"In the light of the discussion it was generally agreed that each country should continue for the time being to follow their respective present policies towards China but that it was essential for the two Governments to keep in close touch and not allow differences in China to affect any other of their policies."

85. On June 6, 1950, the Minister, in a telegram to the Canadian High Commissioner in Australia, asked that a message be passed to Mr. Spender giving the Canadian position on recognition of the Peking regime. It began by stating that the Canadian Government had decided not to move as early as suggested in the message of February 24 (see above paragraph 71). Nevertheless, it was still felt that recognition would have to be accorded before long. Two factors which were new since his earlier communication had had to be considered. First, the easy capture of Hainan by the Communists, indicating further deterioration of morale on the part of the Nationalists, and, second, the unhappy situation in the United Nations resulting from the deadlock over Chinese representation. On this point it was hoped that a solution might be achieved before the General Assembly met in September.

86. On June 7, 1950, in a memorandum to Cabinet, the whole position with regard to recognition was reviewed, and it ended by a recommendation that Mr. Ronning be authorized to state orally to the Peking authorities that "the Canadian Government is prepared to announce recognition of the Central Government of the People's Republic of China when agreement has been reached on the establishment of diplomatic relations and that the Canadian Government is willing to send him to Peking for preliminary negotiations".

87. At the Cabinet meeting of June 14, 1950, it was decided that the question of recognition of the Central People's Government of the People's Republic of China be deferred until a later meeting. On June 16, 1950, Mr. Ronning telegraphed from Nanking that he had received a reply from Peking on the question of a different approach which had been raised in telegrams from Ottawa of April 27 and May 13 (see above paragraphs 79 and 82). In the meantime, he had received no further reaction from Ottawa and was "considerably embarrassed", particularly as he had initiated discussions. In reply to this reminder from Mr. Ronning, the Department telegraphed on June 19, 1950, to Nanking stating that it was necessary for Cabinet to consider the Peking "counter-proposals", that the matter was now before Cabinet and that a decision could not be expected within a week at the earliest. The references to the counter-proposals from Peking in this telegram are somewhat puzzling. The file shows no record of such counter-proposals. Mr. Ronning has since suggested that there may have been a misunderstanding in Ottawa, that he himself had received no counter-proposals from Peking, but that the Department may have interpreted the words in his telegram of May 22 (see above): "The Ministry of Foreign Affairs would welcome me to Peking for preliminary negotiations if Canada will formally indicate its desire to recognize" as comprising a counter-proposal.

88. At a Cabinet meeting on June 21, 1950, the Cabinet again deferred a decision on recognition until a later meeting. A telegram was despatched to Mr. Ronning on June 23, 1950, from Ottawa informing him that it had been decided to proceed with negotiations concerning procedural matters relating to recognition. Mr. Ronning was instructed to deliver a confidential oral message to the Head of the Foreign Nationals Bureau in Nanking stating that "The Canadian Government is prepared to announce recognition of the Central Government of the People's Republic of China if and when a satisfactory agreement has been reached on the establishment of diplomatic relations, and the Canadian Government is willing to instruct you to proceed to Peking to negotiate such agreement". The telegram concluded by stating that Commonwealth governments and those of the United States, France, The Netherlands, Belgium and Italy, were being confidentially informed of this development. It should be noted that the instructions specified that Mr. Ronning was not to proceed to Peking until he had reported to Ottawa Peking's reply to his oral message. It was hoped to keep this preliminary stage of the negotiation confidential since it was realized that, once Mr. Ronning had proceeded to Peking, it would be difficult for the negotiations to be kept secret.

89. The aggression by North Korean forces against the Republic of Korea took place on June 25, 1950. Right up to this event, however, it would appear from the record, and notably from the last telegram referred to above from Ottawa to Mr. Ronning, that the Canadian Government was, although still feeling its way cautiously,

very close to recognition. It may be assumed that, had it not been for the aggression in Korea, recognition of the People's Republic of China might have been extended before long. The aggression in Korea had a decisively negative effect as noted in a memorandum to the Minister of July 4, 1950, on the subject of relations with the Peking Government: "The attack on the Republic of Korea by North Korean Communist forces has added complications to the question of relations with the Peking regime in China. Public opinion would probably not be favourable to the opening of negotiations with Peking at this time." Thus the Communist aggression in Korea virtually postponed the question of recognition indefinitely or rather until that aggression was discontinued. When the Chinese crossed the Yalu and joined in the aggression in the fall of the same year, the question of recognition became academic. The Minister stated on a number of occasions since then that it was not possible to recognize China as long as it was taking part in an aggression. Thus, until there was an armistice in Korea the issue was no longer alive. For all intents and purposes then this narrative can quite properly be brought to an end at the summer of 1950.

Concluding Remarks

90. There has been considerable comment interspersed in the narrative account of the developing problem of recognition by the Canadian Government of the Central People's Government of the Republic of China. However, some concluding generalizations may be in order.

91. Viewing the question in its broadest outline, that is to say putting aside for the moment considerations of domestic politics or legal argumentation, it seems reasonable to conceive that the recognition of the Communist regime in China by as large a number of Western powers as possible would probably have redounded to the advantage of the Western powers rather than of the Soviet Union. It would probably have been gratifying to the Government of Communist China, but one may be permitted to assume that what pleases Peking does not necessarily or always please the Kremlin. This is a point on which it is impossible to give a type of Euclidian proof that would satisfy those who are determined to believe that recognition under any circumstances of the Communist regime in China was reprehensible. Yet, without becoming involved in an argument on the "ifs" of history, one cannot but feel that recognition of the new regime in China by the Western powers, including, of course, Canada, might conceivably have obviated the tragic events in Korea, or at least have prevented them from growing to the present calamitous scope and thus have made a settlement less difficult. To reduce the argument to its simplest terms, it is difficult to imagine how recognition could possibly have made the general situation in the Far East worse than it is; following this same line, it is almost certain that recognition could have ameliorated the conditions of a large number of occidental nationals in China.

92. It will be noted that these assumptions have embraced the Western powers, rather than Canada alone, with which this study is primarily concerned. No doubt Canadian recognition alone could not have tipped the scales, and yet it is obvious from the above narrative that Canadian recognition was viewed by the U.S. State Department, by the Chinese Ambassador, and by all Commonwealth governments which were deeply concerned in the problem, as of more than ordinary significance, partly because Canada is a North American country as well as a member of the Commonwealth, and partly because Canada had a comparatively small economic stake in China but important religious, educational and cultural interests. It is reasonable, therefore, to assume that Canadian recognition, while not having a decisive influence on the policies of other Western powers (it certainly would not have swung the balance in favour of recognition as far as the United States was concerned), might have assisted in straightening out the tangle in the relations between the United Kingdom and China. Of much greater import, however, for Canadian interests in the broadest sense, is the constant Canadian desire to play its part in contributing towards stability and peace in the Far East. Considering the important role that Canada played in the councils of the United Nations throughout the Korean War and particularly in the Good Offices Committee, of which Mr. Pearson was a member in the winter of 1950-51, to have had a channel of communication through a Canadian mission in Peking, and in return to have a direct and secret line of communication from Peking to Ottawa, would have been a very real aid in the planning and executing of Canadian policy.

93. These considerations, however, do not add up to a condemnation of the Canadian Government for not recognizing the Communist regime. The account set forth above makes it abundantly clear what were the chief obstacles in the way of recognition. To list these obstacles, not necessarily in order of importance, there was first the continually stiffening United States hostility to the Communist regime and the very real need of Canadian consideration of United States opinion; the lack of unanimity among the important political parties in Canada, particularly as manifested in the opposition to recognition shown in the speech of Mr. Drew summarized in this account; the known opposition of a large section of the Canadian public, particularly in religious quarters; and finally, the fears of the Government itself that Canadian recognition might lead to the same type of humiliating difficulties which faced the United Kingdom in their efforts in this direction. It must also be said in this connection that the Chinese Communist authorities, in their general attitude towards recognition and to the United States authorities in particular, gratuitously aggravated the problem of recognition, e.g., in their handling of the Angus Ward case. These last considerations, however, need not be regarded as insuperable obstacles. Indeed, the other much more weighty considerations, namely, the United States opposition and

political opposition in the House of Commons, might not even have prevented recognition had not the aggression in Korea intervened. With the benefit of hindsight, therefore, and with full appreciation of the mounting difficulties which tended to encourage the deferring of a decision in favour of recognition, one might be permitted to say that perhaps the only politically suitable time to have accorded recognition was comparatively early, viz., shortly after the declaration by the Chinese People's Government in October, 1949. In retrospect, the Indian timing and method of recognition seem to be a reasonably happy exemplar. This judgement upon recognition is made more weighty when one realizes that expert opinion was from the first favourable, not only in the United Kingdom but even in the United States, as seen in the recently released text of the round-table conference of October, 1949, convened by the State Department, which indicated a wide inclination towards recognition on the part not only of the Far Eastern experts but a number of representative business leaders.

94. In making these observations, it should be emphasized that there may well have been considerations and obstacles in the way of recognition that did not show in the file but one cannot speculate usefully on such problems if they are not known in detail, even though one may suspect they exist. One might end by saying that it would have been politically feasible for Canada to have recognized the new regime towards the end of 1949 (i.e. after the General Assembly) or early in 1950. But in the debates in the House in early March, there appears to be a watershed which reduced the probability of recognition, even though the question was continually before Cabinet and on the eve of the Korean War came very close to being implemented. This watershed, so it appears, was the strong opposition to recognition voiced by Mr. Drew.

CANADA AND THE FAR EASTERN COMMISSION

95. Before attempting to assess the Canadian position within the Far Eastern Commission it may be proper to give a brief outline of its establishment and terms of reference.

96. At the Moscow meeting of Foreign Secretaries in December, 1945, negotiations were conducted among the representatives of the United States, the United Kingdom and the U.S.S.R., with the concurrence of China, for Allied participation in the control of Japan during occupation. The terms of reference for a Far Eastern Commission to replace the Far Eastern Advisory Commission were drawn up on December 27, 1945. The Moscow Agreement was made within a day after the Advisory Commission had left Washington on its trip to Japan. Accordingly, upon this body's return to Washington, the Far Eastern Commission came into being. It consisted of representatives of those Powers which had been members of the Advisory Commission, including the Soviet representative (the Soviet Union had declined to take part in the Far Eastern Advisory Commission because of its advisory character). The following

governments were represented on the Far Eastern Commission at its earliest stage: Australia, Canada, China, France, India, The Netherlands, New Zealand, the Philippines, the U.S.S.R., the United Kingdom and the United States. Later Pakistan and Burma entered, on November 16, 1949.

97. Under its terms of reference the Far Eastern Commission had two principal functions: first, "To formulate the policies, principles, and standards of conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished"; and second, "To review, on the request of any member, any directive issued to the Supreme Commander for the Allied Powers or any action taken by the Supreme Commander involving policy decisions within the jurisdiction of the Commission". In addition, the Commission was empowered "To consider such other matters as may be assigned to it by agreement among the participating Governments".

98. As sole executive authority for the Allied Powers in Japan the Supreme Commander for the Allied Powers was charged with the implementation of directives prepared in accordance with the Commission's policy decisions. The Commission could take action by a majority vote, provided the representatives of the United States, United Kingdom, Soviet Union and China concurred in the action taken. In other words, each member of the Big Four enjoyed a veto power. As the later history of the Commission shows, when the Soviet representative first began to use the veto in the F.E.C., the United States was able to circumvent them by having recourse to that part of the terms of reference which stipulated that

> "The United States Government may issue interim directives to the Supreme Commander pending action by the Commission whenever urgent matters arise not covered by policies already formulated by the Commission; provided that any directives dealing with fundamental changes in the Japanese constitutional structure or in the regime of control, or dealing with a change in the Japanese Government as a whole will be issued only following consultation and following the attainment of agreement in the Far Eastern Commission".

99. The main seat of the Commission was Washington in the former Japanese Embassy, and the first meeting was held on February 26, 1946. The following Committees of the Commission were established: Committee 1 - Reparations, Committee 2 - Economic and Financial Affairs, Committee 3 - Constitutional and Legal Reform, Committee 4 - Strengthening of Democratic Tendencies, Committee 5 - War Criminals, Committee 6 - Aliens in Japan, Committee 7 - Disarmament of Japan. A Steering Committee assisted in planning the work of the Commission.

On October 10, 1946, the Commission approved as a policy decision the Terms of Reference for an Inter-Allied Trade Board for Japan to be composed of representatives of all the nations which were members of the Far Eastern Commission.

100. The Chairman of the Commission was stipulated to be the United States representative, who in the first years was General Frank R. McCoy and later Mr. Maxwell Hamilton. All the other governments had their ambassadors in Washington act as representatives on the F.E.C. These in turn had alternates, who were able to devote more time to F.E.C. matters than was possible for most ambassadors. The Canadian representative was Mr. L. B. Pearson, as Ambassador, and as alternate, Mr. E. H. Norman. The latter was succeeded by Mr. R. E. Collins. On Mr. Pearson's return to Ottawa, Mr. Wrong, as Ambassador, became Canadian representative on the Far Eastern Commission.

101. It would not be fitting to attempt here a chronological account of the activities of the Far Eastern Commission. In order to give some framework, however, it might be helpful to mention briefly some of its chief accomplishments and then, by way of a case study, to select some of the more important issues and to examine the Canadian position on them.

102. The Initial Post-Surrender Policy issued by the United States Government to General MacArthur in September, 1945, covered a wide variety of subjects and provided for disarmament, and democratic, constitutional and economic reforms. This original policy was supplemented and elaborated by further United States directives intended to meet particular situations arising in Japan. By the time the Far Eastern Commission began its operations, therefore, a considerable number of exclusively United States policies had already been in the hands of the Supreme Commander and the main course of the occupation was already charted. The Terms of Reference of the Far Eastern Commission permitted it to review or modify any of these policies if it so desired.

103. Taking up the problems of the occupation, starting from its inception at the end of February, 1946, the Far Eastern Commission faced not only current problems but also in the course of a year or more, after laborious debate and committee work, produced a statement of general policy which was known as a "Basic Post-Surrender Policy for Japan", and was finally passed unanimously by the Commission on June 19, 1947. It is quite a remarkable tribute to the work of the Commission, having regard for its composition and that the Soviet Union was a member, that such a document could receive general agreement. It is broadly divided into ultimate objectives, Allied authority, political and economic. It is too long to quote here, and so appears as Appendix 12 to this study. This Basic Post-Surrender Policy took as its starting point the Potsdam Declaration, and then explaining the principles set forth in the Initial Post-Surrender

Policy for Japan, went on to declare that the ultimate objectives of the Commission's work were, to ensure that Japan would not again become a menace to the peace and security of the world and to bring about the earliest possible establishment of a democratic and peaceful government which would carry out its international responsibilities, respect the rights of other states, and support the objectives of the United Nations. It defined the nature of Allied authority in regard to the military occupation and in relation to the Japanese Government. In the field of political reform, militarists and ultra-nationalists were to be excluded from public office; war criminals were to be tried and, if found guilty, punished; individual liberties and democratic processes were to be assisted and encouraged. On the economic side, this basic policy provided for economic demilitarization, for the promotion of democratic forces in agriculture, industry and labour, for the resumption of peaceful economic activity and eventual participation in world trade on the basis of equality. It set forth in detail the standards for the disarmament and demilitarization of Japan. Finally, it established the general principles to be followed in the determination of percentage shares of reparations for claimant countries. The Basic Post-Surrender Policy was to remain effective until such time as a treaty of peace came into force.

104. In drawing up this Basic Post-Surrender Policy Canadian representation played an active part throughout but it cannot be easily demonstrated in a review of this kind just to what extent it may have shaped, modified or otherwise had an effect upon the final form of the Policy. It might therefore be more useful to examine some of the controversial issues with which the Commission was faced and thus, as far as the record permits, or even by drawing upon the experience of some of the participants, to see what the Canadian position was on each of these points, and whether the Canadian position had any appreciable effect on the final outcome. The first example will come from the early phase of the Far Eastern Commission history and the second example from a later period.

105. The first concerns the reform of the Japanese Constitution and related issues. The first post-war election had been scheduled for April 10, 1946. This date, while nominally the choice of the Japanese Government, had in fact to be acceptable to SCAP. A number of the Commission members, however, expressed the view that this date was premature; candidates representing the long-suppressed liberal forces in Japan would not have enough time, it was felt, to organize in such a way as to make the elections a fair reflection of the real extent of liberal thought in Japan. To complicate the issue, on March 6, 1946, the Japanese Cabinet had announced completion of a Draft Constitution, consideration of which would be one of the main issues in the election. A number of members of the Commission who had already expressed doubts concerning the election date were even more critical of the short time to be allowed to the

Japanese Government and people to consider the terms of this new Draft Constitution. A longer period for debate, deliberation and legislative action was considered desirable by these members. Those members of the Commission who had expressed their doubts as to the wisdom of this move were Australia, New Zealand and Canada. At first the United Kingdom representative was rather neutral but later he supported the other three Commonwealth countries. Some agreement with this point of view (although not any active support) was indicated by the Indians and the French. The Soviet representative at this stage remained in the background except, as we shall see later, for proposing a letter to SCAP in stronger terms than was finally agreed relating to the request for consultation. Thus, on March 20, the Commission approved a message to be sent from the F.E.C. to SCAP indicating to him the doubts expressed by members as to the date of the general election and requesting his views on the advisability of postponing the election. On March 29, 1946, the Supreme Commander replied that "It is probable that the new Diet will be the most truly responsible body to the will of the people that has ever served Japan and will provide the basis for a much more representative Cabinet". Under these circumstances, he continued, any postponement of the election "would have a profound adverse reaction upon the purposes and success of the occupation". After considering the Supreme Commander's reply, the Commission voted on a New Zealand proposal to require postponement of the election. Canada supported the resolution. This resolution, however, did not obtain a majority vote although it was known that a number of Commission members would have liked to have supported it. This was perhaps the first serious trial of strength between the Commission on the one hand and SCAP on the other. At this stage the cold war was not yet being so acutely waged. The Soviet representative, although tending to perhaps somewhat stronger language in some of the resolutions, apparently preferred to remain in the background (the first Soviet veto in the Commission came in early 1948). Most of the running was made on the questions described above by the five Commonwealth countries, with Australia and New Zealand in the vanguard, but when it came to an actual test, SCAP's views had such weight with the United States representation in the Commission that strong pressure was put on delegates to vote against postponement. The number of delegates who were sympathetic to the New Zealand resolution were genuinely convinced that elections were premature and that the draft resolution had been sprung rather informally on the Commission, particularly since a member of SCAP's staff during the visit of the Commission (actually when it was still the Far Eastern Advisory Commission and without Soviet representation) to Tokyo in January, 1946, stated that no draft constitution would be published until the Commission first had a chance to study it. The United States view was that, although the arguments were rather impressive, SCAP's prestige could not afford to be impaired; if after having supported the draft of the new Constitution, he appeared to hesitate, even so far as to suggest a longer public

discussion of it in Japan, he would lose face with the Japanese people. Although this argument did not convince all the Commission, it did carry sufficient weight to secure a majority vote against the resolution. This is the only example perhaps when Canada went along with a resolution which could be in any way deemed critical of SCAP policy.

106. The United States delegation had made it very clear that in the future such opposition, even though it was not fathered by the Soviet delegation, by damaging SCAP's prestige, would have a generally harmful effect in Japan. At first this argument was not so impressive but, with the gathering momentum of the cold war, it became in fact a decisive argument on any question that went to a vote before the Commission. This is not to say that on no points were there differences of opinion expressed with the United States representative on the Commission. Such differences, however, came out in private and informal discussions with United States and other friendly representatives before the matter would be brought to the Commission table. In the course of such discussions, considerable changes and modifications were often made in the original United States stand. Such changes, however, are very difficult if not impossible to trace in the file, and perhaps can only be imperfectly described through the memory of those who took part as members of the Canadian delegation in the Far Eastern Commission. However, an unwritten policy among those governments friendly to the United States began to be noticeable from this date, namely, that opposition to the United States on any issue would not be pressed so far that when it came to a vote in the Commission the United States would be forced to veto it. (The New Zealand resolution discussed above was opposed by the United States but did not need to be vetoed because a majority voted against it). The next example of anF.E.C. issue may throw some light on the method of influencing the United States delegation <u>before</u> a matter is brought to a vote. It was the question of adopting criteria for a new constitution.

107. The Chairman of the Constitutional Committee of the Commission was the Indian representative, Sir Gurja Bajpai, and the Vice-Chairman was the Canadian alternate representative. Sir Gurja, as Indian Ambassador, was so occupied with other matters that he deputized his Vice-Chairman to act in his place at almost all meetings. This gave the Canadian Chairman some opportunity, in consultation with United States and other friendly delegates, to play a comparatively active part in the process of drafting the criteria for a new constitution. The first stage in this problem was the adoption of a policy decision which represented a rather indirect rebuke to the Supreme Commander for proceeding so precipitously with the publication of a Draft Constitution before the F.E.C. had been consulted and an indication given to the Japanese people that they were free to consider other drafts or amendments to the present draft. At first the United States delegation were quite firmly opposed

to any such message being transmitted to SCAP; but by concerted efforts of a number of friendly delegations, mostly Commonwealth and including the Canadian, and by avoiding an open vote in the Commission, a compromise draft of a message to SCAP was finally adopted. This statement read in part:

> "The Commission notes the encouragement given to the Japanese people in the Supreme Commander's announcement that this draft of a proposed Constitution has his personal approval. It is somewhat apprehensive that this approval may be misunderstood by the Japanese public and taken to mean that this particular draft has the approval of the Powers represented on this Commission".

The Policy accordingly instructed the Supreme Commander to make known to the Japanese people that the submission of the Draft Constitution prepared by the Japanese Government did not preclude favourable consideration of other proposals or drafts which might subsequently be submitted to the Diet (March 20, 1946). The Policy also instructed the Supreme Commander to make known to the Japanese that "the Far Eastern Commission must be given an opportunity to pass upon the final draft of the Constitution to determine whether it is consistent with the Potsdam Declaration and any other controlling document before it is finally approved by the Diet and becomes legally valid". This Policy represented a considerable concession on the part of the United States delegation, which was in the first instance opposed to the whole idea of any message to the Supreme Commander. However, the United States delegation finally consented to what appeared a strong desire on the part of a majority of the members, and then in subsequent unofficial discussions succeeded in toning down the final Policy in such a manner as to cause the minimum umbrage on the part of SCAP. It might also be noted that a happy compromise compromise such as this was made infinitely easier by the comparatively passive role played in the whole matter by the Soviet representative, who confined himself to two or three abortive attempts to put into the Policy some phrases that were of a nature clearly designed to be offensive to SCAP. When these changes were voted down by the Commission, the Soviet representative presented no other obstacle.

108. To determine whether any constitutional revision adopted by the Japanese Diet actually represented the free will of the Japanese people, it was felt in the Commission that the manner in which such a constitutional revision was adopted would be of the utmost importance. Before turning their attention, therefore, to the task of drawing up a set of principles by means of which it would be possible to test whether a new constitution was in conformity with the Potsdam Declaration, the Commission proceeded first to draw up criteria governing the method of adopting a new Japanese constitution. This policy, which was approved

on May 17, 1946, provided that the new constitution "should have complete legal continuity from the Meiji Constitution of 1889" and that "adequate time and opportunity should be allowed for the full discussion and consideration of the terms of the new constitution". The manner in which the new constitution was adopted, the policy declared should "demonstrate that it affirmatively expresses the free will of the Japanese people". This rather brief policy decision was not arrived at without a considerable number of committee meetings in which the United States officials were finally persuaded that there was nothing in this policy decision which could be considered deleterious to SCAP's prestige. The phrase "demonstrate that it affirmatively..." caused considerable heart searching on the part of the United States officials because they felt that somehow this might be interpreted in some quarters as an indirect slur upon the earlier endorsement of the Draft Constitution by General MacArthur. As the sequel showed, such fears were unjustified; in fact, it is doubtful whether many Japanese were aware of this decision although General MacArthur was required to make the decision known to the Japanese Government.

109. Of a more complex nature were the basic principles for a new constitution which was to conform with the requirements of the Potsdam Declaration. A policy decision was reached on this on July 2, 1946. (The text of this decision appears as Appendix 13). In arriving at these basic principles, the Constitutional Committee spent many hours of discussion to work out what might be called the lowest common denominator of the constitutional principles acceptable to all members represented in the Commission. It will be noted that there is a rather strong United States flavour to some aspects of these principles, viz., the division of authority between executive, legislature and judiciary. However, since Japan was to be a constitutional monarchy with a bi-cameral legislature based on universal suffrage and the party system, it was natural that the British system should have some relevance. Thus, in that section of the principles relating to cabinet and parliamentary procedure, the views of the Commonwealth representatives were to a great extent embodied in the final text. The Soviet representative made some rather half-hearted attempts to inject some of their pet ideas, e.g., the unicameral system, greater restriction on the emperor institution, but these were abandoned after it was clear that no one else on the committee level was prepared to support them. The policy decision was passed by the full Commission on July 2 and was unopposed.

110. Another phase of the Commission's activity, one of the most long drawn out and bitterly disputed, related to reparations and the restitution of looted property. The Commission on May 8, 1947, approved a policy entitled "Division of Reparation Shares" made up of certain paragraphs extracted from a preliminary draft of the Basic Post-Surrender Policy for Japan, which set

forth in broad terms the criteria to be used in determining shares for each country. On May 22, 1947, the Commission approved a policy decision establishing in broader terms the criteria for selection of plants for reparations. A fair balance should be sought, the policy declared, between the general preferences of reparations claimants for modern, integrated and efficient equipment and the legitimate needs of the Japanese peace-time economy for similar equipment. Occupation policy dissolving large industrial and banking corporations already referred to above constituted another criterion. These decisions were not arrived at without long and exhausting sessions in committee. As Canada had very little direct interest in reparations, it could afford to take up a comparatively impartial attitude on the whole question. The United States position became increasingly stiff in resisting the idea of large-scale reparations from the Japanese industrial equipment on the grounds that, as the United States was pouring in money and supplies to keep up a basic standard of living in Japan, they would be concerned to see reparations of such an extent exacted from Japan that economic chaos and collapse would follow - a calamity the cost of which in the last analysis would have to be borne by the United States. The Canadian representation throughout supported the United States view in regard to reparations both in general outline and also in more detail as regards the criteria and percentage distribution.

111. On the restitution of looted property, which is closely related to the reparations problem, the Commission approved a policy in general terms on July 18, 1956. (See Appendix 14). For many months following this the Commission proceeded to consider revisions of this policy intended to liberalize the standards of identification and to expand the categories of looted objects. Throughout 1947 this became one of the most bitterly debated and generally frustrating problems in the Commission. We are using it as an example here because it was the first issue on which a veto was cast. On February 26, 1948, a proposed revision of an existing policy decision to ensure greater equity for looted countries and at the same time establish a "revolving fund" from unidentified looted property which could be used before final distribution as the basis of credit for raw materials came before the Commission after much discussion in committee. It was discussed on that date and deferred for final decision until March 4, when it appeared that all members of the Commission supported the draft revision, but it was vetoed by the Soviet representative. This was the first instance of the veto in the F.E.C.

112. To show the extent to which the Commission had, by 1947, become more perceptibly affected by the cold war, we might cite an example of a United States veto. On April 15, 1947, a new problem was referred to the Commission from the Steering Committee, dealing with the impending establishment by the Japanese Government of a regular

coast guard service. Many of the delegations felt strongly that this was a matter which clearly called for thorough consideration by the Far Eastern Commission before action should be taken in Japan, and in view of the fact that the legislation as passed by the Japanese Diet was to be promulgated not later than May 1, the Steering Committee had forwarded a majority recommendation that action should be delayed until after adequate discussion in the Far Eastern Commission of the issues involved. This time the veto came from the United States, supported by Canada, with India and the U.S.S.R. abstaining.

113. The situation described above indicates that a crisis had developed within the Far Eastern Commission, which was only natural considering the growing international tension and particularly the worsening of relations between the United States and the U.S.S.R. In its first two years the Far Eastern Commission had been able to reach decisions after interminable debate. It had also worked in an atmosphere approaching frustration which resulted from the ultimate control vested in the United States Government, whose chief interests often seemed to be the protection of the Supreme Commander from outside interference. The F.E.C. had signally failed to produce final policies on the two fundamental problems of reparations and industrial levels. Yet it had reached decisions on a number of important points, particularly in its first few months, and the Secretary-General, in his report covering the period through July 10, 1947, lists 40-odd policy decisions. The very slowness of the Commission in the past was at least a proof that it was grinding. The Terms of Reference, however, invited deadlocks through the veto and provided the solution through the reserve authority of the United States Government to establish policy in matters of urgency by means of interim directives. Without these provisions the Commission could have acted much more expeditiously on the basis of a majority or two-thirds vote. With them action could also have been hastened, though this would no longer be F.E.C. action, if the United States had been ready to force controversial issues to a vote, used or accepted the veto and then implemented their own policy. As it was, the Chairman of the Commission did his best to make it function as an effective international body, investigated every possibility of compromise, avoided the veto as far as possible and, only as a last resort, recommended to the United States Government the procedure of the interim directive. This last remedy, however, came to be used more often in later years in proportion to the increasingly reckless use of the veto by the Soviet Union.

114. One final problem might be examined as an example of the growing difficulties in the F.E.C.; it was a question in which Canadian representation was active.

It concerns the labour relations in the Japanese Public Service, a matter which precipitated a major political crisis in Japan during the spring and summer of 1948. The problem reduced to its simplest terms came from the desire on the part of the Japanese Government to propose amendments to the Japanese National Public Service Law which would deny government and public employees who were members of labour unions the right to strike. On July 23 General MacArthur wrote to Prime Minister Ashida. The background of this letter was the growing threat of a strike of railway workers. The railroads in Japan are a government enterprise, and General MacArthur's letter expressly forbade such a strike. He further instructed Premier Ashida to reorganize the Ministry of Communications, especially the separation of the postal services from other functions of that Ministry. Government employees in government monopolies, notably salt, camphor, and tobacco, were not necessarily to be regarded as members of the regular civil service. The Government at once treated General MacArthur's letter as a directive and proceeded to draft a public ordinance on July 31 prohibiting all government workers from striking or bargaining collectively.

115. Turning from the Japanese scene, some description of which was necessary as a background, we find that in the Far Eastern Commission the question was raised whether such a prohibition of strikes as was contemplated in the Japanese Government's policy did not conflict with a basic F.E.C. directive, namely, the "Principles for Japanese Trade Unions", adopted by the F.E.C. on December 6, 1946, in which the right of Japanese workers to join unions of their own choice, to bargain collectively, and to strike, was affirmed. The Australian member of the Commission was receiving very full reports of the situation from Mr. Patrick Shaw, Australian Minister in Tokyo, and currently representative for the United Kingdom, Australia, New Zealand and India on the Allied Council for Japan. In this connection we might quote in part from a despatch from the Canadian Embassy in Washington under date of September 2, 1948:

> "You will note that Mr. Shaw takes a very serious view of current developments, and particularly of the anticipated amendments to the National Public Service Law which would curtail the right to strike not only in clerical and administrative divisions of the Public Service, but also in government enterprises such as the railways. You will also note that, while Mr. Shaw has discussed the question of labour relations in the Public Service with Government Section of GHQ, SCAP, he is reluctant to raise this question in the Allied Council, in view of past experience of the fate of controversial issues in that body. I understand, however, that the Soviet representative has raised this question on the Council, and has received the usual stiff reply from the U.S. member.

"Tha Australians apparently consider this question to be one of great importance, and Mr. Bullock of their FEC delegation here has been carrying on informal discussions with the State Department, under instructions, over the past two weeks. We understand from him that the Labour Department and some sections of the State Department are inclined to the view that the proposed banning of strikes in the Public Service, including governmental enterprises, may be contrary to FEC policy on labour unions. In view of General MacArthur's letter to Ashida, the situation is a delicate one. For the time being, the Australians are waiting to see whether the United States will take any action either here or in Tokyo, to alter the nature of the proposed amendments. There is a good chance, however, that the Australian delegation on the FEC will receive instructions to raise this question in the Commission. In order to avoid getting immediately into a wrangle over interference with implementation or with the freedom of action of the Japanese Government, the Australian approach will probably be to suggest that recent developments have indicated that FEC policy on Japanese trade unions is incomplete, and that a supplementary policy decision regarding labour relations in the Public Service is required. It may be assumed that they would then submit a proposed policy along the lines of Australian practice, curtailing the right of civil servants proper to strike, but advocating the establishment of special arbitration machinery for the Public Service.

"The U.K. do not seem to take this question as seriously as the Australians, but have been carrying on discussions with Government Section in Tokyo, and hope that a satisfactory solution may be found on an informal basis. The U.K. delegation here have received no instructions, and would personally prefer to avoid any discussion in the Far Eastern Commission."

116. Throughout early September it appeared that the Australian delegation would be instructed to raise the question of the proposed banning of strikes in the Japanese Public Service, including governmental enterprises. In this eventuality the Australian delegation was inclined to take the position that a supplementary policy decision by the Commission regarding labour relations in the Public Service would be required. It should be pointed out in this connection that the competence of the F.E.C. was clearly limited to the formulation of policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the terms of surrender might be accomplished. The Supreme Commander was responsible for the implementation of these policies. Hence, any Australian policy paper presented for the consideration of the Commission would have to be in general terms.

117. It is apparent that the Canadian attitude to this question at this period was sympathetic to the Australian view and hence moderately critical of SCAP and the Japanese Government's handling of labour relations. Yet an open clash in the F.E.C. with the United States was most undesirable. The problem became rather ticklish in that the Soviet delegation was now clearly intent on attacking SCAP on every possible occasion. By early October they had placed an extremely strong and provocative proposal before the F.E.C. on this question of labour policy in Japan. (There is no particular need to quote it here but for any person with special interest, it can be found in F.E.C. documentation:- FEC-318 Series). The Canadian Ambassador in Washington was instructed in a telegram from the Department of October 21, 1948, to oppose the Soviet proposal. This telegram further states that the Canadian representative should be willing to accept the explanation offered by General McCoy (Chairman of the F.E.C.) to the effect that SCAP was confronted with the threat of a strike which would have endangered the safety of the occupation "to the extent that it would have been impossible for the Supreme Commander to discharge his responsibilities not only to his own government but to all governments represented on the Commission". This whole telegram sets forth the Canadian position in such detail that it might be proper to attach it as an appendix (Appendix 15) and it will be seen from a perusal of it why it became politic for the Canadian representative not to press the United States any further on this matter. With the Soviet representative attempting to exploit to the full the propaganda value of this situation, even the Australian delegation, which had hitherto been pressing the issue most seriously, decided not to oppose the United States in the Commission. When the matter was finally brought up before the Commission at the end of October, it was quite clear, as will be seen from the following telegram, that none of the friendly governments were prepared to challenge the United States on the matter. The telegram reporting the meeting which dealt with the matter is dated October 28, 1948:

> "In accordance with your instructions, my representative made a statement in the Full Commission this morning expressing the views of the Canadian Government on this subject as outlined in paragraphs 2 to 5 of your EX-2442. The Chinese member followed with a prepared statement along the same general lines. The Chairman said that these views would be brought to the attention of his Government and informed the Commission that the draft text of the National Public Service Law was now available and would be circulated. This text is not necessarily the final form in which it will be passed by the Diet.
>
> "2. With reference to your despatch No. 3455 of October 22nd, the Australian delegation have received no recent instructions and

are unable to say what Canberra's attitude is at the moment regarding the progress of their representations in Tokyo or whether they have abandoned any intention that they may have had eventually to introduce a supplementary policy proposal in the FEC. However, following our statement this morning Mr. Bullock indicated that he thought the time had arrived for Australia to take a stronger line in the Commission than heretofore.

"3. Our statement may also have the desired effect on the United Kingdom. The United Kingdom delegation have been making strong representations to the State Department, but their instructions with regard to the FEC are so far limited to a formal stand on the Soviet proposals, without reference to the substance of the broader issue. They are sending our text in full to the Foreign Office, however, and rather expect that fresh instructions may be forthcoming. We gather that they are not too happy with the results of their discussions with the State Department, and Mr. Graves apparently felt after talking with Mr. Hoover that they had not been very successful in putting across the principles of the British system. In reporting on Mr. Hoover's statements to the Commission (see my WA-2762 of October 22) the United Kingdom delegation pointed out to the Foreign Office that the bureaus under the public service authority could hardly be considered an adequate substitute for collective bargaining in that the same bureau would be responsible both for establishing salary scales and hearing complaints against them."

(The Canadian statement referred to in this telegram appears as Appendix 16).

118. Although the Far Eastern Commission was to continue until the following year, and indeed its Terms of Reference required it to continue functioning until a peace treaty put an end to its responsibilities, it was quite clear that its chief responsibilities had been discharged in its earlier years. Not only were the matters brought before it of an increasingly petty or technical nature, but the fact of the Soviet representatives attempting to use it more and more as a sounding board for propaganda made it difficult for it to function in its proper manner. Therefore it seems fitting that with this last detailed description of a major issue, labour relations in Japan, we might conclude our survey.

119. This last issue well illustrates the Canadian position in the Far Eastern Commission, particularly in its later phase. On the merits of the case, there seemed to be grounds at first for criticizing the handling by SCAP of the labour relations problem in

Japan which has been described above. Therefore, in informal discussions with United States officials the Canadians joined with the Australians in seeking for some further clarification of the status of government employees in Japan and to protect, if possible, their rights under Japanese legislation. With the real threat of irresponsible strike activities in Japan, which were to some degree at least fomented by Communist agitation, and on the international scene, with the manifest desire of the Soviet representation to discredit SCAP in the eyes of the Japanese by whatever means they might, it became plainly undesirable to disagree publicly with the United States. In other words, the international tension between the United States and the Soviet Union became in the F.E.C., as in so many other quarters, the decisive factor. As will be seen by a reading of this survey, this was not the case in the earlier months of the F.E.C. history. At that time, a number of governments friendly to the United States, including Canada, were prepared to press the issues to their logical conclusion when they felt that SCAP had exceeded his authority with regard to his relations with the F.E.C. By 1947-48, however, the same representatives in the F.E.C. felt that the overriding consideration was to preserve a united front of these nations on the one hand as opposed to the Soviet Union and its desire to embarrass and impede the United States in its Japanese policy.

120. A further feature should be noted before ending this study. Canadian policy in the F.E.C. very rarely received high level consideration. As a rule the Ambassador in Washington deputized his alternate to carry most of the load not only in the day to day committee meetings but in the weekly Commission meetings as well. This does not mean that the Ambassador was in any sense indifferent to the F.E.C., he only left it to the judgement of his alternate as to when he, the Ambassador, should attend in person an important meeting, and the reporting to Ottawa was to a large extent left in the hands of his deputy, even though the messages would naturally be first approved by the Ambassador. At the Ottawa end, also, the F.E.C. activities were usually handled at the Head of Division level, although of course before the despatch of instructions the Deputy Minister's approval would be obtained. The point is that rarely did an F.E.C. decision secure Cabinet consideration. Thus, it is somewhat pretentious to speak of "Canadian policy" in the F.E.C.; decisions, however, had to be made regularly, and these were naturally arrived at in a proper and authorized manner. They did not as a rule, however, receive the same sort of attention as was the case, for example, with the two preceding Far Eastern problems.

121. This feature described above, however, would not need to imply that the Canadian attitude in the Far Eastern Commission was either irresponsible or desultory. It can be fairly described, within the usual limits of Canadian policy, as careful and conscientious. In the first year or so of the F.E.C.'s history,

before relations between the United States and the U.S.S.R. had become so strained, the Canadian attitude towards current problems was primarily based on an assessment of the intrinsic merits of the case. In other words, the eyes were directed more towards the internal problems of the occupation of Japan than to international relations. There was a serious effort made, not only on the part of Canada but on the part of other Commonwealth representatives, particularly of Australia and New Zealand, to treat the tasks of issuing policy directives to SCAP to assist in the democratization of Japan as a matter of real importance and long-range significance. Not being as directly concerned with the details of occupation as was the United States Government, it was only natural that at times there should be honest differences of opinion, and a scepticism on the part of some of the Commonwealth representatives, including the Canadian, on the subject of the susceptibilities of SCAP, which sometimes appeared delicate to a degree. During the first year of the F.E.C.'s history, most of the basic policy decisions were designed to provide a blueprint for the disarmament of Japan and the reform of the Japanese constitution and economy. Even in the later period, when the Canadian view did not always coincide with the United States, there was an increasing reluctance to press the United States representation too far on any issue. There was a firm policy not to vote against the United States on a major issue or to join with other friendly powers in opposing the United States in such fashion as to compel the latter to use its veto. This development might perhaps be regarded as typical of other aspects of Canadian relations with the United States; namely, to exert as much pressure as possible privately or informally but to avoid, when it came to a showdown, open or formal disagreement.

BIBLIOGRAPHICAL NOTE

This Chapter is based upon the following sources:

6993-C-40C Export Credit Arrangements for Provision of Supplies from Canada by China (Ships etc.) Vols. 1-4

11044-BS-40 Export of Arms to China

50055-B-40 Recognition of Communist China by Canada and Other Countries Vols. 1-6

Hansard, Debates of the House of Commons, Session 1950 Vols. 1-3

4606-N-1-40 Labour in Japan

4606-E-2 Looted Property and Reparations

Report by the Secretary General of the F.E.C. - "Activities of the Far Eastern Commission, Feb. 26, 1946 - July 10, 1947"

DECLASSIFIED = DÉCLASSÉ
EXTERNAL AFFAIRS = AFFAIRES EXTERIEURES SECRET

A SURVEY OF CANADIAN EXTERNAL POLICY

CHAPTER 5

CANADIAN POLICY IN EUROPE, SEPTEMBER, 1946 - AUGUST, 1952.

Before the Second World War, the tendency among Canadians to regard Europe as an entity and to refer to "European problems", rather than to specific national or regional difficulties in that troubled continent may have reflected both the ignorance and aloofness which critical foreigners expected of citizens of a North American state. But in contrast to the United States, Canada could not stand idly by when the general peace of Europe was seriously threatened by a mighty power or coalition. The political connection with the United Kingdom and the sentimental ties which so powerfully reinforced it made that impossible. As a consequence, in 1939, as in 1914, Canadians had brought home to them the fact that the United Kingdom was a European power as well as the head of a world-wide empire and commonwealth. To a lesser degree the ties of sentiment and culture with France also influenced the Canadian attitude, probably to a far smaller extent than Frenchmen would appreciate. Of this fact the choice of France as the first country in Europe with which Canada established (1928) formal diplomatic relations, after a period of quasi-diplomatic association that persisted over forty years, was an illustration. On the other hand, unlike the United States, Canada, because of the different character of her population, was largely free from the influence of powerful pressure groups in domestic politics which reflected the influence of their European backgrounds. The Spanish Civil War and the treatment of the Jews by Nazi Germany did not engender, for example, nearly as much heat and controversy in Canadian political circles as they did in the United States. Religious convictions, the growth of a Communist party in Canada, especially in the depression years, the dislike of liberally-minded men for totalitarianism of any kind, belief in the organization of collective security - all found some expression through the press, the periodicals and the radio and produced some repercussions in Parliament, but not on the scale that they deserved. The revulsion from war which so coloured feeling in the United Kingdom was just as strong in Canada and made the Munich "settlement" as popular with the public and most politicians as in Britain.

2. The Second World War brought in its train a greater familiarity with the woes of Europe than in the past and demonstrated to another generation of Canadians much more forcefully than to their predecessors the realities of power politics. Their first-hand participation in the conduct of modern warfare made them grimly aware that in future no nation was immune from death and destruction if its policies were regarded with active hostility by the aggressor state. Meanwhile their government had been part and parcel of a great coalition which included most of free Europe and was obliged to expand its diplomatic representation accordingly. As the various governments in exile with whom a single Canadian Mission in London had maintained contact regained control of their own countries, Canadian diplomats appeared in their capitals. Other missions had been established during the war in two such neutral countries as Sweden and Turkey. As a result, the Departmental report for 1947 listed fourteen European countries in which Canada had diplomatic or consular representation. The Canadian record of achievement in the war, the role played by Canada in furthering in a modest way European reconstruction by its export credits and the appreciation abroad that Canada was

prepared to play a more positive part in international affairs than in pre-war days contributed to the success of the new missions in securing the co-operation of the governments to which they were accredited (outside the Iron Curtain), and in strengthening the flow of information to Ottawa upon the trends of European policies.

3. In the period between Pearl Harbour and the cessation of hostilities with Germany, it was generally hoped in Canada, as elsewhere, that the partnership of the Big Three in peace time might facilitate the recovery of Europe and the co-operation of East and West. Whatever faint hopes may have survived the debates in San Francisco and the first meetings of the U.N. General Assembly and the Security Council were dispelled by the intransigent position assumed by the Soviet Union in the Conference of Paris of 1946 upon the minor peace treaties. The Canadian delegation had gone to Paris obviously aware that the Great Powers in general and the U S.S.R. in particular were not inclined to concede the smaller powers much more than on major questions of policy the role of commentator. They hoped, however, that something might be done to lessen the breach between the Soviet Union and the United States and the United Kingdom, and that Canada as a country, in the Prime Minister's words, with "no specific national interest in the adoption of any particular formula for the solution of individual conflicts and differences", might play a helpful part in seeing that "the peace treaties will be based upon the broad and enduring principles of peace and equity". The results were disappointing; "We achieved something, but not nearly as much as we would have liked", was Mr. Claxton's subsequent verdict in the House of Commons. The Canadian delegation returned from Paris, impressed by the Soviet determination to maintain a monolithic solidarity among its satellite states, pessimistic as to the prospects for an early rapprochement between Russia and the West, and concerned at the continued weakness of such countries as France. Meanwhile it was becoming only too clear that Europe's economic recovery was to be a more painful and prolonged process than had been anticipated in 1944. In these circumstances it was not unlikely that a divided Western Europe, already infiltrated by an eager and ruthless Communism and still suffering from the malaise of Nazi occupation, might be compelled to call again upon the New World to redress the balance of the Old. If such should prove to be the case, what should be the Canadian attitude?

4. In the economic sphere it had been decided, that Canada had reached the limit of her capacity to contribute to European recovery. The last export credit had been extended in May, 1946 and inquiries after that date were politely but firmly refused. Before 1947 had ended Canada was herself involved in a struggle to ease the strain upon her gold and dollar reserves which necessitated restrictions upon imports and upon travel in the United States and the flotation of an American loan. When the United States launched the Marshall Plan in that year it was not possible for Canada to take parallel action as had been done when the United Kingdom negotiated its loan in North America in 1945-46. The recollection of its anxieties in 1947, made the government henceforth possibly unduly cautious in its attitude towards the possibility of Canada furthering European reconstruction in spite of the rapid recovery in the Canadian economy which resulted from the substantial "off-shore" purchases made in Canada as a result of the Marshall Plan.

5. In the political sphere the story is different. Domestically the behaviour of the Soviet Union, particularly as exemplified in the treatment of Czechoslovakia, had disgusted members of all parties and creeds-except the Labour-Progressives and their dupes. The willingness of the United States to play an

active part in stemming the tide of Communism in Europe, reflected in the Truman Doctrine of 1947 greatly increased Canadian readiness to co-operate, although at the same time it was to make Canadian policy in Europe still more dependent upon American initiative. The fact that the United Kingdom had likewise sharpened its policy and decided to take the initiative in furthering what Mr. Bevin called the consolidation of West Europe was of almost equal importance. As Mr. Robertson summarised the situation in a despatch from London, on April 21, 1948:

"Ever since we have been in a position to shape our own policy abroad we have had to wrestle with the antinomies created by our position as a North American country and as a member of the Commonwealth, by our special relationship with the United Kingdom and at the same time, although in less degree, with other countries in Western Europe as well. A situation in which our special relationship with the United Kingdom can be identified with our special relationships with other countries in Western Europe and in which the United States will be providing a firm basis, both economically and probably militarily for this link across the North Atlantic seems to me such a providential solution for so many of our problems that I feel we should go to great lengths and even incur considerable risks in order to consolidate our good fortune and ensure our proper place in this new partnership."

7. Mr. Robertson was referring, of course, to the discussions which proceeded before and after the formation of the Treaty of Brussels and which were to result in the North Atlantic Treaty. The Prime Minister had already indicated in the House of Commons, Canadian approval for the action taken by the United Kingdom in promoting the Treaty of Brussels which he described as "a partial realization of the idea of collective security" and had significantly declared "The people of all free countries may be assured that Canada will play her full part in every movement to give substance to the conception of an effective system of collective security by the development of regional pacts under the Charter of the United Nations." The Minister of External Affairs spoke on similar lines in April. This development in Canadian policy excited Australian interest. When, under instructions from Dr. Evatt, the Australian High Commissioner called upon the department on March 25, 1948 and expressed his Minister's surprise that Canada was apparently prepared to accept membership in a security pact which might cover the North Atlantic, although it had declined membership in the Pan American Union he was told by Mr. Reid that:

"The first line of defence for all the free countries, whether Australia or Canada is surely Western Europe. If the Soviet Union were to succeed in conquering Western Europe, we should all be in imminent danger".

To this doctrine of European primacy, Canada has steadily adhered, as our policy in the Korean crisis has demonstrated. In this connection it should be noted that at the time these negotiations were proceeding, no other Commonwealth country showed any willingness to emulate the United Kingdom and Canada and participate actively in the discussions on how to assure the security of Western Europe. Both Dr. Evatt and General Smuts were reported to be initially uneasy about closer political union of the United Kingdom with Western Europe.

8. Coupled with this emphasis upon Europe first was the insistence that any guarantee of aid to Western Europe by Canada should not be on a unilateral basis. This dogma was basic to the

North Atlantic Treaty and reflected that Canadian conviction that in a future war the aggressor might prefer to strike first against the industrial centres of North America which the experience of two world wars had demonstrated to be the real arsenals of democracy. As has been recorded in an earlier chapter, the Western European powers were so eager in 1948 to secure immediate American military aid in Europe that they were less alive to the importance of a long-term military alliance than might have been expected. It was for that reason that despatches criticising their mistaken attitudes were sent to the Ambassadors in Paris, Brussels and The Hague during August, 1948, which they might use to drive home to the government concerned the importance of looking beyond the immediate present. At the same time the Government authorized a Canadian officer, Brigadier Graham, to sit as an observer in the military discussion that began among the Brussels powers in London in July, 1948. Here too, the presence of an American officer facilitated such a departure from previous policy, although it was accompanied by the conventional reminder that he was to take no part in the discussions of major policy and was to avoid making commitments.

8. As the consolidation of Western Europe developed under the aegis of the Treaty of Brussels, and a still larger number of European states were brought together in closer economic contest through the Organization of European Economic Co-operation which had resulted under the Marshall Plan, further proposals for European integration rapidly emerged in both official and unofficial quarters. Such developments were warmly welcomed and stimulated by the United States but were received much more cautiously by the United Kingdom Government. The British attitude was commented upon with some concern by officers of this department in both London and Washington. Mr. Ford wrote a despatch from London in September, 1948 pointing out that although there were "very many solid reasons" for the United Kingdom's suspicion of a Federation of Western Europe, it was inevitably committed to the closest co-operation with that continent. He believed it was in the Canadian interest for the United Kingdom association with Europe to develop as closely as possible, even if it involved some weakening of the formal unity of the Commonwealth as such, which he regarded as "an unfortunate but probably not a decisive consideration". As Mr. Ford put it:

"But what would be regrettable is the possibility of the United Kingdom failing to take the lead in Western Europe because of some wishful thinking that it can still reconstruct the Commonwealth in such a way that Britain will once again become a power of the magnitude of the U.S.S.R. or the United States."

9. During the meetings of the Commonwealth Prime Ministers in London in October, 1948, Mr. Wrong telegraphed the department from Washington to suggest that some clarification of the intentions of the United Kingdom as to its role in Western Union should result from the current meetings. He pointed out that it was largely true that some of the strongest support for rapid progress in the political and economic unification of Europe was to be found in the United States where the United Kingdom was regarded as mainly responsible for the alleged lack of definite action, partly because of Commonwealth commitments and partly because of desire to protect its "socialist experiment" from continental influence. He feared that this alleged reluctance might become the pretext for a new isolationism in the United States and prophesied that more would be heard of it later. As Mr. Wrong suggested that the considerations advanced in his message might be borne in mind by Mr. St. Laurent during the

discussions in London, his message was sent there. On October 19, Mr. Bevin gave the Prime Ministers a review of United Kingdom policy in the Western world during which apropos of Western Union he remarked that "it was alien to the British inclination to create grandiose paper constitutions" and described his own policy as one of creating Western Union step by step on the basis of solid practical achievements. The Prime Ministers were assured that the United Kingdom throughout the negotiations had been "fully mindful" of its special position as a member of the Commonwealth. Mr. St. Laurent, who was the next to speak in the discussion, did not, however, press for more active leadership by the United Kingdom. He described Canada's policy as being based on the belief "the task was now to convince France and the other continental Powers of Western Europe that it would be worth while to resist aggression from the beginning". In the Conference communique issued on October 23 it was noted that "There was general agreement that this association of the United Kingdom with her European neighbours was in accordance with the interests of the other members of the Commonwealth, the United Nations and the promotion of world peace".

10. In the negotiations which preceded the establishment of the Council of Europe, the United Kingdom followed what our High Commissioner in London described as a "pedestrian approach" to the question. It disliked the original French proposal for a Consultative Assembly and would have preferred a Council of Ministers of Western Europe to be composed "of governmental delegations with advisers from each of the countries concerned". It believed that the Assembly would work in an unreal atmosphere, would "tend to lose itself in discussion of impracticable policies", would indulge in "partisan intervention in internal affairs of its component states", and even "discredit the whole course of inter-European co-operation". But the feeling was so strong among the other countries that the United Kingdom had to accept the idea of an Assembly which it then attempted to limit as much as possible in its powers.

11. The Commonwealth governments were of course kept fully informed of these developments which were summarized at a meeting of the High Commissioners in London on February 4, 1949. On that occasion it was significant that the Indian High Commissioner, with support from his Australian and Ceylonese colleagues, expressed some concern about the implications of what Mr. Menon described as "an extremely important constitutional development with considerable implications for the Commonwealth, particularly those physically removed from Europe and those of non-Europe origin". The United Kingdom Minister, Mr. McNeil drew attention to the limitations upon the power of the Assembly and pointed out that Mr. Bevin had taken care to stress the special position of the United Kingdom because of its Commonwealth ties. In our case it might be assumed that silence meant dissent from the position of the other High Commissioners, since there is no indication that any Canadian view was expressed.

12. When it was learned that the first meeting of the Council of Europe would take place at Strasbourg in August, a departmental memorandum of June 23 suggested that a Canadian observer should be present. General Vanier was consulted and agreed to send an officer from his mission, adding that he had learned the United States was also sending observers in a completely unofficial capacity. This course was followed by Canada, and the United Kingdom and France were informed, again unofficially, of this action. Messrs. Chapdelaine, Kilgour, and Ritchie accordingly attended the sessions of the Consultative Assembly, and the latter was impressed by the speed with which it had developed a sense of corporate identity. Although it was too soon to give a definite

forecast, it was his feeling that the Assembly was "a force to be reckoned with to a much greater extent than the Governments which created it (and particularly the United Kingdom Government) ever contemplated.

13. No comment was made to the United Kingdom at the time on the cautious policy which it was following, but Mr. Pearson made a brief friendly reference to the evolution of the Council of Europe in his survey of international developments in the House of Commons on November 16, 1949. Behind the scenes a considerable exchange of opinion was taking place between the Department and Missions abroad because of the increasing unpopularity of United Kingdom policies among the European countries and in the United States. European annoyance at the British approach to the unification of Western Europe had been heightened by the economic impact of the abrupt devaluation of the pound, about which the United Kingdom's associates in O.E.E.C. had not been consulted, and the suspicion that as a sequel to the Washington talks in September 1949, the United Kingdom was moving away from co-operation in Europe to a tripartite partnership with the United States and Canada. The fact that there had been some thinking along those lines in the State Department by men like Mr. Kennan, as Mr. Wrong had reported in August, helped to cause this suspicion, which was fanned by critical articles from the Alsop brothers and Walter Lippmann. Mr. Wilgress and the heads of eight Canadian missions in Europe were asked to comment on the situation. In general they tended to confirm the belief that the European countries were uneasy, in Mr. Wilgress's words, at what they regarded "as a new orientation of United Kingdom policy equivalent to a withdrawal at least from active participation in closer co-operation with other countries of Europe". "Europe" wrote Mr. Dupuy "now feels jilted and let down". Mr. Wilgress believed that it should be Canadian policy to help to bring about "a closer political and economic integration of all the countries of Western Europe including the United Kingdom". He thought the Commonwealth could be fitted into such an arrangement, but emphasized that "it is essential that relations with the Commonwealth should be secondary to the main objective of having a strong and fairly unified Western Europe..." He strongly deprecated any further talk about "a super-federation of the three Anglo-Saxon countries" or even a closer co-operation among them unless it was accompanied by equal participation by the other countries of Western Europe.

14. Meanwhile, Mr. Wrong was shown by the State Department on October 25 a telegram representing current thinking "at the highest level". It was from the Secretary of State to his representative at a conference of U.S. heads of mission in Western Europe and recommended early progress towards the establishment of "supra-national institutions in Europe". Mr. Acheson suggesting that France should take the lead in integrating Western Germany with Western Europe. He recognized that the United Kingdom could not be expected to involve itself as deeply as continental countries in these questions, but indicated his view that the United Kingdom should go further than it had done to date "in attaching its interest both economic and political to continental Europe". The telegram also suggested that the United States and Canada should "collaborate closely in the process of ontinental integration, in so far as they were willing and able". These American views were underlined even more emphatically by Mr. Hoffman of ECA at a meeting of OEEC in Paris on October 31 when his references to formulating by early in 1950 a record of accomplishment and a programme to take Europe well along the road toward economic integration were more categorical than the State Department would have wished. Mr. Acheson also sent Mr. Bevin a personal message expressing the hope that the United Kingdom would play a more positive part in fostering European economic co-operation.

15. A memorandum from the European division on November 7 summarized these developments and declared that the achievement of the unification of Europe should "in the large sense be one of the major objectives of our foreign policy". It advised against urging general principles more than was absolutely necessary and maintained that Canada as a small power could help to explain to the United States the "European doubts about thorough-going federalism". It also suggested that Canada should "examine the substance of the United Kingdom's reservations about the Council of Europe and a unified Europe generally which result from her membership in the Commonwealth". Consideration should be given to Canadian participation in OEEC on the ground that:

> "As a North American, Atlantic and Commonwealth power with Eastern associations, Canadian participation on a constitutional or institutional basis in the operation of a United Europe would have strong psychological consequences".

In a subsequent memorandum, dated December 3, 1949, it was recommended that Canadian missions in Europe should be asked to make known to the Foreign Offices concerned that:

> "Canada at least is not anxious to promote a United Kingdom withdrawal from Europe, that our relations with our Atlantic partners will be used as far as we can to bring the two communities together, that we continue to seek for ways to bring this about".

The memorandum also proposed that Canada might use her influence as a member of the Commonwealth to reassure the United Kingdom on the danger of its European policy undermining its association with the Commonwealth.

16. No action was taken upon most of these proposals, but the Colombo Conference of Commonwealth Foreign Ministers afforded an opportunity to expound the Canadian view on European integration to the other Commonwealth states. In so doing, the Canadian delegation knew that it would also assist the United Kingdom, since the Foreign Office had let it be known that Canada could be helpful at Colombo, not only in allaying Indian suspicions of American imperialism, but in explaining, as a Foreign Office spokesman put it, "the reasons why full support is being given to building a stable and secure association in Western Europe". On January 13, 1950, at Colombo Mr. Bevin described United Kingdom policy in Europe and Mr. Pearson immediately followed with a carefully prepared statement,(1) of which some excerpts were subsequently placed by him in Hansard of February 22, 1950, and were sent to our European missions in Western Europe and Scandinavia. Although he urged that the United Kingdom should co-operate as fully as possible in European unification so long as it did not prejudice her traditional links with the Commonwealth, Mr. Pearson devoted his remarks very largely to the economic aspects of the problem as seen by the United States and Canada. (Mr. Bevin had just finished criticising "ill-considered Plans" being pressed upon the United Kingdom, especially by the United States, for integration of the U.K. economy with that of Western Europe .) The Minister said that the United States was making great efforts to achieve

---

(1) This statement was in line with the views expressed at an informal inter-departmental meeting held on November 30 to discuss the problems of European Economic Co-operation whose minutes were prepared by Mr. LePan, a member of the Canadian Delegation at Colombo.

"a noble objective" in Western Europe and that Canada welcomed such attempts to further closer economic co-operation. He suggested two tests for the numerous proposals that had been advanced in various quarters to further economic co-operation. They should be examined to see whether they had substance or were merely gestures, and should particularly be assessed by the criterion of "whether or not it will lead to a progressively wider co-operation in trade and other economic matters between all the countries of the free world". Mr. Pearson then went on to say that:

> "It might be better for us in Canada to suffer some temporary disadvantages rather than to see the prospect of closer economic co-operation, which we believe to be necessary in Western Europe, made impossible because the United Kingdom is unable to participate".

In the communiqué issued after the Colombo Conference, the reference to the relationship of the United Kingdom to Western Europe was given more specific encouragement than had been the case in 1948. It stated that:

> "The Conference agreed that there need be no inconsistency between the policy followed by the United Kingdom in relation to Western Europe and the maintenance of traditional links between the United Kingdom and the rest of the Commonwealth".

17. Members of the Consultative Assembly of the Council of Europe were well aware of the United Kingdom dilemma. They had no desire, as their first president, M. Spaak of Belgium told an American audience in January, 1950, to ask that country to choose between Europe and the Commonwealth. With the forthcoming Colombo Conference in mind, on December 21, 1949, at a meeting of the General Affairs Committee of the Assembly, a resolution was passed asking M. Spaak to approach the British Government and ask it "to organize unofficial conversations with representatives of the Council of Europe with a view to determining the manner in which the Commonwealth might co-operate with the Council of Europe in political and economic matters". There was no Canadian observer in Strasbourg at the time, and the first intimation the Department had of this decision was a despatch in the New York Times the following day. Mr. Wilgress reported that M. Spaak visited the United Kingdom Ambassador in Brussels on December 23 to communicate the terms of the Assembly resolution, and to explain that what he had in mind was the possibility of the United Kingdom inviting Commonwealth representatives to attend the next Council meeting as observers. He hoped that Mr. Bevin would bring up the question at Colombo and would like to have discussed matters with him personally. M. Spaak, who was not popular in British official circles, was not encouraged to visit London and Mr. Bevin did not raise the question at Colombo. The Foreign Office regarded this resolution as "insufficiently thought through". One of its members concerned with Council of Europe questions expressed his own satisfaction with the Canadian policy of sending an unofficial observer. When the Secretary-General of the Council of Europe asked London for further information in March, 1950, he was brushed aside with a formal reply which simply repeated the section of the Colombo communiqué referring to Western Europe. There for the time being the matter rested.

18. At the second meeting of the Assembly in August, 1950, Canada was represented, as before, by unofficial observers who came this time from the Mission in Bonn. By that time Canada had become associated in OEEC together with the United States on an informal basis, the Schuman Plan had been brought forward, and

the entry of Western Germany and the Saar as associate members into the Council of Europe had further increased its importance as a centre of European co-operation. The sense of urgency had also been sharpened by the events in Korea. Mr. Davis was assisted by Messrs. Chapdelaine and Andrew of his mission. Despite the limits on its powers which caused a sense of frustration among many of its members, he was greatly impressed with the possibilities of the Council and noted in the discussions "a complete recognition that unless there is the greatest degree of co-operation between these European nations that they will finally be picked off one at a time by Russia".

19. Of direct interest to Canada were a recommendation and a resolution which revived the question of Commonwealth association with the Assembly's activities. The first recommended to the Council of Ministers that:

> "The Governments concerned shall consult the Governments of the overseas countries with which they have links of a constitutional character in order to study ways and means of ensuring that their interests are adequately represented in the Council of Europe".

The second instructed the Standing Committee of the Assembly to invite the Parliaments of the overseas countries in question, which were not already directly or indirectly represented in the Council of Europe, to send observers to the next session. This action was prompted by Conservative M.P.'s from the United Kingdom, one of whom, Mr. Julian Amery, declared on August 17 "if these countries were themselves represented Britain would be relieved of some responsibility and might be able to move a little faster". In this report Mr. Davis drew attention to the resolution. He thought Canadian parliamentarians would benefit from attendance, not only because of the value of personal contacts with their European colleagues but because "they would acquire a first-hand impression of the growing sense of a European community, however divergent may be the view of the different groups as to the practical form which this community might take".

20. When the subject was first discussed in the Department, it was felt that the present arrangements had proved satisfactory, and since Canadian interest closely paralleled that of the United States "it would be undesirable to be more formally associated with the Council at the present time by virtue of our membership in the Commonwealth". It was decided to defer action until an invitation had actually been received from the Assembly. It was also learned from the United Kingdom that the Assembly recommendation was not going to be discussed promptly by the Committee of Ministers and would be referred to a committee of Experts which was going to study the revision of the Statute of the Council of Europe. If that committee approved of Commonwealth Governments being invited to accredit observers, the United Kingdom indicated that it would be very glad to welcome them to the discussions. Accordingly, Mr. Davis was informed on November 6, 1950, that the Department felt it was premature to attempt at present to assess the merits of acceptance of the invitation, and was asked to give his further views after his visit to the adjourned session of the Assembly, which was to meet shortly.

21. In reporting on the meeting, Mr. Davis devoted a special despatch to the question of overseas representation, from which it emerged that the Standing Committee had followed up the Assembly's resolution by appointing a committee of three to draw up a complete list of the overseas territories eligible for invitations. This committee, of which Lord Layton was a member, listed the parliaments of Australia, Ceylon, Canada, India, New Zealand,

Pakistan, South Africa, Cambodia, Laos and Indonesia as those concerned. It was understood that invitations would be sent to the speakers of their parliaments, and that the Ministries of Foreign Affairs would be informed unofficially of the action that was being taken. Mr. Davis pointed out that, next to the United States, Canada was the non-European country most frequently referred to in the Assembly debates. He argued that a refusal to accept the invitation might cause the Assembly to form the assumption "that we accepted the U.K. position so far as we were concerned as a Commonwealth country". He reiterated his belief that the invitation should be accepted and suggested that Canada might be able to influence the ambitious plans the Assembly had for consolidating existing organizations for European co-operation. In his view, three or four responsible parliamentarians as observers, with the right to participate in debates, could perform a useful service in strengthening the position of the Council of Europe as the "agreed instrument" for closer European union.

22. No word of the proposed invitation had been received by March, 1951, in the Department. The High Commissioner in London was asked to make inquiries and discovered that invitations had been despatched in January to the speakers of the various parliaments and that all of them had replied, except those in Pakistan and Canada. None of the Commonwealth countries had shown any keen interest, India and New Zealand declining the invitation outright.

23. This awkward gap in information resulted from the failure of the Secretariat of the Council of Europe to send an unofficial communication to the Department on this question, and from the tardiness of the Speaker of the House of Commons in informing the Department of his receipt of an invitation. After inquiries had been made, Mr. Macdonald wrote, on April 4, to enclose a copy of the invitation. He explained that he had been waiting to take it up not only with the Government but with the executive of the Canadian branch of the Commonwealth Parliamentary Association, in accordance with a suggestion from the Secretary-General of that body who had also written him about it. Since no regular meeting of the executive had taken place as he had anticipated, he asked the Department's view as to the advisability of calling a special one to see what action should be taken.

24. In a memorandum to the Minister on the latest developments, the Department opposed sending Parliamentary observers who would form a part of a "not particularly representative group from overseas" that would be involved in what was "essentially and intimately a European concern". It regarded the problem of uniting Europe as one to be solved primarily by the United Kingdom, France and Germany, and did not want to see Canada associated more intimately with the Council of Europe than was the United States. It pointed as well to the lack of enthusiasm shown by other parts of the Commonwealth. As Mr. Pearson agreed with these views, a letter on these lines was sent to the Speaker on April 27, with the inclusion of a draft letter which he might choose to use in his reply to M. Spaak. The Speaker was not quite happy about the wording of the reply, which did not make explicit the fact that he had acted in consultation with the government, and delayed action, with the result that no reply had been sent before the Consultative Assembly opened its sessions on May 5. The Department then drafted a telegram, which the Speaker approved, expressing regret at the delay, and declining the invitation simply on the ground that pressure of parliamentary business made attendance impossible. Unfortunately, as events proved, the telegram added that it was understood that another invitation to attend the autumn session was under discussion and that when it was received,

the invitation would be given "sympathetic consideration". This standard phrase of friendly evasion was not understood as well in Strasbourg as it is in Ottawa. Our observers there, about whom the Secretary-General had been informed officially for the first time, reported that the general understanding was that Canada would send parliamentary observers in response to the next invitation, a misinterpretation which their guarded comments were unable to dispel.

25. The reference in the telegram from Ottawa was based upon advance information which our Netherlands Embassy had acquired in April. The General Affairs Committee of the Assembly had drafted for the May meeting a proposal to invite legislators from the United States and Canada to participate with a delegation from the Assembly in what was vaguely called an Atlantic Parliamentary Committee. The initial reaction in Ottawa to this news was unfavourable. It was regarded as premature, coming from an Assembly which had too many unsolved problems to justify creating one of this magnitude. As Mr.Wrong was told, when asked to ascertain the State Department's views:

> "Our most effective contribution to European unity is through membership of NATO and UNO, the success of whose efforts would make possible the peace and security essential to successful integration of Europe".

Nevertheless, an invitation linked with one to the United States was quite a different matter from one parallel to those extended to Laos and Cambodia. The initial views on attendance at Strasbourg were much the same in Washington, where the State Department considered NATO and OEEC as more practical bodies for doing business with than the Council of Europe. But there was a more lively interest in Atlantic Union in Congress than in the Canadian Parliament. Under pressure from Senators Gillette, Kefauver and others, the State Department performed "a considerable tactical swerve", and intimated that it would not be opposed to members of Congress attending. The issue was still further confused by the Strasbourg Assembly deleting any reference to Canada in the resolution which invited a delegation of members of Congress to discuss with the Assembly means of furthering contacts between the two bodies. The deletion of Canada was deliberate, being based upon the arguments of U.K. speakers that Canada as a Commonwealth country had already been invited and seemed likely to attend in the autumn. Mr. R.G. Mackay, M.P., who was an Australian by birth, argued strongly that the Dominions and the British Commonwealth were in a different position from the United States. A Foreign Office observer subsequently told an officer from Canada House that "most members of the Assembly regarded Canada more as a member of the Commonwealth than as a member of the Atlantic Community". In reporting this view, Mr. Wilgress deprecated such a belief, since he felt that Canadian interest in the Council of Europe arose primarily from our position in the North Atlantic Community and in NATO. He thought it of considerable importance that:

> "the basis and timing of any future association between Canada and the Council of Europe should be equated as closely as possible to that of the United States.(1)

---

(1) Mr. Wilgress reaffirmed this view in July, 1951, when asked to ascertain what was known in London on the matter.

26. The Assembly had delegated Lord Layton to visit Washington for preliminary soundings before the proposed joint meeting, and he chose to come to Ottawa first to learn what Canadian views were. Before his arrival a departmental memorandum summarized developments for the Minister and indicated a shift of opinion reflecting the trend of events in Washington. It was now felt that "no harm" would be done in sending parliamentary observers, who would undoubtedly profit by the experience of seeing at first-hand European difficulties and divisions. In view of the American position it was advisable for Canada to avoid the accusation of being unco-operative with a body which, with all its limitations, "does symbolize the hopes of millions of Europeans and acts as a sounding board for European ideas and projects". During his conversation with Lord Layton on May 25, Mr. Pearson tactfully, if not accurately, assured him that Canada did not object to not being associated with the invitation to the United States. He took care to explain why the current formula for inviting Canada as a state "having constitutional links with a member of the Council of Europe" was not altogether satisfactory. In October Congress cleared the way for American action by adopting a resolution which made possible the presence of seven members of each House at a meeting in Strasbourg with representatives of the Assembly.

27. While in Ottawa Lord Layton saw the Speaker of the House of Commons and handed him a copy of the invitation to attend the autumn session. On June 6, the formal invitation was presented by M. Spaak to our Ambassador in Brussels for transmittal. In his letter M. Spaak said that:

> "The Assembly attaches the highest importance to the presence of members of your Parliament as observers, as it considers that the achievement of greater unity between the European countries ... should be accompanied by a strengthening of the political and economic links between the various European nations and Canada".

In forwarding the invitation to the Speaker, Mr. Pearson suggested that it be brought to the attention of the House of Commons before the end of the session. He hoped by that time that more would be known about American policy. As he left shortly afterwards for London, the Department also brought the matter to the attention of the Prime Minister. Mr. St. Laurent also received at this time a telegram from Mr. Churchill and a letter from Mr. Harold Macmillan, M.P., both urging that Canada should be represented at Strasbourg. Mr. Churchill said that:

> "It is of the greatest importance to British leadership in Europe to ensure that developments towards European unity should be in fullest harmony with Commonwealth interests".(1)

28. On June 25, the Speaker informed the House of Commons of the invitation. Two days later, following a question from Mr. Graydon, the Prime Minister made an explanatory statement. He said the decision to be taken was of interest to the Government, which was seeking "more enlightenment" before making up its own mind. Mr. St. Laurent referred to the variation in kind of the respective invitations to the Canadian Parliament and the United States Congress. He added that, if observers were sent, he believed they should be representative of the complexion of the House, a policy which Mr. J.M. Macdonnell, M.P., who had been

---

(1) As the result of a similar appeal to him from Mr. Churchill, the Prime Minister of New Zealand reluctantly arranged that the New Zealand High Commissioner in London should attend the Assembly as an observer. Mr. Doidge disliked the idea and felt that Commonwealth representation "would be dangerous to Empire unity".

in Strasbourg for a time in 1950, supported. No action was taken before Parliament adjourned. At a Cabinet meeting on July 4 it was decided that the President of the Assembly should be so informed, with the assurance that Parliament would be asked to consider the matter when reconvened. As this would not be until October, it would be impossible to reach a decision before the Assembly opened, as then contemplated, on September 24. On the Department's initiative, it was arranged that the Canadian Ambassador in Brussels should be instructed to see M. Spaak and explain to him the situation. General Pope was also authorized to enlarge upon the unsatisfactory character of the invitation from the Canadian point of view. After his interview, the Ambassador reported on July 31 that the Assembly would not meet after all until October and that M. Spaak would so inform the Speaker - a development which General Pope did not encourage. M. Spaak ingeniously argued that Canada, to whose representation he attached special importance, and other Commonwealth countries were actually being given "better treatment" than the United States since they were to have a continuing association through observers. He explained this policy was prompted by the "desire of Europe to demonstrate to the United Kingdom that the latter's association with the Commonwealth could not create difficulties".(1) This reasoning did not impress Mr. Pearson, who commented in a memorandum to Mr. Heeney on August 16:

> "We cannot accept an invitation to associate ourselves with the Council of Europe merely because we have a certain formal attachment to Europe now through our membership in the Commonwealth of Nations.(2) We should, however, give sympathetic consideration to association with the Council in an observer capacity, if the United States Congress takes the same attitude ... In any event I am inclined to think that our ultimate attitude should be the same as that of Congress".

Mr. Davis was informed of this view and asked "to engage in some discreet educational activity" while in Strasbourg.

29. Although this view still represents the Department's position, a sequence of unexpected events modified it somewhat in practice during the meetings of the Consultative Assembly, which were twice delayed because of the U.K. elections and the conflict with other meetings of NATO and the United Nations. As he had promised, M. Spaak wrote to the Speaker of the House of Commons concerning the change of date and utilised the opportunity to attempt to clear up the "misunderstandings" about the nature of the invitation. He felt that if observers attended, they might be able to discuss with the competent committees some questions on the agenda, especially of an economic character, which concerned overseas countries, and thus give the Assembly a chance to know at first-hand the point of view of the country concerned. He also believed that, once Canadian parliamentary

---

(1) Before M. Spaak saw General Pope, Lord Layton had seen Mr. Pearson in London. He was informed of the Canadian views, and in turn clarified the nature of the invitation to the United States.

(2) It is significant that the Chairman of the Council of Ministers, Mr. Lange of Norway, expressed regret that Canada had not been invited in the same manner as the United States. M. Schuman was also said to have regretted the omission.

observers had attended a meeting and reported back, it would then be possible "to consider more precisely how closely your Parliament would wish in future to be associated, and in what manner, with the Consultative Assembly". Mr. Macdonald consulted the Prime Minister's Office, not, it may be noted, this Department, and was advised to thank M. Spaak, inform him that Parliament would not convene until October 9, and that a heavy legislative programme made it unlikely that observers could be sent to the meeting, then fixed for October 15. It was also suggested that he might express the deep interest of Parliament in both the Assembly debates and the discussions with the U.S. Congressional delegation, and indicate that in due course Parliament would give further consideration in the light of these important developments. Mr. Macdonald acted accordingly and so informed the House. When the Strasbourg meeting was postponed for the second time, the persistent M. Spaak again wrote to inform Mr. Macdonald and to express the hope that the Canadian House of Commons had "voted" upon the matter of observers and would be represented. Presumably after an interview with the Prime Minister and for reasons which are not recorded on our files, the Speaker replied on November 8 and met M. Spaak half-way. He said that M.P.'s could not be spared from Ottawa but Mr. Pearson, who was in Paris for the U.N. General Assembly and was accompanied in the Canadian delegation by Senator Hurtubise and four M.P.'s., would be asked to arrange for some of them to go to Strasbourg. Accordingly, Senator Hurtubise and General Pearkes, M.P., attended some of the meetings. Ironically enough, although they were present with the approval of both Speakers, they still did not have a formal mandate from Parliament. In view of the continued pressure by M. Spaak it was surprising that Mr. Davis should report on November 30 that, although his own position had been facilitated by the presence of the two observers, "not one word of acknowledgment of the presence of the Canadian Parliamentarians was uttered nor was there one word of official welcome". Nevertheless, he thought their presence was of distinct benefit to Parliament, while adding that care should be taken to "maintain the position of being silent observers taking no part whatsoever in the activities of the Assembly".(1) He thought it unfortunate that no Canadian was present at the joint discussions held with the U.S. delegation, and reported that he found general regret at this absence and a feeling that Canada, standing midway between Europe and the United States, could have filled an interpretive rôle.

30. Canadian policy towards the Council of Europe has been described in some detail because it illustrates significant contrasts in attitude with the rest of the Commonwealth and the United States. To Commonwealth States, other than the United Kingdom, what happened in Strasbourg was either a matter of indifference, or one which might threaten the cohesion of the

---

(1) While in Strasbourg, General Pearkes held a press interview, at the request of the Head of the Information Service of the Council of Europe. Speaking personally and as an opposition member, he said that what he had seen in Strasbourg was most encouraging and that the idea behind the Council of Europe commanded general support from people in Canada. In direct contradiction to Departmental views, he was reported, by Mr. Andrew, as saying in answer to a question "that he preferred that Canada should be associated with the Council of Europe through its membership in the Commonwealth rather than through association on the same basis as the United States".

Commonwealth. To the government of the United Kingdom it was a question of major importance, but also one that provoked continuing irritation that so many Europeans should persist in urging the closer association of the United Kingdom with Western Europe to a degree which might reduce the former's freedom of action in the Commonwealth, in NATO, and in discussions with the United States. To Canadian observers in Bonn, Paris, London and Washington, however, it was a matter of gratification that Western Europe was coming together and of concern that the United Kingdom government pursued before 1952 a nagging attitude of denigration towards what went on in Strasbourg. To none of them did the problem of the Commonwealth loom as large as it may have done in British minds. The pre-war habit in Canada of regarding Europe as an entity was naive. The "cold-war" one of viewing Western Europe, including the United Kingdom, as an entity which had gone down tremendously in importance in the scales of power politics, because of the towering might of the United States and the Soviet Union, and which must pull itself together as effectively as possible was soundly based. As Mr. Davis, who reported so discerningly on events in Strasbourg commented in January, 1951:

> "Through the North Atlantic Treaty the future of our nation is to a considerable extent tied up with the future of Western Europe. A strong co-ordinated Western Europe is something we need most....it is in our interest to press upon the British Government the view that we think they should get in wholeheartedly behind the Council of Europe..."(1)

In this comment Mr. Davis brought out the new factor in Canadian policy of participation in NATO and the correspondingly greater concern with what affected the military and economic strength of Western Europe. It is as a partner in NATO, as a North American state, and as a dollar country, and not as a Commonwealth country that Canada looks towards Strasbourg. For that reason dislike of being linked with the Council of Europe merely by virtue of the fact that this country is linked with the United Kingdom by constitutional ties is constant and vigorous. It is clearly reflected in the view that our association with the Council should parallel that of the United States. Of this feeling both M. Spaak and Mr. Churchill, for quite different reasons, are almost completely unaware. In contrast to Washington, however, Ottawa is more alive to the difficulties in the path of speedy European "integration", whatever that magic phrase may mean, and its spokesmen are more cautious than public men in the United States.(2) Although critical of the United Kingdom's policy, Canada is much more sympathetic than the United States to that country's views on the necessity for the gradual development of functional co-operation in Europe. This attitude may explain our apparent reluctance to express more frankly in London than we have done in our views upon the Council of Europe. Lastly the

---

(1) See Appendix 17.

(2) On January 30, 1952 this policy found most significant support from President Truman when he wrote to three Senators, who asked his views on a resolution endorsing a constitutional convention in Europe to lay the groundwork for a European political federation at the earliest possible date; "I believe sincerely that the creation of a political federation in Europe, uniting the strength of free peoples on that continent would be one of the greatest contributions that could be made toward the advancement of freedom and the maintenance of peace".

nature of Canadian association with the Council through Parliamentary observers has raised a new problem of liaison which has not been well handled, either by the Speaker of the House of Commons or this Department.

31. The period which witnessed the appearance and development of the Council of Europe was also marked by the emergence of various plans for the consolidation of Western Europe economically and militarily. Of these the most significant to date have been the Schuman Plan and the project for a European army, both of which originated with France. The Schuman Plan, proposing the creation of a supra-national authority over the production of coal and steel, initially in France and Germany, but open "to other European Countries" was launched by the French Foreign Minister, on May 9, 1950. On the day after its announcement General Vanier discussed its meaning with the Minister of Information M. Teitgen. In forwarding the information he received the Ambassador expressed his own "very humble opinion" that:

> "Here at last is a concrete proposal which should be explored to the full. Every effort should be made to implement it. It shows a breadth of vision and imagination in which, so far, public men have not been over-indulgent".

The United Kingdom had been given no prior information about the Plan, and was, at the outset, suspicious of its implications(1) and disinclined to accept the invitation to the Conference on it extended by the French government. At that time Mr. Pearson was in London. During the informal talks with one or two members of the Government and officials he expressed a contrary view that:

> "As the Plan was of such far-reaching importance to the future integration of Europe, it should, in the view of the Canadian Government, be advisable for the United Kingdom to endorse in principle at least and without hesitation the broad political aims of the plan, no matter how impractical its economic implications might appear".

Speaking in the House of Commons on June 5, two days after the United Kingdom had publicly declined "to associate themselves with negotiations on terms proposed by the French government" he praised the Plan as indicative of the imaginative approach to their problems that Western European nations are making. He regarded it as important in the field of politics as economics and said in that connection:

> "It may mean a long step forward in ending the ancient feud between Gaul and Teuton which has caused so many dark things to be written on the pages of European history. I believe that this is an example of the new approach by Europeans to their problems, and we can only hope it will be successful, both politically and economically".

In this statement Mr. Pearson was following the same line of policy which had led him, as has been already noted, to welcome at Colombo the prospects of closer economic co-operation in Western Europe. Again, answering a question on the Schuman Plan on September 4, 1950 in the House of Commons, he referred to the views he had earlier expressed in London. In what was obviously intended for London as well as Ottawa the Minister remarked that:

> "It would be unwise especially not to do everything to encourage the French in any proposal which may heal the age-long conflict between the French and the Teutons".(2)

---

(1) Mr. Schuman had said his proposal would "lay the first real foundations of a European Federation".

(2) At a press conference in Paris on September 6, M. Schuman expressed gratification with Mr. Pearson's remarks.

32. Prior to the Minister's statement the Department had prepared a memorandum, dated August 22, on the Schuman Plan which was described as representing its "considered views". In a section on implications for Canada, it suggested that Canadian interests were likely to be affected mainly by the influence which the Schuman Plan might have upon the prosperity and capacity for self-defence of Western Europe. If Franco-German suspicion could be eliminated and a firm contractual relationship be established among the Western European Nations, it would greatly contribute to Western unity and strength. When the plan was implemented the productive capacity of Western Europe was likely to expand, unless its aims were subverted by the Comité des Forges or German industrialists. The extent of the contribution which the Plan might make to North Atlantic Defence would depend upon the French Government's attitude to such issues as the expansion of German steel production, the manufacture of arms and military equipment in Germany and German rearmament. This circular document touched lightly on to the possibility of a "Third Force" movement in Europe gaining a fresh impetus by the Plan, pointing out that this was certainly not the intention of M. Schuman or the French government. Should that happen it would weaken rather than strengthen the Western European system. Attention was also drawn to the necessity of evolving an adequate relationship between the new organization that was established and the Council of Europe and the OEEC. If the United Kingdom decided to participate, this would affect the interests of the coal and steel producers and consumers in the other Commonwealth countries. The memorandum pointed out that a precedent had been established for their participation in some manner by Canada's association with OEEC which began in July 1950.

33. Over two years elapsed between the launching of the Schuman Plan and its ratification by the six partner governments. The lapse of time did not cause any material change of view in Ottawa. Thus a re-examination of the political implications of the Plan by the European Division in May 1951, when the subject was under discussion in the Inter-Departmental Sub-Committee on External Trade Policy(1) did not bring out any new considerations. However the point was made more definitely that it was the Plan's broad political aims, rather than its economic ramifications, which won the general support of the Government. It is not unreasonable to note that the maintenance of such an attitude, in view of the U.K. aloofness, was substantially aided by the fact that the United States repeatedly warmly welcomed the French proposals in public statements. It is also very pertinent that Canadian economic interests were not likely to be affected by the implementation of the Schuman Plan. A memorandum from the International Trade Division of the Department of Trade and Commerce, which was discussed at the Sub-Committee of the Inter-Departmental Committee on External Trade Policy and generally concurred in, pointed out that Canadian exports to continental Europe were still, as in pre-war days, only about 6% of total exports and were composed almost entirely of primary commodities.

---

(1) This Committee had briefly discussed the Schuman Plan in October 1950. It then agreed that the Canadian delegation at the GATT meeting in Torquay should ask Ottawa for instructions if the topic arose, "because of the highly political and military implications involved".

Consequently, Canadian commercial interests would not be directly affected by the creation of a preferential trading area for coal, iron and steel products in Western Europe. Moreover these products were ones which concerned Canada as a net importing country. If the Schuman Plan would lead to more efficient lower cost production, this country would stand to gain by acquiring access to possible sources of supply which would reduce dependence upon the United States. It would also be in the long run an advantage for Canada if progress under the Plan would enable Western Europe to earn and save more dollars.

34. The same meeting (May 1951) discussed another French plan, named after M. Pflimlin, Minister of Agriculture which presented a quite different economic problem and well illustrates the importance of these considerations in general Canadian policy. On March 29, 1951, the French Government sent a memorandum to members of the Council of Europe and to Austria, Portugal and Switzerland, suggesting that a preliminary conference be held to examine the possibilities of creating a unified European market for agricultural products and providing for the control of the export prices of wheat, dairy products, sugar, and wine by a supra-National authority. This suggestion evoked little cordial interest, except in Holland, and the proposed conference did not materialise until March 1952. According to a despatch from our Embassy in Paris the delegates met "in an atmosphere of partial cynicism and indifference" and did no more than authorize the appointment of a committee of experts to draw up the agenda for a plenary session later in the year.

35. Meanwhile Ottawa has had under consideration the possible effects of the new plan upon the sale of Canadian agricultural exports in Western Europe. The same Trade and Commerce memorandum that examined the Schuman Plan estimated that Canadian wheat was the commodity most likely to be adversely affected. Continental Europe had not been a large market since the Twenties but its need for wheat was increasing and its potential importance as an expanding market should not be minimised. If the United Kingdom joined in the Plan, which was thought doubtful, Canadian dairy products could also be seriously affected, while in continental Europe the Belgian market might be lost for evaporated milk. In time the expansion of the Plan might also lead to obstacles being created to the sale of Canadian salt cod in European markets. These possible losses would not be compensated for by the possible increases in the exports to this area of agricultural machinery, fertilisers, seeds and feedstuffs. The memorandum concluded that the danger existed in integration being used "as a screen behind which uneconomic production could be fostered and preserved". The Departmental memorandum on the political implications of the Pflimlin Plan pointed out that it was the most ambitious experiment suggested to date in supra-national institutions because of the number of countries involved in it. Unlike the Schuman Plan, it did not have its origin in an emphasis on Franco-German rapprochement. The fact that it was being launched under the aegis of the Council of Europe might also increase the importance of that body. Accordingly Canada might find it necessary to assume a more lively interest in the work of the Council and its agencies, "if only for the protection of Canadian economic interests". The possibility of a closed European trading area developing, from which North American agricultural products would be excluded, did not necessarily mean that Canada should automatically oppose its creation, since the political and strategic benefits accruing from the scheme might outweigh its economic disadvantage. Such considerations had already operated in the case of the Marshall Plan. As examples of such benefits the memorandum listed the resulting increase in European production which would reduce the strain on overseas shipping in the event of war, and the improvement in European morale

and enhancement of the will to resist aggression that might result from a successful demonstration of Europe's ability to manage successfully its own affairs without outside aid. Since it might be necessary for Canada to choose between "broad political objectives on the one hand and domestic economic interests on the other", the Department suggested the need for a reasonably accurate estimate of the extent of the impact which the Plan could produce on the Canadian economy, an impact which would obviously be affected by the degree to which other European countries gave active encouragement to the development of the Plan. On that subject it offered to secure information from its missions. As has been indicated they found little enthusiasm for the Plan. When the Interdepartmental sub-Committee studied these two memoranda, it agreed that the Plan could either achieve its avowed aim of removing some of the abnormal differences in price levels within Europe or could equally well have the harmful effect of creating, and maintaining, uneconomic, high price agricultural production within Europe. It asked that the replies received from the Canadian Missions in Europe to the circular despatch of May 30, 1951 be circulated, and decided to give further study to the Plan.

36. Since the Pflimlin Plan is still far from realization, matters remain in that inchoate stage. Meanwhile close contact has been maintained with the United States Government, which, in fact, initiated an exchange of views in Ottawa through the Commercial Counsellor and the Agricultural Attaché of the U.S. Embassy as early as May 4, 1951. Out of this preliminary talk emerged some of the considerations which were stated in the Departmental memorandum that has been described. On June 18, the United States Government had decided tentatively that the Pflimlin Plan was neither an effective nor desirable method of dealing with the problem and was probably based upon a French desire to avoid competitive marketing.(1) The political and strategic considerations arising from the Plan were not referred to in a second interview which Mr. Flood of the U.S. Embassy had with the Department. Mr. Wrong was asked to explore these questions with the State Department. He was told that Canadian misgivings for economic reasons would be substantially the same as those of the United States. Since they might prove to be compelling, he was asked to avoid giving the impression that "in raising the question of political implications we have reached any firm conclusion as to the degree of importance which should be attached to them". Mr. Wrong learned on June 29 that the State Department felt that any potential political advantages gained by promoting European political integration would be definitely outweighed by the economic and technical disadvantages of the Pflimlin Plan. The United States gave its support on "a selective basis" to proposals for European political and economic integration, and could not see advantages to be derived from the Pflimlin Plan, such as were likely to result from the Schuman Plan.

37. More recently the United States had modified this view and authorised the Director of the European Office of the Mutual Security Agency to issue a statement in Paris on March 24, 1952 immediately before the "Green Pool" meeting which declared that "it is the view of our Government that European agricultural integration is a desirable and logical phase of general European unification". The statement noted, however, that the projects for creating a single European agricultural market should embody

---

(1) The French Department of Agriculture maintained, however, that nothing could be further from the spirit of the proposal than closing the European market to outside competition.

concrete measures for expanding trade "through the progressive elimination of trade barriers in Europe and aim at lowering trade barriers to trade with the rest of the world". Somewhat disconcertingly, Mr. Porter added, on his own volition, a more enthusiastic endorsation in the opening sentence of his press release which said that "The United States earnestly supports the creation of a single European market for agricultural products as an important part of the move towards achieving general European unification". The reason for the U.S. shift of attitude appears to have been information that M. Jean Monnet, who had so much to do with the Schuman Plan, had used his influence to modify the French proposals so that they were less protectionist, and the realization that the warmest supporters of the Pflimlin Plan outside France were the Dutch, who as low cost producers were not advocates of high tariffs for agricultural products. There was also noticeable in Washington a growing emphasis upon the urgency of strengthening Western Europe, so that it could contain Western Germany successfully. This emphasis made the political considerations weigh more heavily than the economic doubts about the Plan which had not been entirely dispelled. It remains to be seen to what extent this emphasis upon the overriding importance of the political aspects of European integration will modify Canadian views upon the Pflimlin Plan when it comes nearer to being a reality.

38. The third French proposal for European integration, the Pleven Plan, touched Canada more closely than the others, since it dealt with the creation of a European army which would have to be fitted into the structure of NATO. The suggestion arose from the eagerness of the United States to incorporate German forces into the defence of Western Europe. This policy was advanced by Mr. Acheson in September 1950, at a meeting of the Foreign Ministers of the United States, the United Kingdom and France in New York, before the NATO Council met. In hastily presenting to the French Parliament on October 24 the Pleven Plan, which would link a European army with the political institutions of a unified Europe, the French Government offered an alternative policy and forced a postponement of action in NATO.

39. Although there were serious doubts to the practicability of the military aspects of the Plan, its relation to the integration of Europe, politically and economically, was in line with previous Canadian views. In the Department it was suggested that, "the economic aspects of the Pleven Plan might furnish the main missing component as a principal safeguard against any revival of German militarism". For that reason the Department favoured most careful consideration in Washington of the French proposals. It hoped that the views presented by the United States would not be adopted prematurely. It argued that a delay of a few weeks could not in any case affect overall defence planning, since there were shortages in the types of equipment necessary for rearming German units. Yet the intransigent manner in which Mr. Moch, the Minister of Defence, presented the French position at the Defence Committee meeting in Washington, and the flaws in the military aspects of the Pleven Plan caused considerable anxiety in Ottawa as in other capitals.(1) For the second time it was necessary to postpone decision at a NATO meeting. There was concern in Ottawa at the adverse effect this delay might have upon the consolidation of NATO and upon American public

---

(1) At the Washington meeting Mr. Claxton expressed scepticism as to the practicability of the Pleven Plan but indicated a sympathetic understanding of the reality of the French fears of German rearmament which was much appreciated by M. Moch.

opinion, already embittered by the difficulties in Korea. With this in mind it was decided to approach the French Government and urge upon it the wisdom of considering what might be done to narrow the gap between the French and American positions. On November 6, after consultation with the Prime Minister, Mr. Pearson sent a long telegram to General Vanier to be used in an interview with the French Foreign Minister with whom he was on especially friendly terms. M. Schuman was to be told that Canada shared France's apprehensions about the danger of a resurgence of German militarism and sympathized with the broad lines of French policy on the integration of Western Europe. But the critical situation made it essential that a compromise on the military level "could and should be worked out at once" so that military planning could go forward as quickly as possible. It was undesirable that military progress should wait for agreement on political integration. As a country closely in touch with opinion in the United States it was Canada's view that:

> "The United States Government are certainly not bluffing when they say that they could not go to Congress with a proposal to station major United States forces in Germany in peace time while the Germans themselves were not participating in Western defence. The same considerations apply to Canada".

Two days later, General Vanier reported that he was received in the most friendly fashion by M. Schuman who said that he shared Mr. Pearson's views "without the smallest reservation". This information, and the fact that M. Moch, in conversations on his way to Ottawa and in the capital, seemed somewhat less obdurate reduced the disquiet. By the end of the year agreement had been reached in the NATO Council on France convening a conference of interested governments to explore further the Pleven Plan. In turn France had agreed that German participation would strengthen Western defence without altering the defensive character of NATO and that the Governments of the United States, the United Kingdom and France should discuss the question with the Bonn government.

40. When Mr. Acheson sent a personal message to M. Schuman welcoming the Conference on the Pleven Plan in more cordial terms than had been anticipated, it was felt that Canada should be represented at this meeting. The French government had informed Ottawa, on December 18, that invitations would be sent to "interested governments and the governments of the United States and Canada", and the United States decided, as was learned on January 30, 1951, that "insofar as the conference deals with purely European questions the United States role will be strictly that of an observer". It would judge the work of the conference primarily by the manner in which it served to strengthen the Atlantic Community.

41. As the Paris Conference which opened in February Canada was represented by an observer, General Vanier, who, like his colleagues from the United States and the United Kingdom, attended only the meetings of the main committee. Because of his position he was not given instructions but was sent instead on February 26 a statement of the government's views upon the issues involved. These included the following observations:

(1) the creation of a European Army is a matter for the Europeans themselves to settle, and the Canadian observer while maintaining a "sympathetic interest" should avoid, if possible, taking an active part in the discussions;

(2) a Franco-German rapprochement is of vital importance to any system of European defence and to the peace of the world. If such rapprochement can be achieved through a European army, it would therefore, in the long run be beneficial to Canada;

(3) since the European army scheme is an example of the closer integration of Europe which has already been generally approved by the Canadian Government, Canada hopes that the current conference will meet with success;

(4) the Canadian Government considers that the countries participating as principals in the conference should be fully aware that any scheme adopted must be acceptable to NATO members. Canada therefore welcomed the assurances given by M. Schuman in his inaugural address that the proposal for a European army would be withdrawn if it appeared that it would delay Atlantic defence;

(5) on political and pyschological grounds the European army seems to us to offer a framework for German participation in Western defence which is worthy of careful and sympathetic consideration subject to the following important reservations:

(a) it must be demonstrated that the European army plan is not only politically but also militarily practicable in the light of existing NATO plans for the defence of Western Europe. In this connection the assurances given by the French that the recommendations of the conference would be submitted to NATO are most welcome.

(b) to achieve the Franco-German rapprochement which is at the very root of German participation will require substantial mutual concessions by both French and Germans. In the absence of a willingness to make such concessions the conference is, in the Canadian view, bound to fail. On the other hand the presence of representatives of NATO members should create a favourable atmosphere for a Franco-German rapprochement.

An interesting omission from this summary of Canadian views is the lack of any comment on the position of the United Kingdom, which had from the outset declined to consider participation in a European army, and had underlined its position by being represented in Paris only by an observer. Presumably Canada was in accord with this view, and no such comment was thought required.

42. In the first round of meetings, which proceeded at a leisurely pace, lasting until July, the French followed a conciliatory policy and the Germans did not bargain too stiffly. As a result a wide measure of agreement was reached and there was no occasion for any intervention by the Canadian observer. This fact, together with the increasing approval with which both the United Kingdom and the United States viewed the situation, a feeling which was reflected in the meetings of the Western Foreign Ministers in Washington in September, 1951 very largely dispelled Canadian uncertainty about the workability of the European army. When Mr. Pearson took part in a televised broadcast from New York on September 24, he felt free to say that although the European army was primarily a problem for Europeans he thought it a good idea, and to comment further:

"Though at first I think a lot of people over here had some doubts as to the practicability of the European army, the discussions that have taken place in the last year have removed a good many of those doubts and progress is being made. I think it is all to the good that there should be a European army, providing that that European army can be integrated into something bigger, the North Atlantic force."

43. When the European Army Conference resumed its discussions in the autumn, both the United States and the United Kingdom modified their position as observers by seeking (the latter having been urged by France and Germany to do so) representation on the Steering Committee. General Vanier asked for direction as to whether Canada should make a similar request, but pointed out that he did not think Canada had the same compelling reasons for doing so as the two other countries. In his judgment the role of observer, offering encouragement but not advice, suited Canadian needs very well. The Department shared his views, having also in mind the difficulty of providing senior advisers for the Canadian representative in view of the other numerous commitments to other international agencies. After consultation with the Department of National Defence which took the same attitude General Vanier was instructed to carry on as before.(1)

44. In the complex discussions that ensued before agreement was reached in May 1952, during which the Benelux countries became concerned about the inroads which would be made upon their national sovereignty, the French Government became forcibly aware of the intensity of popular distrust of Germany, and the German government bargained more stiffly for equality of status, the Canadian view that Europeans must settle this European problem, though never abandoned, was modified somewhat in practice. This was not surprising, since the emergence of the European Defence Community, as it was becoming known, would require a definition of its contractual relationship to NATO and obviously affected the progress of strengthening the defence of the West. What is noticeable during this period is the desire of both the French and Netherlands governments to keep Canada informed of the reasons for their attitudes, and the readiness with which the United States shared its information and views upon the trend of events. An interesting illustration of the French concept of Canada as a "trait d'union" in Europe-United Kingdom-United States relationships was the conversation which President Auriol had with Mr. Pearson on December 4, 1951 during the latter's attendance in Paris at the General Assembly of the U.N. The President, who spoke with considerable feeling, was most anxious that the United Kingdom should participate directly in the European army and feared that if this was not done, the current negotiations would probably fail. It was his view that even a "token contribution" would be of material aid in preventing the army from becoming essentially a Franco-German one, in which he felt Germany was bount to become eventually the dominating force. In view of the increasing nationalism of Germany, President Auriol was deeply concerned at the prospect. These views may have been peculiar to the President, as other contacts with French statesmen indicated, but were put forth so strongly that Mr. Pearson thought it advisable to mention them in the following week in London during informal talks with Mr. Churchill and Mr. Eden. Neither was sympathetic to the Auriol proposal, but responded more cordially to the Minister's inquiry as to whether "something could not be done to give the Europeans the impression that Britain was keenly interested in and anxious to

---

(1) In January, 1952 Canada did decide to ask for representation by an observer on the Steering Committee of the E.D.C. because of its relationship to NATO. This request, and Norway's, was refused, but it was agreed that a NATO official should attend the EDC meeting, and the NATO secretariat should keep all NATO members not in EDC well informed.

work out some basis of association with the European army." Subsequently, General Vanier informed President Auriol in guarded terms of the talks in London, and was asked by him to convey his very deep appreciation to the Minister for his efforts. On his return to Ottawa Mr. Pearson asked the Department to examine the suggestion of a United Kingdom token contribution to the European army, but the study only confirmed United Kingdom doubts as to its feasibility. In spite of all its difficulties Mr. Pearson had become convinced, as he wrote in a memorandum for the Prime Minister of January 10, 1952 that the conception of a European Defence Community was "of the greatest political importance". In his judgment it provided "the only framework yet suggested by which Germany could be associated with the defence of Western Europe on terms acceptable both to the French and German Governments". After describing the views of the United Kingdom, and of Mr. Churchill in particular, and noting that its past obvious scepticism about the Pleven Plan had played its part "in strengthening the reluctance of the Benelux countries to accept the more drastic implications of the Plan", he suggested to Mr. St. Laurent that it might be desirable during Mr. Churchill's forthcoming visit in Ottawa to emphasize "the importance which we attribute to the concept of a European Defence Community and the dangerous and difficult situation which would result if the Pleven Plan collapsed".

45. On the same day as this memorandum was sent to the Prime Minister a further proof of Canadian concern with the outcome of the E.D.C. discussions was given by the despatch of a personal letter[1] from Mr. Pearson to the Netherlands Foreign Minister, Mr. Stikker, with whom he was on intimate terms. Mr. Stikker had previously asked the Netherlands Ambassador in Ottawa to call upon the Minister to describe his uneasiness at the nature of the negotiations in Paris. What disturbed him was the apparent indifference of the French to the idea of a North Atlantic Community and their belief that the North Atlantic Treaty was an ephemeral defence alliance which would disappear if the Soviet threat to security ceased to exist. In commenting on these views Mr. Pearson agreed that EDC and NATO should be related politically and militarily as closely as possible, always as Mr. Stikker had said "with the continental circle inside the larger Atlantic circle". But he pointed out that failure or prolonged delay to create EDC and the European army might have "a most discouraging and frustrating effect in the United States" where the idea had taken firm root, and that such a failure was more likely to cause a withdrawal from Europe than the feeling that European unity and strength would make unnecessary the presence of U.S. troops in Europe and political commitments. Failure might also have the same effect on the United Kingdom which, although not likely to participate formally in the various European organizations, was moving to closer co-operation with them. As Mr. Pearson saw it. the best way of preventing these disastrous consequences was "not to discourage or delay the European Army and EDC, but to make sure that these moves are tied in with those toward Atlantic unity". He also suggested that closer co-operation between EDC and NATO would be fostered if prompt agreement was reached on the headquarters of both being placed in the same places. The Minister said that he realized the special difficulties which the whole problem created for the Netherlands, and the ease with which advice could be given for North America where those difficulties might not be always understood but believed

---

(1) See Appendix 18.

that the question was so vital that Mr. Stikker would understand why he had written in this fashion. On January 21 a copy of this letter was also given to the Belgian Foreign Office. With it was an aide memoire expressing the hope of the Canadian Government that in the present critical stage of negotiations it would be possible to reach an agreement satisfactory to all six countries. This action in Brussels was prompted by news from Washington that the State Department, which had been shown the letter to Mr. Stikker, hoped that the Canadian Government might take such a step in view of the disturbing news about Belgian intransigence it had received from its Ambassador in France.

46. On January 18 Mr. Stikker acknowledged the receipt of the Minister's "kind and encouraging message", and assured him that his country would do everything in its power to come to a reasonable compromise satisfactory to all concerned. He hoped that the United Kingdom, the United States and Canada would continue to express their belief in the necessity of establishing strong links between NATO and EDC. The Belgian reaction was more reserved. Their reply to the aide-memoire referred to the great efforts Belgium had already made to secure an agreement and the necessity of meeting "the legitimate anxiety and aspirations of all participating countries, great and small". On January 23 Mr. Heeney asked the Belgian Ambassador to come to see him, since he had not been previously informed of developments because of the speed with which action had been decided upon. Vicomte du Parc was given a copy of the letter to Mr. Stikker and was told that:

> "while we were deeply interested in the prospects of securing agreement on the European Defence Community, we had, of course, no intention of pressing the Belgian Government in a matter which was of primary concern to the European Governments concerned."

47. Despite this diplomatic disclaimer, it is clear that Canada had exerted what influence it possessed to further agreement, an indication of the intensity of the Canadian desire to secure a satisfactory Plan for a European army which might reconcile the major Western European powers, France and Germany. The fact that Mr. Stikker had first raised the question provided an admirable opportunity to expound Canadian views. In so doing Canada was acting in complete harmony with both the United States and the United Kingdom. Mr. Acheson had made his views known strongly in Brussels and The Hague, and Mr. Eden had promised, during his visit to Washington, that the the United Kingdom would do its best to convince the Benelux countries they should co-operate in the building of the E.D.C. Gratifying as it was to make this rare excursion into European politics which was in line with Canadian convictions and in harmony with the views of our associates in the North Altnatic Triangle, it nevertheless brought with it certain implications for the future. By encouraging the Benelux countries to enter more whole-heartedly into a federal structure in Western Europe, on the ground that it should develop within a North Atlantic Community, we were creating, as Mr. Wrong reminded the Department on February 16, 1952 "a moral commitment, considerably stronger than a verbal commitment, to foster the development of the North Atlantic Community by which we had already been bound by a great number of public utterances". This "debt of honour" would necessitate our making clear to all signatories of the North Atlantic Treaty our belief in the reality and permanence of that association. Such a policy could not be stated only as a long term objective, but must be used to reassure those in Europe who continued to feel that the NATO association was purely ephemeral.

48. Another phase of NATO-EDC relationships appeared when German spokesman began to demand full membership in NATO as the price for accepting a European army. Such a demand was highly suspect in France, where it was claimed that the admission of Germany would give NATO the appearance of an offensive alliance, in view of the known desire of Germany for the unification of all her territories. In Ottawa, the feeling was that no indication of the Canadian position should be made until the question came before the North Atlantic Council. Washington was equally anxious to avoid expressing an opinion, but let it be known, as Mr. Wrong reported on January 28, that they would be very grateful "to receive any suggestions you may have for devising a formula which would go some distance towards satisfying German aspirations without creating intolerable difficulties for France". The fact that Mr. Perkins, the Assistant Secretary of State most concerned with these matters, arrived in Ottawa three days later to discuss recent developments before the Lisbon meeting of the NATO Council further underlined the interest in Canadian co-operation exhibited in Washington. However the Department was not forthcoming with the desired magic incantation. At Lisbon there was general relief when the NATO Council members, including Canada, agreed in principle to the text of a Protocol which would be added to the North Atlantic Treaty after an EDC treaty had been signed. By its terms reciprocal guarantees were to be exchanged between the members of NATO and those of EDC, of the same type as already existed under NATO. The German Federal Republic, the only member of EDC not in NATO, would therefore be covered. German wishes for participation in NATO were also partially met by providing for consultation between the Council of NATO and EDC whenever either party thought it desirable. This ingenious formula, and the additional reaffirmation by the United Kingdom and the United States of their guarantees of Western Europe made possible the signing of both the EDC treaty and the NATO Protocol on May 27, 1952.

49. During this last stage of thorny negotiation Mr. Pearson kept the House of Commons informed of the chief developments. On March 21 the House was told of the Lisbon agreement, and when the Treaties were signed in Paris the Minister made a statement the same day summing up their meaning. With that background he then asked for Parliamentary approval on June 17 for Canada's adherence to the Protocol. In so doing Mr. Pearson made it clear that the deposit of the Canadian ratification would not necessarily follow immediately, but might be postponed "until we see how other governments act with regard to it", a prudent policy which bore in mind the possible difficulties in the French and German assemblies. He argued that the extension of Canadian obligations under the Protocol was more theoretical than real, since by Article 6 of the North Atlantic Treaty Canada was already committed to the assistance of NATO forces stationed in Western Germany. The step forward from defending such forces to defending Western Germany was not a great one but was valuable "in the development and reaffirmation of collective security and collective action which is the best preventive of war in the present circumstances". After stressing the key role of Germany in any scheme for European integration, and praising "the keen and imaginative political intelligence" of the French leaders who had propounded various projects for European unity, the Minister conceded that there was a calculated risk taken by including the German Federal Republic in the defence system of Western Europe. But he could see no satisfactory alternative. Since German rearmament would be defensive and of an international character within a European Defence Community which in turn would be within the developing North Atlantic Community, he believed that a restored and rearmed Germany could serve the ends of peace in Europe and in the world. Despite some doubts about the risks taken, expressed by the leaders of the C.C.F. and Social Credit parties the House of Commons adopted the motion without a division. In his closing

statement Mr. Pearson probably summed up the general feeling:

> "I think this is a move, with all its risks, with all its difficulties and with all its uncertainties ... a move towards peace, especially peace in Europe, with which will be associated the free democracies across the Atlantic..... I would not be happy as a Canadian to take any responsibility for defeating a move so important, as I see it, to our own safety and to peace as the building up of the European Defence Community, including those two old opponents, France and Germany, and the association of that community with the strongest deterrent we now have to prevent aggression, namely the North Atlantic Treaty Organization."

50. In studying Canadian policy towards Germany a prime consideration to be kept in mind is the drastic limitation, at the outset, which was placed upon action by the attitude of the Great Powers, chiefly as a result of Soviet insistence, in arrogating to themselves the shaping of Allied policy.(1) In view of the extent of the Canadian contribution and the sacrifices imposed upon the Canadian people twice in a generation through German aggression, this limitation was keenly resented. This was a question upon which the Canadian people felt strongly and they had every right to expect their government to voice their views fully and frankly. Thus a telegram of January), 1945, to London, describing the size of the Canadian occupation force for Germany that would be available until the question was reviewed before the end of the next fiscal year concluded:

> "It is uncertain, moreover, for how long after the fighting ends it will be politically possible to provide Canadian occupation forces in view of the fact that plans for the control of Germany give the Canadian Government no voice in the direction of policy."

It is not surprising, therefore that with the possible exception of the United Nations the German problem was the question to which Departmental officers, as in the Working-Committee on Post-Hostilities Problems devoted most thought and attention in the latter stages of the war. It was in keeping with this interest that Canada was prompt to set up a Military Mission in Berlin accredited to the Allied Control Council and under the leadership of Lieutenant-General Maurice Pope which was formally opened in January 1946. The Mission was placed on a civilian basis on September 30, 1947 and became the sole responsibility of this Department.

51. An indication of the initial Canadian approach to the peace settlement is given in the opening sentence of a memorandum prepared by Mr. Glazebrook in January, 1944 which read "The hope of a lasting peace depends more than on any other single factor on the solution of the German problem". Yet it is noticeable that

---

(1) As early as October 13, 1944, Mr. Pearson was writing from Washington that; "whatever may have been the U.K. Government's own views on the subject, they have had to yield to the views of the U.S. and, above all, of the U.S.S.R., that the armistice terms and the German settlement are to be matters for discussion and decision by the Three Powers alone. An occasional bone of participation will be thrown to the European allies and the Dominions, but it will be done without enthusiasm and there will be little mention of it".

others, like Mr. Reid, were already stressing the German problem in connection to its effect upon the post-war relations of the United States and the USSR. With that in mind Mr. Reid, who thought that what was needed was "a moderate and democratic government in a united and relatively prosperous Germany", advocated a policy "best calculated to result in a German state which would not be so reactionary and anti-Soviet as to arouse the fears of the USSR or so Communist and pro-Soviet as to arouse the fears of the USA". By May, 1946 Mr. Reid had amended this sentence to read in the final phrase "the fears of the Western world". At the Commonwealth conference of Prime Ministers in the same month Mr. King agreed with those present in opposing the creation of a divided and economically wretched Germany. But while Departmental Officers were studying the gloomy reports upon divisions among the Great Powers that were coming from London, Berlin and Moscow and working upon a number of studies of major questions, such as the nature of the German constitution they had to wait upon decisions elsewhere before policy could be stated. It was not until the meeting of the Council of Foreign Ministers in December, 1946, at New York, that the Great Powers agreed to meet in Moscow in three months' time to examine the German and Austrian problems. They instructed their Deputies to consider questions of procedure with regard to the preparation of the Peace Treaty. The Deputies were also instructed to secure the views of the other eighteen Allied countries which had "effectively contributed to the war against Germany". In line with this mandate the Government received an invitation on January 4, 1947 "to communicate in writing .. its views on those aspects of the German problem which are of interest to it", and was told that it might, if it wished, supplement its communication by oral presentation to the Deputies. The Government's immediate reaction was one of strong disapproval of the procedure envisaged which was even less generous than that followed in framing the minor treaties. Under its instructions the Department made repeated and unavailing attempts to secure for the smaller powers, including Canada, some share in the actual drafting of the peace treaty in committee. What was wanted, as a telegram to London on January 24, 1947 indicated, was "something in the nature of commissions of states with special interests, meeting at the post Moscow stage in private and with as much informality as possible". Mr. Wilgress made this clear to Mr. Molotov in Moscow on April 5, stating that "Canada as a country that had participated fully and effectively in the war had the right to participate not only in the fourth or Peace Conference stage but also in the second or drafting stage". Beyond securing an admission that Canada certainly had contributed a great deal to the winning of the war he got no satisfaction. It was during this period that Mr. Robertson made the ingenious suggestion that, in view of the unique and unprecedented position of Germany, an International Statute "establishing and guaranteeing the post-war structure and status of Germany" might be preferable to a peace Treaty and "would not necessarily raise questions of Great Power and Little Power prestige in quite the acute and sensitive form inescapable under procedures now contemplated". His suggestion was subsequently integrated in the Canadian submission.

52. When the Deputies refused to depart from the strict letter of their instructions, the Cabinet then decided to submit to the Deputies some preliminary considerations upon the nature of the German Peace Treaty, with the caveat that such a step was not to prejudice subsequent participation in the making of peace. At the same time as this submission was forwarded it was tabled in Parliament on January 30, 1947, where Mr. St. Laurent gave a careful description of the reasons for the course taken which was warmly received in the House of Commons.(1)

---

(1) A second statement was made in the House in March, describing the unsuccessful efforts to improve the procedure of consultation between the Great Powers and the smaller ones.

53. In preparing the submission it was agreed that detailed references to such specific questions as frontiers should not be included. What was intended was to make clear that Canada, while not in favour of a "soft peace", was opposed, as General Pope was told, "to a German state so politically and economically oppressed that she will be a constant threat to the peace and economic stability of the world". The primary consideration in framing a treaty should be the welfare of Europe and the world and not merely "the position of Germany or her relation to any one of her neighbours". After pointing out the difficulties of adopting a formal peace treaty at present in view of the absence of any German government, an international statute was suggested which could provide a sound constitutional basis for the new German state. To this statute Germany might later adhere, or it might be converted into a Treaty under the United Nations. By adopting the device of a statute it would be possible to make peace by instalments, thus putting into effect quickly decisions on which agreement already existed and leaving time for discussion of those still in dispute. The Statute would have the further advantage of facilitating the association of the smaller States with the work of peace-making through membership in the various functional committees which could work on the numerous technical chapters that in the aggregate would constitute the Statute.

54. Canada favoured a democratic German State organized as completely as possible on ethnic lines (but not including Austria) and federal in form. A federal State was favoured, since "The German people .. have clearly demonstrated that they have not sufficient experience in democratic self-government to prevent a centralized State becoming the instrument of despotism and armed aggression". In this State the central government should have its powers strictly limited and defined, particularly its financial and military ones, and the residual ones should rest with the component German States. Provision should be made in the written constitution for the responsibility of the executive to the representative legislature, a strong and independent judiciary, and the subordination of the government to the rule of law, particularly in the police department. The constitution should not be subject to amendment for a number of years after the settlement without the consent of the United Nations.

55. The proposals on economic questions stipulated that provision should be made to prevent Germany from again strengthening her industrial position to the point that aggressive war was possible without at the same time perpetuating in Germany conditions of economic depression and unrest which would seriously threaten the economic and political stability of Europe. German industrial capacity must be used for the benefit of all countries, particularly those in Europe which trade with Germany. To achieve these ends the submission advocated the early establishment of an Economic Commission for Europe, which could be used to integrate German industrial development into the general European economy and for approving progressive adjustments in German industrial capacity. Other proposals included the international control over certain industrial areas such as the Ruhr, and the decentralization of German monopolistic industry and finance as a further means of preventing the central German government from indulging in "policies of illegitimate expansion". The references to reparations were brief. The current agreements should be reviewed to prevent Germany from continuing as a centre of European economic depression. Reparations deliveries should be implemented as expeditiously as possible so that the Germans might know what industrial capacity should be left to them.

56. In a section headed "The Abolition of German Armaments and Armed Forces", the Government favoured the complete demilitarization of Germany, so that there would be nothing but a police force

adequate for domestic security. Particular care should be taken to prohibit the possession or construction of mass weapons of destruction or of research about them. There should be effective international safeguards against violation or evasion of these terms.

57. The concluding section of the Canadian submission related the German settlement to the wider problem of preventing aggression by any State. It argued, in idealistic terms, that those nations which had earned the right to draw up the settlement should regard themselves as "trustees for the whole community of nations which is today organized in the United Nations". They therefore should exercise those rights, not in defence of their national interests, but in defence of the interests of the United Nations as a whole. They must also recognize that a settlement with Germany was only one stage in creating and maintaining the conditions of peace. "In the long run", said the submission, "to settle the German problem, and other world problems, we must build the United Nations into an effective instrument for the preservation of peace". To do so would involve some surrender of world sovereignty and "the institution ultimately of some form of world government".

58. The failure of the Council of Foreign Ministers to reach any agreement on the main provisions of a German settlement at the meetings held in Moscow and London during 1947 precluded the other Allied States from any further opportunity of stating their views, preparatory to a conference, even in the unsatisfactory manner followed before the Moscow Conference. The Department was kept well informed on the nature of the disputes among the Great Powers and the respective policies which they advocated, as is illustrated by the despatches from Moscow and the Circular Document of February 12, 1948 which described the German questions discussed at the two conferences of Foreign Ministers. It was all too apparent that in spite of the fact that Germany remained one of the most important single problems on the European agenda, no solution was likely so long as the conflicting interests of the four occupying powers could not be reconciled. The effect of divergence among the occupying powers or rather between the Soviet Union and the other three powers was to be grimly illustrated in the Berlin crisis of April, 1948 when the Soviet Union began the attempt to squeeze the Western powers out.

59. Soviet action was probably dictated by their desire to intimidate the Western powers into drawing back from attempts to proceed actively with the unification of Western Germany. The U.S. and U.K. zones had functioned as an economic unit since January, 1947 and plans were under way to proceed with economic co-operation and to develop a greater measure of self-government.(1) On February 23, 1948 the United States, the United Kingdom and France held a conference in London on these topics and invited the Benelux countries to discuss economic co-operation with Western Germany and related questions with them. In Australia there were some doubts that this policy might weaken the position of Commonwealth countries on a German settlement but the Canadian view was not as apprehensive. It was felt that the policy of inviting the Benelux countries to participate was a reasonable and necessary one for furthering the economic progress of Western Europe and in line with the European Recovery Program which was developing under the Marshall Plan. As Mr. St. Laurent told the House of Commons on May 5, 1948:

(1) In a memorandum for Mr. St. Laurent on February 2, 1948, Mr. Pearson commented: "..it seems clear that in the not too distant future, a German administration will be established in Frankfurt, which will, subject to the final control of the Occupying Powers, constitute a provisional Government of two-thirds of Germany.

"We have been kept informed of what has been going on, and we have not insisted on being present at that stage, because if we did, it would be a reason for bringing in a great many other countries which might hamper or retard the progress being made in trying to bring some semblance of order and re-organization into this zone - a very important zone not only to the Germans who inhabit it, but to the whole of Western Europe. Its restoration, not to the extent of becoming again a menace to its neighbours but to the extent of taking its part in the integrated economies of Western Europe, is important to the whole of Western Europe, and, because it is important to the whole of Western Europe it is of direct interest to us. For that reason we have not wished to appear to be attempting to put forward technical claims which might require the Occupying Powers, in order to give offence to no one, to invite all those who have declared war against Germany. This, in our opinion, would have a delaying effect on the measures that the Occupying Powers are trying to bring about for a semi-permanent solution of the problem. But we are still insisting that when it comes to the making of the final peace with Germany, the Powers who took a substantial part in the winning of the war shall be given a rôle proportionate to their importance in the conflict".

60. The last sentence of Mr. St. Laurent's statement was prompted by developments that resulted from the London conversations which the Benelux countries attended. Working Parties had been formed there to study such topics as the control of the Ruhr and the future political structure of Germany. On the latter question it was decided to continue, secretly, further study of the question by the three Western military Governors in Berlin. The heads of Commonwealth Military Missions in Berlin could express their views there. When this was learned in Ottawa, it was decided to set up a series of panels, with inter-departmental representation, to study the questions that had been raised in London, and to authorize General Pope to take part in the informal discussions in Berlin. At the same time, there was some feeling, as Messrs. Robertson and Wrong were told, that the time might have come "for a wider meeting of the Western belligerents to discuss the problems now being considered by the Working Parties, and other related topics." A conference might have the virtue of further committing the United States in Western Europe, if the participants guaranteed the arrangements made for Western Germany at the Conference. In reply, on March 22, 1948, Mr. Robertson explained that the United Kingdom regretted the possibility of any feeling arising in Canada that the occupation powers were trying to settle the future of Western Germany without adequate consultation with others concerned, but did not favour a wider conference of Western belligerents. It would welcome any direct expression of Canadian views. He believed that any suggestion of a conference of the type proposed would make things difficult for the United States with Latin American countries, and might hinder the progress that was being made by the Western Powers at a time when speed of action was important.

61. After consideration of Mr. Robertson's views, it was decided to drop the suggestion of a conference of Western belligerents. A memorandum was prepared, however, with a view to its presentation in London, Washington and Paris, explaining that the Canadian Government did not wish to hinder in any way the plans of the Western Powers for securing a wider measure of unity in Western Germany and welcomed the wide measure of agreement that had already been reached. But it pointed out that what was taking place was "something close to a peace settlement for Western Germany" which might affect the position of Germany as a whole and prejudge some of the issues that would come before a peace conference.

While not desiring to complicate the negotiations that were taking place, Canada did not wish her claims to participate in the German peace settlement to go by default because of the special circumstances in which the current meetings had taken place. Nor did it consider the opportunity to present views to Working Parties, or to the individual governments, an adequate method of playing a part in drafting the actual terms of a peace settlement. Accordingly, the Great Powers were asked "to bear in mind the necessity of making adequate provision in the near future, before the general lines of the peace settlement with Germany have become fixed, for the active participation in the process of peace making of those countries, like Canada, which contributed effectively to the prosecution of the war". On receipt of this memorandum, Mr. Robertson still felt it unwise "to revive an old issue of appropriate participation in the German peace settlement". By telephone and telegram he pressed his views, saying that the Western Occupying Powers would need all the elbow room they could get to cope with the Russians, and that pressure for closer association with them of other Powers would only hamper them in acting quickly and flexibly in rapidly changing circumstances. He also pointed out that the old 1939-45 lines of neutrality and belligerency had been completely cut across by the movement for Western Union and the developments under the Marshall Plan. Consequently countries like Italy were concerned with the German problem. Premature pressure for a formal peace settlement would only confirm the partition of Germany under Allied auspices and might end what faint possibility there might be of some agreement with the Soviet Union. While realizing the force of these arguments, the Department still felt that some caveat should be advanced to cover Canada's claims to consideration. The matter was resolved, so far as the United Kingdom was concerned, by Mr. Robertson submitting only the comments prepared on the future political status of Germany that had been sent to General Pope, but with a covering letter stating that this was done "without prejudice to our right to present views later and to insist on an effective part in drafting the actual terms of the peace settlement".

62. It developed that the secret Working Party in Berlin completed its report so quickly that General Pope was only able on April 9 to secure the inclusion of the statement of the Canadian position as an addendum.(1) The Canadian paper was essentially a commentary on what was known of the views that had been expressed on German Government by the first Working Party in London. On the assumption that Western Germany would participate in the Western European system that was just emerging, it argued that the more power was given to "effective central organs of the Western European Community", the easier it would be to solve the problem of a creating a viable community in Western Germany without creating at the same time too strong a Federal Government. The submission favoured direct election of the Lower House of the Federal Government, the election of the Chief of State by the Upper House (which would have only suspensive power over legislation), and of the Minister President by the Lower House. Federal Ministers should be collectively responsible to the Lower House. The Federal Government should have wide powers in the economic sphere, wide powers of taxation, and a "good deal of authority in allocating fiscal resources".

---

(1) Through a misunderstanding, General Pope also presented the Canada memorandum on procedure, and it was necessary to explain that the memorandum was sent in error.

The Federal Judiciary should have jurisdiction to protect the rights of individuals against the Land Government as well as the Federal. Civil rights should also be guaranteed by constitutional limitations upon the rights of both Federal and Land governments and legislatures, with special precautions being taken to prevent discrimination on the ground of race, sex, language or religion. In addition to reserving powers of defence and some aspects of foreign policy as long as the military occupation continued, the Canadian Government suggested that provisions for the amendment of the constitution might be withheld.

63. The second paper, forwarded on April 28, for Mr. Robertson's discretion as to how it might be made known to the participants in the second round of the London talks, was prepared by a group drawn from this Department, the Departments of Finance and Trade and Commerce, and the Bank of Canada. The paper was entitled "The Role of Western Germany in the European and World Economies" and contained implied criticisms of some American proposals. After conceding that general European recovery required a healthy German economy, it observed that "there appears to be danger that the pendulum may swing too far from the days of the Morgenthau Plan". It would be unjustified and even dangerous to assume that "the uncontrolled expansion of the German economy would constitute no problem for European life". This dilemma might be avoided if the problem of Western Germany was consistently treated as part of the problem of Western Europe. If the Western European countries were to participate whole heartedly in measures for co-operation, including the reconstruction of the German economy, they must receive assistance more favourable than that given Western Germany, and must have relatively greater economic strength, as compared to Western Germany, after special U.S. help had ceased, than before the Marshall Plan. This consideration should be given full weight in making decisions on the level of industry in Western Germany. On balance the memorandum thought it unwise to make any upward revision of the level of industry plan announced by the United States and the United Kingdom in August, 1947. The Government welcomed these Western zones of Germany becoming members of O.E.E.C. and repeated its views on the importance of transferring as much powers as possible in Western Europe to this and other international bodies in order to create a viable community in Western Europe with minimum danger from reviving German strength. It also favoured the admission of Germany to any schemes that could be worked out for closer European economic co-operation, and expressed the hope that some way might be found for safely expanding trade between Western and Eastern Europe. The final argument of the submission was that decisions on these economic questions also involved "a careful balancing of political, strategic and non-material considerations as well as purely economic considerations". This memorandum was shown to the United Kingdom Government on May 14. Subsequently it was communicated to the United States, France and the Benelux countries, with the omission of a paragraph which had suggested that the United Kingdom and the United States should keep constantly in mind that "France and Benelux should freely concur in the solutions reached and should not be persuaded to give in to United States pressure against their better judgment".

64. The Panels in Ottawa also prepared three other papers on various phases of the German problem. One of these on territorial claims against Germany was dropped, because of the obscurity of the German situation at the time it was under final consideration before presentation. A second of a more technical nature presented on October 18 had to do with property claims on Germany. It estimated that, of some 400 Canadian claims, more

than 170 for restitution of property appeared to warrant action for recovery. The Canadian paper urged that provision be made, and preferred the basic principles of Occupation Law No. 59 adopted for that purpose in the United States zone. It also suggested that any statute setting up a German Government should contain certain proposals modelled on those in the Italian, Hungarian and Roumanian peace treaties for the disposal of property sequestered by Germany after the outbreak. The last memorandum on "The Establishment of an International Ruhr Authority" was originally prepared as a commentary on the first round of talks in London. It was forwarded to Mr. Robertson on June 8 but, on his advice, presentation was delayed because of developments since its preparation, and the deteriorating situation in Germany after the Russians had stepped up the blockade of Berlin. It was not until December 1 that the Commentary was presented, after having undergone considerable revision in keeping with the developments in London during the second set of meetings. As in 1947, the Canadian commentary supported in principle the creation of an International Ruhr Authority. Although not then prepared to raise the question of Canadian participation in the proposed body, which was limited in the draft convention to the United States, the United Kingdom, France, Benelux and Germany, the commentary suggested that an accession clause be included, which would leave open eventual membership for other Allied states having a major trading interest with Germany.(1) The Government favoured the Authority being given specific powers in conjunction with the proposed Military Security Board to supervise German disarmament and demilitarization and in order to "detect and prevent the return to industrial power in the Ruhr of those previously allied with the Nazi Party". In allocating exports of coal, coke and steel the requirements of countries outside Europe should be taken into account. The commentary also suggested that provision for the continuance of the Authority after the control period should be included in the Statute. It believed the Authority should co-operate with OEEC and help to concert "arrangements for the better co-ordination of the Ruhr coal, coke and steel resources with those of other areas". The submission attracted considerable interest in London, as was illustrated by the head of the United States delegation for the London meetings calling at Canada House, on December 7, to discuss it. In the resulting conversation, which was in itself a precedent, it was learned that several sentences from the Canadian Paper were being incorporated in a new American draft for the continuing talks. On the other hand the U.S. delegation did not like the Canadian suggestion concerning accession of other Powers to the proposed Authority, because of the excuse it might give to the Soviet Union for claiming membership. They did not want to go as far as Canada in granting the Authority effective powers in the field of disarmament because of their belief that the Authority would have a better chance of survival, "if it is not punitive but rests to a certain degree on acceptance by the Germans". It was these very clauses which pleased the French, who were reported as "delighted to find our views often in close accord with theirs". It was hoped in Ottawa that the Canadian comments might prove of some help in furthering an agreement in London which would satisfy the French without

---

(1) On this point the original commentary had said: "Certainly if we are to make a military guarantee of Western Europe we would be justified in asking for a share in the determination of policy on a matter of such importance to the defence of Western Europe as the control of the Ruhr".

adversely affecting Ruhr steel production. When the terms of the proposed international statute establishing the new authority were announced on December 29, 1948 Ottawa was well satisfied with its general terms which, it was claimed, "agreed on all major points with the Canadian commentary".

65. During this protracted period of negotiation before the German Federal Republic was formally established in September, 1949, the Russian efforts to block this unification by all means short of war produced a very tense situation. Their blockade of Berlin, which commencing in April, 1948 went on in varying degrees of intensity for over a year, was vigorously countered by the Berlin airlift. The negotiations to end the blockade, which failed in Moscow in August 1948, led to the question being referred to the Security Council which Canada was then a member. Both these questions, the airlift, and the U.N. negotiations, raised some ticklish questions of policy. From Berlin the Department had been kept vividly informed by General Pope of the discussions in the Allied Control Council before the withdrawal of the Soviet representative in March, 1948, and of the differences among the Western members on the Plans for integration of Western Germany. On this question the General leaned towards the French point of view. Thus he wrote on February 6, 1948:

> "The spectacle of the United Kingdom and the United States under the pressure of economic considerations, proceeding by themselves (and neither of them is a European country) to seek a German solution, and Germany is the core of Europe, without the collaboration of Germany's Western neighbours is not one that fills me with confidence .... The 'three' are not in agreement as to the line to be taken in Germany either in their Bizone or their Trizone. How do we fail to see that these controversies are the real dangers to the peace of the world? How can we fail to see that they encourage the ambitious calculations of the U.S.S.R. and German Nationalists hopes of revenge?"

66. In June, when the Russians used the announcement on June 18 of currency reform in Western Germany as a pretext for tightening much more severely the blockade of Berlin, General Pope, who was Doyen of the Heads of Mission, was instructed to avoid any appearance of taking the initiative in the evacuation of missions. He should co-ordinate the evacuation of Canadian personnel with what was planned in that respect by the three occupying Powers. As had been planned for some time, he was to reduce his staff by transferring Mr. Hicks to open a Consulate in Frankfurt. On June 28, Mr. Robertson learned in London that the Western Powers were determined to hold on in Berlin, and were making plans for supplying the city by air. Mr. Bevin asked the High Commissioner to inquire what stocks of dehydrated foodstuffs their countries had on hand. He then turned to Mr. Robertson and, as the latter reported, said:

> "The United Kingdom and the United States would be very grateful for any assistance other countries could give in making additional transport aircraft available for this operation".

The High Commissioner recommended that this request be given prompt and serious consideration. On the same day, General Pope reported that he had been approached on Saturday evening (June 26) by a senior R.A.F. officer who described the plans for feeding Berlin from the air. Since they were short of aircraft and especially of crews, the officer asked if Canada could or

would help? As the Berlin inquiry was an informal one, General Pope at once replied that this was a question to be taken up by governments rather than through the administration in Berlin.

67. On the following day Mr. Pearson summarised these developments in a memorandum for the Minister, of which copies were sent to the Prime Minister and Mr. Claxton, and supported Mr. Robertson's views. He thought the trial of strength that was going on was of crucial importance and that a successful resistance "might well have a very considerable effect in strengthening the determination of Western Europe to resist Soviet pressure". In anticipation of the argument that Canada was not directly party to the dispute, he conceded that we had no responsibility for the unhappy developments that had occurred in Berlin, but pointed out that "there is no escaping the fact that we should be implicated in any conflict which might result from this situation".(1) Unfortunately the question was complicated by an inaccurate press report in London, later formally disavowed, that the Foreign Secretary had asked Canada, Australia, New Zealand, and South Africa to lend to the United Kingdom all transport aircraft available. This story, which was further embroidered by the Canadian Press Office in London and published in Canada, caused great irritation in Ottawa. There already existed in some quarters, after Mr. Robertson's report of the High Commissioners' meeting, a suspicion, that "certain people in London are more interested in a centralized Commonwealth policy in this matter than they are in the provision of the assistance requested". Mr. Robertson was informed of this feeling, and told that there was some doubt whether the transport aircraft that Canada could supply would be sufficiently numerous to make any important contribution to the total strength. But he was also assured that "The matter is being urgently canvassed by the government in a desire to help". When the question was discussed in Cabinet on June 30, it was decided to inform London about the amount of foodstuffs which could be made available, but to explain confidentially the difficulties involved in any request for transport aircraft. On the same day, the Prime Minister told the House of Commons about the enquiries in London but explained that no request had been made either for food or air transport. In reporting these developments to Mr. Robertson, he was told that, if requests were to be made, "those requests should be made collectively by the three Western Powers to all the states that are in a position to help". To follow any other procedure would be bound to lead to misunderstanding and difficulty. It would also be most helpful if advance notice could be given before such a request was formally made.

68. There the matter stood until August, when the Australian Government spontaneously offered to send ten planes for use in the airlift, and South Africa expressed sympathetic interest. The Canadian Press carried a story about the Australian decision and quoted "A Cabinet Minister" as saying that there were several reasons why Canada had not taken similar action, among which were included the fact that Canada had no part in the German occupation, no say in German developments and "no desire to take part in a situation that could easily explode into war".(2) The accuracy of these comments was touched upon in a

(1) Mr. Pearson put these views still more strongly in a second memorandum on June 30.

(2) From the nature of a letter from Mr. Claxton to Mr. St. Laurent on June 30 on the airlift it is presumably Mr. Claxton who was quoted in this fashion.

Departmental memorandum to the Minister, on August 3, which warned that more would be heard of the need for help in the airlift. Mr. Robertson had reported that the R.A.F. was feeling the strain of its contribution but added that, if any approach were made to Canada, the Commonwealth Relations Office could be counted upon "to do their best to prevent any repetition of the Foreign Secretary's ill-considered approach". His prophecy was confirmed on August 14, when Sir Alexander Clutterbuck wrote Mr. Pearson to say that, in response to its offer, the United Kingdom had informed the Australian Government that the great need was for aircrew rather than transport planes and to ask if some could be spared. New Zealand and South Africa were also being informed that "if they were able to make any aircrews available, they would of course be extremely valuable". The High Commissioner carefully avoided making a similar request of Canada but ended his letter with the remark that he felt the Canadian Government would wish to have this information, in view of the uncertainty about the duration and outcome of the conversations being conducted in Moscow. When it was learned that all the Commonwealth countries agreed to send aircrew and General Pope reported that another R.A.F. officer had expressed concern to him about the danger of decline in the extent of the airlift and asked if there were any news of Canadian planes and aircrew coming over, the Department made inquiries about the possible size of a Canadian contribution should it be approved by the Cabinet. National Defence reported that it would be possible to provide one squadron of Dakotas, 90 aircrew and 219 groundcrew, but that about six weeks would necessarily elapse before approval and arrival of the men and planes in Western Germany. This information was forwarded to the Cabinet, but no action was taken at its meeting on September 25.

69. Three days later Mr. Reid sent a memorandum to the Minister, pointing out that the failure of talks in Moscow and Berlin and the submission of the question to the United Nations had created a new situation in which reconsideration of the question would appear to be warranted. He suggested that Cabinet approval be secured for a public statement, of which the gist was that, if the majority of the Security Council expressed agreement with the position taken by the Western Powers in the Berlin dispute, and if the powers principally concerned desired assistance, the Canadian Government would be glad to assume a share of such responsibility. Before any decision had been reached, and Mr. Wrong had confirmed from Washington the need for help, a telegram from Mr. Robertson on October 12 put a new complexion on the question. The High Commissioner had been in Ottawa for a hurried visit in September. On his return to London, he had explored with two Cabinet Ministers and the R.A.F. officer in charge of U.K. participation in the airlift possible conditions for Canadian participation. He had come to the conclusion that the diplomatic and technical difficulties were "sufficiently serious to make it unwise for us to pursue such a project further at this stage". The chief diplomatic difficulty was the fear that the Soviet Union might challenge, "perhaps by direct interception", planes engaged in the airlift which carried the flag of a country not one of the occupying powers. The technical difficulties arose from the unsuitability of Dakotas for the new type of airlift being developed, and the little that would be gained from taking on, as had been suggested, the relay transport work for the R.A.F. elsewhere. Mr. Robertson's telegram was placed before the Acting Prime Minister, Mr. St. Laurent, with the comments that the objection to planes could not apply to air and groundcrew, and that a Canadian Transport Squadron could help out in the North Atlantic and thus relieve the United States Air Force of some of its duties. It was recommended that consideration be given to one of those possible courses of action. Mr. St. Laurent commented

that the first proposal of providing air groundcrew to help the R.A.F. would cause difficulties, arising from the feeling in some quarters of Canada that "Canada is behaving very much as a colony in that the Canadian Government would be, in effect, recruiting forces in Canada for the United Kingdom". He did not rule out, however, the second possible course. When Mr. Wrong was told this, he replied that, although both the State Department and the Air Force "would be very glad to see Canada doing something to share the load", the latter would very much prefer that Canadian transport planes should fly into Berlin. The next development occurred during Mr. St. Laurent's visit to London for the Prime Ministers' Conference. Mr. Robertson reported on October 26, 1948 that the U.K. Secretary of State for Air had said it would be a great help, if Canada could provide ten or twelve four engine bomber crews. When he gave this information to the Acting Prime Minister, Mr. St. Laurent was of the opinion that such a request might come more appropriately from the United States and the United Kingdom jointly, a view which Mr. Pearson shared. This suggestion was accordingly communicated to the State Department, which was reported to be lukewarm about it. It did not feel that such a request could be made "except in the light of whatever happens on the Berlin issue at the United Nations". In the meantime Mr. St. Laurent told a press conference after his return to Ottawa, that since Canada was not a party to the occupation agreement, if Canadian planes were to participate in the airlift, the Soviet Union might charge the government with violating an agreement to which it was not a party. He thought the situation might be transformed by what happened in the United Nations. Such a development would leave the Western Powers in a position to say that the airlift was no longer a matter solely concerning the occupying powers.

70. A month later Mr. Pearson, now a Cabinet Minister, was able to visit Berlin and gained first hand knowledge of the airlift. He too felt that the question could rest in suspense until the Security Council had completed its efforts to reach a settlement. If it failed, the question might then be placed on a broader international basis. He learned from the Berlin authorities that it was aircrew which would be of "immense practical help" and favoured giving serious consideration to the offer of such help. But the prolonged discussions in the Security Council and its Committees averted the need for a decision. They also made possible the argument, in reply to Canadian critics, that as long as Canada was represented on the so-called "neutral" Technical Committee of the Security Council on Berlin Currency and Trade, participation in the airlift would be inappropriate. This argument ceased to be valid when in February, 1949 the Committee reported failure. It was then anticipated in Ottawa that the United Kingdom and the United States might make a formal request for Canadian participation after the signature of the North Atlantic Pact on April 4. At a Cabinet meeting on March 29, the question was referred to the Minister for National Defence for consideration, with the help of the Chiefs of Staff Committee in consultation with the Secretary of the Cabinet and the Under-Secretary of this Department. But once again the Government was spared having to make a decision, because of the success of the U.S. - Soviet negotiations which brought agreement on the lifting of the blockade on May 12, and a meeting of the Council of Foreign Ministers. Although the airlift did not officially terminate until September 30, the need for Canadian aircrew had passed. So ended, in this somewhat inglorious fashion, consideration of a question upon which Departmental views at the official level had not prevailed, and in which the Government had pursued the unusual course of not adopting a policy favoured by both the United Kingdom and the United States.

71. Before private negotiations finally managed to bring the blockade to an end, the Western Powers had brought the question to the Security Council September 29, 1948. This policy was attempted after direct talks in both Moscow and Berlin had failed to secure any effective measure of agreement. Previously the Department had concurred in the wisdom of not placing the matter earlier in the hands of the United Nations. It felt however that, if the Western Powers did appeal to the U.N., they should be clear in advance what successive steps they wished to see taken and what concessions they were prepared to make in order to secure a peaceful settlement. A long memorandum on "The Future of Germany", which was drafted in September and became in final form one of the Canadian papers for the meetings of the Prime Ministers in October, 1948, shows the anxiety with which the situation was then viewed in Ottawa. The Department was prepared to consider considerable concessions to the Soviet Union, even in certain circumstances to the extent of withdrawal of occupation forces from Germany and of Western forces from Berlin (as General Pope favoured), if the restoration and maintenance of real political freedom in Germany could be assured. This, it regarded, as the "one essential requirement". It considered the need for removing the threat to peace inherent in the German situation so serious that Canada would be wise, if general negotiations for a settlement were attempted, to maintain its claim to an appropriate part in the negotiations, but accept in practice "a part equivalent to the part it had played in the negotiations for settlements with the German satellites".

72. The action of the Security Council President, Dr. Bramuglia of Argentina, in calling a private meeting on October 6 of the five non-permanent Powers, of whom Canada was one, and of China, to consider whether they might mediate between the Western Powers and the Soviet Union raised the question in a new form. The Department was dubious of the success of this device, and anxious to avoid embarrassing the Western Powers "by putting them into a position of rejecting what might be considered as amounting to a mediation offer, especially on terms which they have already found unacceptable". Canada's position was made difficult at this time by the failure of the Western Powers to clarify their own intentions in placing the question before the Security Council. General McNaughton was told to secure in advance the reaction of the Western Powers to proposals that might emerge from these private talks, and to make no proposals or suggestions that had not been first discussed with the United States, the United Kingdom and French delegations and had been approved in Ottawa. The Canadian delegation fully shared the concern felt in Ottawa that any blame for the breakdown of talks should clearly not be attributable to the attitude of the West. This danger did not materialise since the "neutral six", as they became known, presented a resolution to the Security Council in Paris on October 25 which was acceptable to the Western Powers but was vetoed by the Soviet Union.(1) Later in November in a second effort to settle the controversy by dealing chiefly with the currency question in Berlin, Canada became somewhat more directly involved through Mr. Robertson being made Chairman of the Technical Committee on Berlin Currency and Trade. The Committee managed to produce some recommendations in draft form, which only the United States rejected in its entirety. Mr. Robertson reported in January that he was becoming "increasingly puzzled and disturbed at the U.S. attitude on this question". After spinning out negotiations as long as possible in an attempt to secure some measure of agreement, the Committee had to report failure. The Department felt that the U.S. attitude had been governed by political rather than technical considerations.

---

(1) Mr. Holmes sent the Department an admirable report on these talks.

Henceforth it should be left up to the Western Powers to assume the initiative. As the Minister wrote on February 5, 1949, in commenting on the difficulties of the Technical Committee:

> "I still feel that the U.S.A. have to some extent at least been "leading us up the garden path" in our recent efforts to help solve the Berlin blockade problem".

73. After the Western Powers secured the lifting of the Berlin blockade through private negotiations, a meeting of the Council of Foreign Ministers was held in Paris in May and June, 1949. Again no agreement was reached, except to continue exchanges of views which got nowhere. During these meetings the Department prepared a draft memorandum in general terms on a possible agreement on Germany, of which the most interesting section was the suggestion for a withdrawal of all forces from Berlin and the creation of a central unoccupied area. General Vanier was asked for his comments, and for his judgment on whether or not it might prove advisable to present the views of the Government. He replied that he believed no useful purpose would be served at the time, because attempts had been abandoned to reach agreement on wider issues involved in the German settlement. The Department concurred in his judgment.

74. With it becoming only too clear that there was no prospect of a central government for some time, the Western Powers proceeded, during 1949, to further the unification of Western Germany. Plans went forward for establishing a Federal Republic of Germany, with its capital at Bonn. After elections, the new Republic came into being in September, 1949, with its powers defined in a Basic Law approved by the three Western Occupying Powers. The Allied High Commission, a civilian body, became responsible for Western policy, and, under the Occupation Statute, still retained control of foreign policy. On December 15, General Pope presented his letter of credence to the Commission as Head of the Canadian Mission to the new Republic.

75. Meanwhile, as the republic came nearer reality, an analysis of the outlook for Germany, prepared by the European Division on June 6, 1949, concluded that the new government was constitutionally capable of stable government and likely to be pro-Western in outlook. It would be confronted with nationalistic emotions that would hamper international and democratic collaboration. The announcement of the avowed intention of the Western Powers to defend Western Germany would strengthen co-operation. Doubt was expressed on German rearmament for the reason that "The creation of a German armed force would tend to increase German independence and hamper European integration". It was realized that Western Germany, to give a more accurate territorial description of the new republic, was no longer a problem about which views could be expressed, but an embryonic state with which Canada would have to deal directly. Such questions as the development of trade,(1) which had been hampered by the policies of the

---

(1) After the visit of a German trade delegation in the summer of 1949, one of its members was allowed to remain in Canada as an "unofficial trade representative of the German economic administration". The Department preferred to consider next the appointment of a Commercial Consul, but, when the Allied Commission enquired on May 31, 1950, if the Canadian Government would accept a Consul-General, the Government agreed to do so. Dr. Werner Dankwort was granted recognition in September, 1950.

Joint Export-Import agency which had been under American dominance, and the entry of German nationals into Canada made all the more important the work of the new Mission in Bonn and correspondingly reduced the significance of the Mission in Berlin. The Canadian office was maintained there, chiefly as a proof of sympathetic interest in the future of the city. There remained the much wider question what policy should Canada, as a NATO country, pursue towards the new State? In his survey of foreign affairs in the House of Commons on November 16, 1949, Mr. Pearson cautioned that it remained to be seen whether Germany would wish to work in a democratic and responsible manner with other European states. He welcomed the establishment of a democratic Republic of Germany "whose mandate we hope will soon run over a united Germany", and regarded its participation in the European community as fundamental to the latter's rehabilitation.

76. When the Soviet authorities decided to counteract the appearance of the new German Republic by establishing a government in East Germany, with the inevitable title of the German Democratic Republic, it was not difficult to decide on the Canadian attitude towards that body. Obviously it did not conform to the specifications for a democratic government which had been described in the Government's submission on Germany to the Deputies of the Foreign Ministers in 1947. Consequently, General Pope was upheld in his previous decision not to associate himself in any way with activities involving the alleged government. He was told on November 1, 1949:

> "We continue to recognize the Soviet Military Authority as the government of the Western Zone and on matters pertaining to it you should accordingly deal with it exclusively".

If the General was referred on such questions to German authorities by Soviet officials, he could deal with them, "but only insofar as they may be regarded as subordinate officials of the Soviet Military Administration".

77. It was to be expected that once the Federal Republic was established the Western Powers would find it necessary and advisable to transfer more and more authority to it, as it proved fit to govern. In May, 1950, with a view to modifying the Occupation Statute, which was due for re-examination the following September, the Western Occupying Powers set up a Working Party with which the Department kept in touch. One of the questions examined was the formal end of hostilities. The United Kingdom Government had already informed Canada, in April, that it regarded the continuance of a state of war as illogical, and was prepared to terminate it, after discussion with the United States and others most directly concerned. This question was studied in the Department, where action was hastened by the public announcement of the three Western Powers that they proposed to take such a step. On its recommendation Cabinet agreed on September 30, 1950, that Canada should take similar action, and make an announcement to that effect, without specifying the date on which the formal cessation of a state of war would come into effect. Shortly afterwards the three powers submitted notes similar in character to the Department, suggesting that Canadian action in this respect be co-ordinated as far as possible with theirs. This request was agreed to, but the Western Powers were reminded of their failure to inform the Canadian Government before publicly announcing such a policy. On October 26, the Government issued the required declaration and referred in the press release to the "desirability of bringing the Federal Republic of Germany into closer association with the community of free nations". The formal termination of war did not, however, take place until July 10, 1951,

the delay being caused by the protracted negotiations with the Germans before the revision of the Occupation Statute had been accepted by all parties, and by delays in the United States Congress. With war formally at an end and the Federal Republic free by the revised statute to establish a Ministry of Foreign Affairs, it was possible for Mr. T.C. Davis (who had succeeded General Pope at Bonn in June, 1950) to present his credentials as the first Canadian Ambassador to Germany in August, 1951.

78. The question of encouraging Germany to rearm presented a much more difficult problem. Once again action was precipitated by the policy of the USSR, and particularly by the uneasiness created through the outbreak of war in Korea. Mindful of German fighting capacity and what it had cost Canada, and aware of the sleepless suspicion in France and in the Low Countries of German militarism, the Canadian Government had been strongly in favour of German demilitarization and disarmament. As recently as April 22, 1950, in its letter of instructions to General Pope, he was told that some thought had been given to the "military potential" of the new Republic but was assured that such a step "in no way" suggested that "the Federal Republic should be regarded as a possible military ally, or that Canadian policy on disarmament and demilitarization had changed in any way". However a new note was struck, on April 24, in a report of the Joint Planning Committee to the Chiefs of Staff Committee on future policy towards Western Germany. The report concluded that from a military viewpoint, "For the successful defence of Western Europe in the foreseeable future, Western Germany must be rearmed", and that such military forces as were organised "should be eventually integrated with the military forces of Western Europe". It conceded that political considerations made it inadvisable to favour full rearmament of Germany. Until rearmament was possible, Western Germany should immediately organize "a police force organized on a para-military basis under control of the Occupying Powers". The military advisers were even prepared to recommend that "Immediate pressure be exerted by the United States, the United Kingdom and Canada to impress more forcibly on the other countries of NATO that, if Western Europe is to be defended effectively, Western Germany must be accepted as a military power". Although these challenging statements were modified slightly in an additional paper, they were a clear reflection of the point of view in National Defence as the planners studied the problem of defending Western Europe under the NATO agreement. In this Department, naturally, more stress was placed upon the political considerations involved. It was feared that the diversion of money and raw materials to Western German rearmament would have "the gravest demoralizing effects on opinion in Western European countries". It was also pointed out that it would be very dangerous to assume that a rearmed Western Germany would ensure that state becoming a bulwark against Communism.

79. The march of events in Korea compelled a re-examination of the dilemma, as Mr. Pearson's speech of August 31, 1950 during the special session of Parliament significantly indicated. He warned against the danger of what occurred in Korea being repeated on a larger scale in Germany, and pointed to some ominous parallels between conditions in the two countries. Eastern Germany was already rearmed and, if Western Germany, whose defence was important to Western Europe should be defended "it must be given arms with which to assist in its own defence, or alternatively other Western countries must assume even heavier responsibilities than they have hitherto contemplated". The Minister admitted the risks involved in this policy but believed that they would be minimized:

"if that part of Germany, and eventually all of free democratic Germany could be increasingly and effectively integrated, economically, militarily and ultimately politically, with the other countries of Western Europe".

In such a policy he saw the only safeguard against the dangers involved in allowing Germany to rearm apart from Western Europe, or the even greater danger of allowing her to remain defenseless against a Russian armed and controlled Eastern Germany. It was in line with this belief in integration that the Government had welcomed the entry of Germany into the Council of Europe and participation in the Schuman Plan.

80. It was known that the question of rearming Western Germany was on the tapis for the meeting of the North Atlantic Council at New York in September. A Departmental memorandum of September 9 was prepared for the Minister on the topic. Bearing in mind the political, psychological and military difficulties, it concluded that the strengthening of West Germany's police forces and the expansion of Western German industry would appear to be "the practical and essential minimum at the present time". Yet it was realized that such measures were no more than palliatives, and serious consideration would have to be given to the utilization of Western Germany's reservoir of manpower. The paper pointed out that a decision to equip two or three German divisions could hardly be effectively implemented within a year. It was better to prepare for such a contingency, subject to reconsideration in future, rather than to wait until it was too late.

81. The Canadian paper was prepared before the meeting of the three Western Foreign Ministers which preceded the NATO Council meeting. In addition to concessions in extending self-government, they agreed to the establishment of mobile police formations in the Federal Republic. They also undertook to strengthen their own occupation forces in Western Germany and, in response to a request from Chancellor Adenauer, guaranteed the territory of Western Germany, including Western Berlin, against attack.(1) They still ruled out the creation of an independent German armed force, but, under prodding from Mr. Acheson, agreed to consider the incorporation of German forces into an integrated force for the defence of Western Europe. The communiqué described the latter topic as presenting a subject for study and exchange of views, thus concealing in guarded phrases the strong objections of the French Government to agreement, even in principle, to the participation of German units in Western defence. They argued that a Western European Force, under a supreme commander and of adequate strength, must first be in existence, and that the immediate need was material and not manpower. Because of the French attitude, the Atlantic Defence Committee meeting was postponed until October 28. In the interval the Department began to formulate policy in the light of these latest developments.

82. Three observations at this time serve to indicate the trend of Departmental thinking. At the NATO Council meeting in September Mr. Pearson said that Canada recognized the risks in re-arming Western Germany, but added, "Everybody admits these risks, but we felt that this was the best choice of risks to make". In a letter to Mr. Davis on October 5, commenting on some observations he had made as to the possibility of Europe becoming to a

---

(1) Such a guarantee, of course, indirectly and materially affected Canada. In March, 1951, Mr. Wershof wrote a careful analysis entitled, "Dangers of the Berlin Situation - Obligations under the North Atlantic Treaty".

considerable degree dominated by Germany, Mr. Heeney pointed out that German assistance might be found necessary against the "gravest and most immediate threat", Communist imperialism, but believed that the solution lay in finding a method "whereby, notwithstanding her greatness Germany will remain a willing partner and not become a harsh leader". For this purpose he thought the formula of slowly integrating Germany into NATO was a good one, since "In a camp where the United States would be ever present Germany would surely find it difficult to dominate". In his reply, Mr. Davis agreed with this analysis but warned that a separate German army would be "fatal". He felt that the inclusion of Germany should not be accomplished too quickly, and only after it was clear that the bulk of German opinion favoured such a course. A powerful defence force should be in existence before German troops were included in it. In a paper prepared for the Chiefs of Staff Committee, the Department advanced some tentative views on the political setting for the U.S. military proposals. These may be summarized as follows:

(1) Only the integration of Western Germany in the Western Community can ultimately protect the other nations of Western Europe from a resurgence of German militarism.

(2) It would be desirable if the Western European states were given some assurance that the United States was thinking on a long-term basis in planning an integrated force in Western Europe.

(3) The logic of the military argument should not result in the French being pressed too hard for an immediate agreement on a programme which presented immense political difficulties for them, and could not in any case be implemented immediately.

83. Behind this last recommendation was the uneasy feeling in the Department that long-term political realities were being obscured in the pressure for German rearmament. This point of view was well illustrated by a letter of Mr. Leger's of October 20, 1950 of which a copy was later sent to Mr. Wrong as background for talks with the State Department. He believed that the bluntness of the American approach to the question had done great harm. Mr. Leger suggested that the United States was thinking in terms of strategical necessities for the immediate future, while the French were thinking in terms of their permanent quarrel with their next-door neighbour. He thought that a middle way might be found between the opposing arguments, by not placing the discussion of German rearmament only in a North Atlantic context, but allowing it to remain as well in a European one and "discussed jointly with French plans for European integration". He recognized that this solution was rendered more difficult by the attitude of the United Kingdom, and wondered if some way could not be found "for other members of the Commonwealth to press the United Kingdom into being more co-operative in their dealings with their immediate European neighbours". Closer integration of the United Kingdom with Western Europe would strengthen continental morale.

84. For the time being the Government decided to give the policy of rearming Western Germany cautious approval. On October 25, Cabinet decided that, at the Defence Committee meeting in Washington, the Canadian representative "should support the policy of establishing and arming units of Western Germans under the command of the occupying forces, without actively pressing it". However this policy required re-examination when the French brought forward the Pleven Plan for a European army.

85. The discussions which produced the plan for a European Defence Community have already been described in this chapter. The nature of the talks in Bonn precluded Canadian participation, but the Department was fairly well informed of their nature. It was soon apparent that the earlier haste in Washington for securing German troops had abated, and a leisurely process of negotiation would take place while Allied integrated forces were built up under the command of General Eisenhower. During these talks it was necessary to study the changes in the occupation arrangements which would result from a German contribution to Western European Defence. It became clear that to meet German wishes some sort of contractual arrangement would have to replace the Occupation Statute. The United Kingdom informed Canada of this development in May, 1951, and offered to keep the government informed and discuss informally with it or other Commonwealth countries questions that concerned them. This offer was an advance upon the manner in which the Occupation Statute had been prepared, but still barred Canada from direct access to talks with the Occupying Powers. A telegram of June 5 to the High Commissioner in London agreed to the procedure suggested. He was also instructed, in familiar terms, to make it quite clear that "our acceptance of this method of consultation is without prejudice to our insistence on direct and formal participation in any final settlement with Germany". In answering a question on Germany in the House of Commons in October, 1951, Mr. Pearson said that Canada welcomed the progress being made in associating Western Germany more closely with the free world, and hoped that the arrangements for securing a contractual agreement would soon be concluded "in such a manner as may secure the whole hearted co-operation of the German people". He was careful to add a qualifying sentence, which reflected warnings that came from our Embassy in Bonn, that no encouragement should be given to tendencies in Germany to utilise the present situation for securing unconditional guarantees of security, or for assuming that almost any price would be paid for German assistance in Western Defence.

86. It was appreciated in Ottawa that the Canadian interest in most of the agreements under negotiation was limited, since Canada was not an occupying power. But Canada as a NATO power was and remains interested in the nature and amount of the German financial contribution for defence, the treatment of war criminals and in the status of the Canadian troops in Germany. They had gone there in the autumn of 1951 as a contribution to Western European defence and not as troops of an occupying power. A memorandum of April 28, 1952, concluded that, in the post-occupation period, Canadian relations with Western Germany would be those normal between two sovereign states. Whatever restrictions still remained on the Federal Republic's sovereignty would not be likely to have any important effect on Canadian-German relations.

87. As Mr. Pearson pointed out on June 17, 1952, in asking the House of Commons to approve the protocol to the North Atlantic Treaty, the contractual agreements that were signed in May still left some restrictions on the complete freedom of Germany. In the main they were the result of "the peculiar nature of the problem of according to the Federal Republic rights over its external and domestic affairs, while preserving the means of conducting negotiations with the Soviet Union on German unification and on the final peace settlement". The question of unification was the one which aroused the strongest emotion among all Germans, and which the Soviet Union intermittently revived, whenever it appeared that the Western Powers might prove successful in bringing Western Germany into closer association with Western Europe. The appeals from East Germany in September, 1951, for consultation on the possibility of free elections, for the hastening of a peace treaty, and for the withdrawal of all occupation forces were

obviously designed to stymie the Western negotiations for a contractual agreement which had been dragging. The Western Powers were uneasy that such appeals might retard the progress of securing such an agreement which, they felt, should precede any serious discussion of a single Germany. Mr. Pearson referred to this dilemma in his statement on Germany in the House of Commons on October 22, 1951. He said that unity based on free self-government must one day come to Germany. If it were on the right basis, the sooner the better. He believed that it must not come in such a way that a United Germany would be forced to go the way of a united Poland or Czechoslovakia, and become a united Russian satellite. To offset the East German propaganda, and, at the request of Chancellor Adenauer, the three Western Occupying Powers proposed at the Paris meeting of the U.N. General Assembly in 1951 that an impartial commission be appointed to carry out simultaneous investigations in all parts of Germany to see if it were possible to hold genuinely free elections. Spokesmen from both East and West Germany were heard, and the former made it clear that they would not permit the suggested Commission to enter the Soviet zone of Germany. The Canadian delegation then took the lead in having the original motion amended so that the Commission could be established but not report until September 1, 1952, in case the East Germans changed their mind.(1) The amendment was carried by a vote of 45 to 6 and was described in a report from the Canadian delegation as "a modest contribution towards trying to break the German deadlock, or, if it remains unbroken, at least making it evident to the German people and the world where the blame rests".

88. The most recent summary of the Department's views on German unification was given in a despatch to Washington on February 26, 1952. The basic approach was that integration, even of a truncated Germany, into the family of free nations should precede unification. While proceeding with this policy, the Western Powers should retain their position in Berlin, and make it clear in all their dealings with the German Federal Republic that there was no intention of sacrificing their interests to a settlement with the Soviet Union. It was also felt that care should always be taken not to lose sight of the eventual peace treaty with Germany, in which Canada expects to take part. Finally it was the Departmental view that the inclusion of Western Germany in a united Europe could only succeed, if firmly established on a rapprochement between France and Germany. In supporting the policy of "integration first" as the least hazardous policy officers of the Department are aware that it carried with it the risk of a third world war. If the Russians should despair of being able to prevent the current developments for the German membership in EDC and the subsequent rearming of Germany and reconditioning of her munitions industry, they may, should threats of force prove useless, resort to force itself. A second risk of war may arise from German intransigence over the frontiers with Poland, a problem which the Western Powers have so far dodged by carefully ambiguous statements as to the future of the territories beyond the Oder-Neisse line. Yet, despite the seriousness of these risks, the West has gone too far in its negotiations to retreat from its present policy. What remains, as Mr. Ritchie points out in a covering note to a second memorandum of April 21 on "Western Policy towards Germany in the Light of the Recent Soviet Proposals", is to see to it that both NATO and EDC retain their strictly defensive character, and that German membership in EDC should not be permitted to lead to a re-emergence of "the offensive spirit of German militarism". The best check on the power of a rearmed

---

(1) The Commission reported no progress in August, 1952, in view of the refusal of the Soviet authorities to respond to their request for access to East Germany.

militant Germany in the EDC will be, in the last anaylais, the policy pursued by the United States which has been the leader in urging the importance of Germany to the defence of the West. Meanwhile both France and the German Federal Republic have still to ratify the EDC and other agreements and the Soviet Union can continue its efforts to woo Germany by promises of a peace treaty unification and the right to rearm for defensive purposes on condition that there be no participation in military alliances directed against opponents in World War Two. Until a suitable counter offer can be evolved by the West it is the view of officers in the European division that "the best course is probably to continue as we are, stalling for time and consolidating our position in Western Germany, in the hope that the good sense of the Western Germans will be sufficient to resist the current blandishments from the East".

89. In glancing back at the evolution of Canadian policy towards Germany in the past seven years it is noticeable how that policy has reflected attitudes formed in other contexts. Repeated insistence upon full recognition of Canada's status and stature, lingering suspicions of centralization of policy in Whitehall, and frank recognition of the power and influence of the United States have all made themselves felt on such questions as the framing of a German peace treaty, the Berlin Airlift and the rearmament of Germany. Canadian policy has differed from that of the United States in retaining a deeper suspicion of the Germans, the result no doubt of a lengthier experience in fighting him, and a greater reluctance to draw a sponge of oblivion over past offences. It also consistently displays a more sympathetic understanding of the doubts and suspicions which France, and Western Europe generally, retain towards Germany. Differences with the United Kingdom are few, except that this country is more prepared to see the United Kingdom enter further into integration with Western Europe as a means of reducing German political influence than are those responsible for British policy. The suspicion of Soviet imperialism, which was a major factor in prompting Canadian membership in NATO, has left an equally deep mark upon Canadian policy towards Germany. But for Soviet policy in Eastern Germany and Berlin it would have been difficult for the government to accept as readily the rearmament of Western Germany or to carry the country with it in that policy. Partnership in NATO also helped to accelerate that phase of Canadian policy. It exposed Canadian military advisers (who were already at least half-converted)to the arguments of the planners in the Pentagon that German manpower was essential, if NATO was to prevent the Soviet Union from conquering Western Europe, and that Western Germany provided an important area in which NATO forces could have greater freedom of manoeuvre if war came. In NATO, also, the financial argument was pressed home with effect that the inclusion of Western Germany in the EDC would help to reduce the cost of burden-sharing in the NATO rearmanent program. Having said all this, it is necessary to add a final observation that the record shows that Canada has seldom been able to play an effective part in the formulation of Western policy towards the German problem. This intractable and explosive problem appears to be reserved for Great Powers only.

90. Elsewhere in this survey the impact of the Soviet Union upon Canadian policy has been discussed in relation to defence arrangements with the United States, the entry into NATO, the peace treaties, and the rearmament of the German Federal Republic. For that reason no extended analysis is given of Canadian relations with the U.S.S.R., but chiefly a description of the change in the Canadian attitude. It is a far cry from the days of February, 1945, when the Prime Minister sent a congratulatory message to Marshal Stalin upon the twenty-seventh

anniversary of the founding of the Red Army, praising that army's "immeasurable contribution to the cause of freedom". At that time a Departmental memorandum, appraising the effect of the Anglo-Soviet alliance and other such defence agreements in Europe upon Canada, could write approvingly that:

> "it is evident, of course, that Canada's basic interest in the preservation of peace and a stable settlement in Europe is likely to be served by any defence arrangement which would minimize the chance of another break-out by Germany".

91. The shift from such a cordial attitude and from emphasis upon Germany as the potential enemy was not, of course, primarily caused by the revelation of the activities of Soviet agents in Canada which dated from the examination of the Gouzenko documents in the autumn and winter of 1945. The spy cases were only links in the chain of accumulating evidence which compelled the Government to realise, regretfully, that the prospects of any real co-operation in the post-war period between our great ally, the Soviet Union, and the Western world were slight indeed. In this process of reluctant adjustment to an unhappy and undesired situation, the Canadian Embassy in Moscow played a major part by the excellence of its reporting and the shrewdness of its diagnosis of the trend of Soviet policy. As early as April 16, 1945, Mr. Arnold Smith was writing:

> "It is therefore time for a firm diplomatic line to be taken by the Western Powers in their dealings with the Soviet Union, and it is also desirable to consider building up those areas in Europe and elsewhere where Western influence is, or can be, dominant".

This advocacy of a policy of "containment" was supplemented by an insistence upon negotiating with the Soviet Union, in a realistic mood of "firmness tempered with fairness", which in April, 1946, Mr. Wilgress advocated in a searching analysis of Soviet motives in foreign policy. Two months later Mr. Wilgress wrote prophetically:

> "We are witnessing the emergence of the Soviet Community and of the Atlantic Community, the former to be dominated by Moscow and the latter, much more liberally, by Washington. The Soviet Union is not interested in security through treaties, only in security through power".

While watching Soviet tactics at the Paris Peace Conference, he wrote in September, 1946:

> "The Soviet Union are out to get all they can short of war and they always draw back when confronted with any determined resistance, thereby giving rise to an inflammable situation".

He was not discouraged about the long-term future and believes that:

> "Once equilibrium between the two worlds has been obtained, a basis will be found for the co-existence of these two worlds".

It was because of his appreciation of the necessity for United States leadership in Europe that Mr. Wilgress stressed the significance of the Truman doctrine on April 25, 1947. He conceded that the doctrine would place Canada in a position of still greater dependence upon the United States, and that this country

would have no alternative other than to follow a similar policy. But he believed it was sound in its basic ideas, "provided it is not pushed to too great an extent, and provided we keep our heads". It was much to be preferred to the policy of Mr. Wallace in endeavouring to win over the Soviet Government by generosity, a tactic which was only interpreted as a sign of weakness in Moscow. He recognized the danger of some United States leaders confusing firmness with rudeness, and commented in that connection:

> "Our detestation of totalitarianism and all that it stands for should not lead us into treating the Russians differently to the manner in which we would treat any other country with which we were not on particularly friendly terms".

Mr. Wilgress recommended an attitude of something approaching indifference towards the Soviet Union, "neither that of excessive flattery nor that of excessive ostracism", coupled with a recognition of its zone of security in Eastern Europe, and a corresponding attitude of "mild tolerance" towards governments like those of Poland and Rumania. They should be given some economic help, in order to avoid the accusation that they were denied aid for political reasons, but "any appearance of subsidizing these countries would be as fatal as the past policy of ostracizing them".

92. With this policy of protesting less vigorously against the absence of democratic government in Eastern Europe, General Pope was in full agreement. He had written from Berlin in October, 1946, that we had gained nothing by our concern for the future of representative government in Poland and Bulgaria. We would be better advised "to reduce the points of friction between East and West to those, of which there are quite enough, at which we have essential interests to defend and where we have some means of doing so". A third Canadian critic, on similar lines, of current Western policy towards the satellite states was Mr. Ford, who, in February, 1947, wrote an able despatch from Moscow on United Kingdom policy towards Poland.(1)

93. It is evident from departmental papers and memoranda that Ottawa concurred with these observations from offices abroad. Thus in May, 1946, Mr. Ritchie commented that the Western Powers were becoming chiefly concerned with the threat of Soviet domination and possible aggression. In November, Mr. Pearson warned the Prime Minister, in a memorandum which preceded important talks on joint defence with the United States, that, in his judgment, "without some fundamental change in the Soviet political system and in the political views of its leaders, the U.S.S.R. is ultimately bound to come into open conflict with Western democracy". In February, 1947, Mr. Reid prepared for the Joint Intelligence Committee a political appreciation of the possibility of the Soviet Union precipitating a war with the United States. Later, this paper became a memorandum on "The United States and the Soviet Union", which was widely circulated and evoked much comment. Mr. Reid argued that, barring a radical change in their policies, the two major powers were liable to clash for years to come, because of their widely differing social and political philosophies, and their respective attempts to stabilize their defence areas. The Soviet Union was not likely to risk a war

---

(1) In May, 1949, the Department distributed as a Circular Document an excellent analysis by Mr. Ford of the foreign policy of the USSR which was entitled "SOME NOTES ON SOVIET FOREIGN POLICY".

merely to further world communism, but only in defence of what it regarded as its vital interests. He outlined a series of proposals which might diminish the risk of war, of which the most important was that:

> "The Western Powers maintain an overwhelming balance of force relative to the Soviet Union, that they use the threat of this force to hold back any further extension of Soviet power, but that they do not provoke the Soviet Union into any desperate gamble".

The author was opposed to a policy of firmness being pressed too hard by the West, and deprecated attempts to extend the Western defence area into the area of Eastern Europe already included in the Soviet zone. He also wanted to see as many bridges as possible, including the United Nations, being kept open between the Soviet Union and the West, in the hope that they might prove useful, if any "mellowing" of Soviet opinion should take place. Mr. Reid agreed with Mr. Wilgress upon the increased dependence of Canada upon leadership by the United States in such circumstances, but believed that, with care and skill, considerable influence could be exercised in Washington. He recommended that hereafter any national decision of importance should be examined "in the light of whether or not it contributed to increasing or decreasing chances of war with the Soviet Union". As the record shows, many of the policy judgments contained in the memorandum were criticized by those who read it, but the main line of action they recommended commanded general agreement.

94. In the anxious year, 1948, when the stamp of totalitarianism was imprinted upon Czechoslovakia, Norway appeared to be in grave danger of going the way of Finland, Berlin was blockaded, and the Marshall Plan gathered momentum with agonizing slowness, the Canadian Government proceeded to help to meet the Soviet challenge by co-operating in creating an effective defence system for the North Atlantic Area. This radical departure from pre-war policy, described in an earlier chapter, required the assurance of overwhelming support from the Canadian people. If they were convinced that there was a genuine threat to their own safety and of their fellow partners in a free world, such an assurance would be forthcoming. For that reason there is evident a noticeable increase in the process of educating public opinion to the nature of the threat to Western institutions. By public addresses at national conventions or important gatherings, by radio talks and in debates in Parliament frank warnings were delivered against the obstacles to peace created by Soviet policies. In October 1947 for example, Mr. St. Laurent, then in charge of this Department, addressed the Canadian Chamber of Commerce upon the work of the General Assembly of the United Nations, which was then in session and which he had been attending as leader of the Canadian delegation. During his speech he said bluntly that "it is perfectly clear that the Soviet Union wishes to see Capitalistic Regimes destroyed and Communist Totalitarianism established everywhere". After sharply criticizing Mr. Vyshinsky's tactics at the General Assembly, he quoted from his own speech at Lake Success upon the handicap of the veto in the Security Council and promised that Canada as a newly elected member of the Security Council, would go "to the most extreme limits" to make the United Nations work as a universal world organization. He then added:

> "But if theory crazed totalitarian groups persist in their policies of frustration and futility, we will not, for very much longer, allow them to prevent us from using our obvious advantages to improve the conditions of those who do wish to co-operate with us..."(1)

(1) Mr. St. Laurent made two other addresses on similar lines in the next three weeks.

In the same month, at the University of Toronto, General McNaughton discussed "National and International Control of Atomic Energy" and, during a careful analysis of the problem, said that:

> "Quite frankly, the only major country or association of countries about which we of the Western world might feel anxiety is the U.S.S.R.".

In January, 1948, Mr. Pearson addressed the Toronto Board of Trade. During his discussion of a "provocative and intemperate" speech by Mr. Vyshinsky on warmongering, he advocated the freedom-loving states take the offensive in political warfare in U.N. debates. They should expose "coolly and factually the false arguments of those who are trying to establish a totalitarian tyranny, which is as old as sin, and as reactionary as slavery". In January also, the Prime Minister gave a national radio broadcast which contained an unusually frank attack upon Communists and a hint of what was to come. Mr. King warned his listeners:

> "Communism is no less a tyranny than Nazism. It aims at world conquest. It hopes to effect its purpose by force. So long as Communism remains a menace to the free world, it is vital to the defence of freedom to maintain a preponderance of military strength on the side of freedom, and to secure that degree of unity among the nations which will ensure that they cannot be defeated and destroyed one by one".

During his review of world affairs(1) in the House of Commons on April 29, 1948, Mr. St. Laurent said that the most cursory survey of international events in recent months gave cause for concern and perhaps apprehension. He placed the main responsibility for the complete lack of trust and mutual toleration upon "the aggressive and imperialistic policies of communism and on outside sponsorship and support of subversive communist fifth columns in many countries, more particularly in the countries of Europe". He cited the recent developments in Czechoslovakia as "a frightening case history of communist totalitarianism in action", and concluded that it underlined "the necessity for the free states of the world to unite their material, their political and their moral resources to resist direct and indirect totalitarianism aggression".

95. When it was Mr. Pearson's turn to give a similar survey, the first in eighteen months, he included in his speech of November 16, 1949, a summary of the setbacks which Communist parties had suffered in various European elections, and a description of the efforts made by the Kremlin to secure slavish obedience from its satellite states. He referred bluntly to the "obvious aggressive intentions of the Soviet Union", described the progress made in implementing the North Atlantic Pact and concluded that while there was no reason for undue panic:

---

(1) In preparing notes for this speech, the Department consulted our Moscow Embassy for material on the nature of Communism. Much of this material was used as background for a speech on Communism which Mr. St. Laurent delivered to the Morrisburg Canadian Club on May 26, 1948.

"no one can be unreasonably optimistic about the future so long as the free democratic and the Russian communist worlds face each other in fear, misunderstanding and mistrust".(1)

96. While the Department continued to provide information for public addresses on the Soviet threat to security,(2) it was equally busy in drafting periodic assessments of the political aspects of the strategic situation as affected by Soviet policies. Such a paper was prepared before the Colombo conference for the Canadian delegation. It concluded (December, 1949) that:

"On balance, Communism has sustained political reverses in Europe and achieved military successes in Asia during the past year. At no point on the long circumference of the Soviet orbit has the threat inherent in greatly superior Soviet strength been overcome".

The paper warned that Canadian responsibilities under the North Atlantic Treaty promised to be onerous, and that it would not be in the interests of world peace for Canada to distribute her limited defence resources too widely. The outbreak of war in Korea caused a further reassessment of the likelihood of a general conflict arising from Soviet policies. A memorandum of August, 1950, on "Political Factors in the Likelihood of the Outbreak of War with the Soviet Union" reasoned that the Soviet leaders would "actively seek to avoid war", until they felt they were adequately prepared for war with the West. When that stage had been reached, they might prefer to resort to armed force, rather than all methods short of war, if they decided that time was no longer on their side. The closing sentence of the appreciation, which reveals a shift away from the hopes of an equilibrium between the free world and the Soviet Union, illuminates the serious limitations in attempting to forecast Soviet tactics. It read:

"As there is no way in which to be sure whether the Soviet leaders have decided to attack while their military advantage is greatest, it is necessary to estimate the minimum requirements for 'adequate Soviet preparation', and to consider that war is most likely when those minimum requirements can be met".

A second estimate of the imminence of war was made by the Defence Liaison Division in April, 1951. This paper was still more gloomy in tone. It pointed out that the experience in Korea offered evidence of the willingness of the Soviet Union

---

(1) Mr. Pearson maintained this educational process in his speech on the Korean war at the special session of Parliament in August, 1950. He prefaced his statement on the war by a careful analysis of the characteristics of Soviet Communist imperialism.

(2) The Department also provided policy guidance for the C.B.C. International Service in preparing short-wave broadcasts to the Soviet Union. The memorandum of October 27, 1950, describing the line that should be taken is the best illustration of this type of psychological warfare. A parallel memorandum was prepared on broadcasting to the Satellite countries in May, 1951. On February 28, 1952, a comment on the problem of describing our policy to them notes that "In simplest terms our policy is to preserve peace and check the inroads of Soviet imperialism".

to pursue its objectives, even by operations which contained the risk of major war. It believed that the Soviet Union had the military capacity to launch a major war "at any time and without giving warning". The particular danger of a preventive war would arise within the next few months because of Western weakness, but even when the West was stronger it was unwise to rely upon any diminution of the danger. This estimate was sent to London for use with another Departmental paper on Soviet Foreign Policy which was at that time on the agenda for discussion at a meeting of the NATO Council Deputies. The latter paper, of June 18, 1951, considered the three chief bases of Soviet policy to be the realization of a Communist world order, nationalist imperialism, and the safeguarding of national security. It listed the last as the immediate objective, and believed it to be by no means clear that the Soviet Union would take undue risks to further world communism. In this respect it was less pessimistic than the appreciation of the imminence of war. After surveying by regions the aim of Soviet policy and describing the methods used to further those aims, the paper concluded with an examination of tactics. These were considered to be largely determined by the Soviet reaction to Western policies. Four courses of action by the West were described which, either singly or in combination, might be considered by the Soviet Union as so threatening its vital interests as to justify military counter-action, even at the risk of general war. They were;

(1) Remilitarization of Western Germany and the integration of its armed forces in NATO;

(2) Remilitarization of Japan, especially naval and air forces;

(3) Establishment of bases in areas immediately adjacent to the USSR;

(4) Political action aimed at detaching present Soviet satellites from the Soviet bloc.

Mr. Ford was asked, from the vantage point of Moscow, to comment upon this appraisal. He regarded the first course as the most likely to provoke Soviet action, and placed the fourth next to it in order of riskiness. He added two further policies which might evoke a violent Soviet reaction;

(1) Expansion of the United States Armed Forces beyond a "reasonable" level;

(2) Transformation of the United Nations into an anti-Soviet political and military alliance.

Mr. Ford commented that most civilian observers in Moscow, including himself, did not think that the Russians were wedded to a warlike solution of their problems, in view of the fact that they had "very considerable confidence in their ability to forestall Western designs without resource to war". He added that such a belief about Soviet intentions should not encourage the risk being taken of frightening the Russians into rash decisions. The opinions expressed in the Canadian papers were well received in the discussions of the Deputies in London, and are substantially reflected in the summary of their views which was approved in February, 1952. It can be fairly claimed that the Department has been well served in its efforts to understand the policy of the power which has caused Canada the most concern in the past six years.

97. Although Soviet officials can not be expected to study Canadian policy with anything approaching the interest and care that it has received in Ottawa, it does not appear that they have profited much from whatever examination may have been made of it. Mr. Ford was given an unexpected opportunity recently to test their grasp of Canadian policies in a conversation with Mr. Pavlov, one of the most intelligent and travelled of Soviet officials. The latter brought up in conversation a book, "Canada-Patrimony of American Imperialism" which had just been published by a Tass correspondent who had been in Canada for a time. Any attempt on Mr. Ford's part to challenge the accuracy of the book's thesis, as illustrated by its title was hotly rejected. He decided, as his despatch of February 12, 1952 indicated, that the picture of Canada, presented by the Soviet press, as "a mere appendage of the American war machine, rapidly being enslaved by United States capital, and, under instructions from Washington, feverishly engaged in military preparations",(1) was not far from the image even in official minds. At the same time the Russians, however distorted their conclusions, appear to be well informed upon the geographic, economic and industrial factors in Canadian policy and the resulting relative importance of Canada in the Western alliance.

98. There have not been many occasions for Canadian policy to be demonstrated individually towards the Soviet Union, as distinct from participation in a course of action favoured by the chief Western Powers. When such occasions have appeared the Wilgress formula of "firmness tempered with fairness" has been well illustrated.(2) Apart from the spy cases, one of the best examples of this approach is to be found in the handling of the Anna Teuber case. Over a period of almost two years, May 1946-March 1948, the Department repeatedly pressed for the release from a Soviet forced labour camp of this girl, a naturalized Canadian citizen of Rumanian birth. The girl had been in Rumania when the war broke out and was deported to Russia in January, 1946, after Soviet troops overran that country. The patient accumulation of evidence and firm presentation of the case, coupled with a complete refutation of the Soviet denial that a Canadian citizen was concerned, finally ended in the girl being returned to Rumania from which, after another delay of two years, she was eventually able to return to her home in Canada.(3) Such persistent advocacy reflected a basic difference in the Canadian approach to the role of the individual in the state from that of the Soviet Union which was well illustrated by an observation from the Moscow Embassy in May, 1947.

---

(1) Mr. Black of the Canadian Embassy in Moscow prepared an enlightening paper dated, February 12, 1952 on "The Soviet Attitude Towards Canada" which described the comments of the Soviet press on Canada over the previous years and was later distributed as a Circular Document.

(2) There have been irritating negotiations over attempts to secure repayment of wartime debts and over the nature of compensation payments (sterling or U.S. dollars) for the Petsamo mines, but these have not raised major questions of policy.

(3) In the Power case, the Department, after six attempts between 1945 and 1947, failed to secure an exit visa for the Russian wife of a Canadian diplomat who had married while in Russia. The fact that Mrs. Power was a Soviet citizen at the time of her marriage made it possible to refuse her a visa. Mr. St. Laurent publicly described the Soviet refusal as "an incomprehensible action on the part of a friendly state".

"The fate of one girl, while in itself important from a humanitarian aspect is also important as creating a precedent. I do not think we should permit the Soviet authorities to get away with this. They will no doubt be astonished at our preoccupation with one human being's life but that is perhaps what we must show them that there is another concept of the value of human life than their's".

99. A case in "reverse", in which the Department had to admit errors of judgment on the part of its own officers developed, when Mr. Weld and Captain Clabon of the Canadian Military Mission in Berlin, illegally, though unintentionally, entered the Soviet administered part of East Prussia in November, 1947. When it was discovered that they were being held by Soviet military authorities, the Department made prompt efforts to secure their release. After they had been released, the Government expressed regret for what had taken place and "appreciation of the despatch with which the Soviet Government completed its investigation and facilitated the return of these persons to Berlin". In a third case it was the Soviet turn to be at fault. When an employee of the Soviet Embassy in Ottawa behaved improperly, by making a speech in July, 1947 defaming Ukrainian Canadians at a public meeting in a Manitoba town, the Chargé d'Affaires was asked to call at the Department, after vain attempts had been made to secure from him definite confirmation of what had actually been said. During the interview he was informed of the grounds for protest and warned that;

"if Mr. Scherbatiuk or any other member or employee of any diplomatic and consular mission in Canada used language in future which was similar to that which had been attributed to Mr. Scherbatiuk, the Canadian Government would have no alternative but to request the immediate recall of the official or employee concerned".

100. The retention of the Soviet Embassy in Ottawa and of the Canadian Embassy in Moscow has provoked much comment and discussion, within and without the Department. Public concern about the Soviet Embassy in Ottawa was to be expected, in view of the revelations of the complicity of members of the Embassy in the spy case. The press, for example, did not fail to draw attention to the increase in the number of Russian Service Attachés here which took place in the spring of 1950. Periodically, there would be complaints in Parliament as to the folly of permitting the Soviet Union and its satellites to benefit by possession of a base of operations in Canada. But the Department has not approved of any policy of suspending diplomatic relations. There were however restrictions placed upon visits by Soviet Attachés to Canadian key defence establishments, but on the solid ground that Canadian Service Attachés were equally discriminated against in Moscow. Although severe restrictions upon travel were imposed upon Western diplomats in the Soviet Union in September, 1948, no limitations were enforced here until March 10, 1952 when parallel action of this kind was taken by several NATO countries. There has been no Soviet Ambassador in Ottawa since December, 1945, and no Canadian Ambassador in Moscow since Mr. Wilgress (who had been absent much of the time since the summer of 1946) formally departed in 1947. The Canadian Government has been willing to appoint another Ambassador, if the Soviet Union would take reciprocal action, but Mr. Molotov only said that the subject was under study when Mr. Wilgress raised the matter during his farewell call. At the end of that year (1947) Mr. Robertson reported from London that he had a conversation with Mr. Molotov during which the question of exchange of ambassadors had arisen. The Soviet Foreign Minister then said that "they would hesitate to appoint an Ambassador to Ottawa

because they did not know what might be prepared against him". Mr. Robertson naturally combatted the insinuation, but the Soviet Government has still withheld making an appointment. The question of keeping open the Moscow Embassy, in view of the restrictions placed upon Canadian diplomats, the much more serious limitations upon the freedom of access of Soviet nationals to members of the Mission, and the nagging and expensive irritations of currency and customs regulations has been reviewed almost annually in the past four years. But the balance of arguments has remained in favour of retaining the Mission. They are best summarised in the letter of instructions prepared for Mr. Ford in May, 1951:

> "The Embassy continues to serve as a channel for discussing and attempting to solve certain outstanding practical problems existing between Canada and the USSR, and as a source of information on Soviet and Communist developments which are of interest to the Canadian Government. In a more general way, the Embassy provides a means of maintaining a common diplomatic front with other Western states vis-a-vis the Soviet Union, and of collaborating with other Western missions for the preservation of peace and in the mutual interest of Western defence. Moreover our diplomatic representation in the USSR serves to keep ajar the door of communication, since the diplomatic channel remains one of the few openings for some degree of association even if only of a formal character".

101. Canadian policy towards Yugoslavia has raised some interesting considerations because of the development of "Titoism" in that country, the ensuing breach with Moscow and cautious rapprochement with the West. In the early post-war period, before the quarrel with the Soviet Union had become public knowledge, Canadian relations with Yugoslavia were correct but not cordial. The admiration of the gallantry of the Yugoslav peoples in their resistance to Nazism had been tempered at the close of the war by realization that Tito and his Partisans were determined to make their country into a thorough going Communist state as rapidly as possible. When the Charge d'Affaires of the Yugoslav Legation informed the Department on December 8, 1945, of the creation of the Federative Peoples' Republic of Yugoslavia, he received a formal reply which said that "Due note has been taken of this act of the Yugoslav Constituent Assembly and the supplementary information conveyed in your note". Stiffness gave place to coolness, as the new government proceeded to embark upon a series of provocative acts from the shooting down of U.S. planes over the country in August 1946, to the aid and encouragement of the guerilla war in Greece, and the trial and imprisonment of Archbishop Stepinac. This last action aroused Catjolic feeling in this country, and a number of representations were received asking the Government to make a formal protest. Such a step was not taken, as Mr. St. Laurent told the House of Commons on February 24, 1947, because it was felt that the Yugoslav Government was within its rights in trying a citizen subject to the domestic law of the country. When the Yugoslav Consul-General Designate made some disparaging remarks about the Archbishop and the Pope in Montreal the following month, there were further protests by the press and by correspondence. Mr. St. Laurent then said that part of the speech made was "clearly offensive", but no formal representation was made to the Yugoslav Minister in view of the Consul-General being recalled by his government. The zeal with which Yugoslav officials in Canada, the pro-Communist Council of the South Slavs, and Canadian Communists set about in 1946-48 to organize a return to their homeland of some two thousand Yugoslavs, many of whom later regretted their enthusiasm, also caused considerable adverse criticism. Again it was necessary to make a statement in the House of Commons. These facts, plus the partisan speeches made

by Yugoslav official representatives in Canada on several occasions, undoubtedly contributed, in addition to the shortage of personnel, to the tardiness with which a Canadian Legation was opened in Belgrade. M. Vaillancourt did not present his credentials until February, 1948, thus making Yugoslavia the last of the countries, with which in wartime Canada had agreed to exchange representatives, to receive a Canadian Minister.(1) In his letter of instructions on February 3, 1948, the Canadian attitude is illustrated by the following remark:

> "There is a general desire in Canada that the Yugoslav Government should lift restrictions on freedom as quickly as possible and eventually establish a genuinely democratic state. It would not be in the interests of good understanding between Yugoslavia and Canada if either the Yugoslav Government or the Yugoslav people were to harbor illusions on this matter".

The Minister was further told that:

> "It must be an important object of Canadian and other Western policy that Yugoslavia, which through centuries of political, cultural, and religious history, has been a part, although perhaps only on the fringe of Western civilization, should not now cease to be in community with us. The maintenance and development of effective community between the Yugoslav people and the rest of us is not only desirable in itself, but, if achieved, may also constitute an important step towards the eventual re-establishment of true community between the peoples of the Soviet Union and those of Canada and the rest of the world".

102. Although the U.S. Embassy, in the weeks immediately preceding public admission of the rift between Moscow and Belgrade, had expressed suspicion that all was not well in Soviet-Yugoslav relations, the news came as a considerable surprise in June, 1948, to our, and other Western missions. The initial reaction in the Department was one of guarded interest. In a despatch to Mr. Vaillancourt in September, 1948, he was told that the Department doubted whether the situation that had developed was of any real advantage to the Western Powers. It was expected that the ultimate aim of the Yugoslav Communists was "undoubtedly" to achieve a reconciliation with Moscow. By April 1949, a more hopeful view was expressed that Tito might place "at least one foot in the Western camp". Although the Yugoslav authorities put out feelers about negotiating a trade agreement in September, 1948, there does not seem to have been much interest evoked in Ottawa. This can be explained by the Yugoslav preference for a barter system, which was not in line with Canadian policy and the small extent of trade between the two countries in the past.(2) It was not until

---

(1) In spite of the tardiness in completing an exchange that had been approved six years before, there were hostile comments in some newspapers, which impelled the Department to prepare an explanatory memorandum in case the matter was raised in Parliament.

(2) In June, 1950, Mr. Crean, then Chargé d'Affaires reported that the Foreign Minister had again raised the question of a trade agreement, and that he was obliged to reply that he had no fresh instructions from his government, and gave some vague assurances "in order not to appear hopelessly negative". The most recent overtures were made by the recently appointed Yugoslav Ambassador in April, 1952. He then referred to the "belief in official Yugoslav circles that Canada is reluctant to trade with Yugoslavia". The Deputy Minister of Trade and Commerce told him Canada would be "very happy" to see an expansion of trade, and that, "as far as we are concerned there is certainly no reason why a valuable movement of trade should not develop between the two countries". But the Canadian position remains that "bilateral arrangements would run counter to Canada's obligations under GATT and her general trade policy".

December 23, 1949, that Mr. Vaillancourt saw Marshal Tito, for his first interview since his formal presentation to the Yugoslav leader. He simply utilised what might have proved a significant occasion to raise the question of repayment of some $226,242 U.S. funds of Military Relief that Canada had extended during the war, and to ask for more sympathetic consideration for the requests of those repatriated Yugoslavs and their Canadian-born children who wished to return to Canada. After a visit in March, 1950, by Mr. James Sinclair M.P., Parliamentary Assistant to the Minister of Finance, the Relief question was settled by an agreement to pay $150,000 in Yugoslav currency to the credit of the Canadian Government in the National Bank over a period of four years commencing April 1, 1950. The return of Yugoslavs was of less concern in Ottawa, since some at least were ardent Communists. Those who are allowed to leave Yugoslavia are now screened less suspiciously by the Departments concerned, than was the case before the split with Moscow. Throughout this period the Legation continued to remind the Department that Yugoslavia was still far removed from the type of democratic state on which emphasis had been placed in the letter of instructions. Thus in a despatch of January 23, 1950, commenting on a speech by the Minister of the Interior which criticized his claims for the humane character of Yugoslav justice the Minister observed:

> "The fact remains that Yugoslavia is, at present, a country scarcely unified, still torn by religious and racial prejudice, still unrecovered from the effects of disastrous war; its people are primitive, ignorant, stubborn, ill-clothed, ill-fed and poor. Its rulers preach brotherhood and unity, but the impact of their policies is so revolutionary that they can be said to divide as much as rule. Besides the Army, the Ministry of the Interior and the police are the chief factors in keeping the country together. Yet their problems remain enormous".

103. But police state or not, Yugoslavia assumed an increasing importance in Western eyes after the outbreak of war in Korea, and the growing recognition in NATO circles that Yugoslavia could be of significance in the balance of forces. Accordingly, the instructions given to Mr. Crean as Chargé d'Affaires on July 23, 1950, contain an excellent analysis of the implications of Titoism in the wider world,(1) a reference to the "obvious advantage of removing a strategic area and a brave and stubborn people from the Russian camp", and the following more friendly appreciation of the Yugoslav Government:

> "It is axiomatic that the Canadian Government condemns totalitarianism <u>per se</u>, whether it be exercised by a political party as part of an international plan, such as is directed by Moscow through Cominform, or by an independent dictator such as Tito. We would therefore welcome a more democratic regime in Yugoslavia. Our disapproval of a form of government (which shows little indication of being displaced by something more acceptable to Canadian standards) should not, however, blind us to the advantages to the Western world of the revolt of Yugoslavia against Moscow's domination, nor should we lose sight of the fact that it is doubtful if that revolt could have achieved any success but for the existence under Tito of a ruthless police state with the means at its disposal to resist overthrow from within. This does not mean that the Canadian Government condones the police state created by Tito. It is simply a recognition of the fact that the continued independence of Yugoslavia from Soviet domination would not have been possible under a less authoritarian type of government".

---

(1) The Department prepared a survey of Titoism in Europe which was distributed as a Circular Document in 1951.

The aim of Canadian diplomacy was described as bringing Yugoslavia to our side without too great a sacrifice of democratic principles. On the other hand, it was regarded as a mistake "to accept Yugoslavia wholeheartedly into the Western alliance" even if Tito was prepared to go that far. What was desired was the maintenance of "a relatively strong and independent state" which would record an increase in its internal prosperity and in time "move gradually back into the ranks of the Western nations."(1)

104. In encouraging Yugoslavia to act in this fashion the lead has naturally been taken by the United States, the United Kingdom and France. Canada has neither attempted nor wished to play a direct part in such a policy. Of this attitude our views on Trieste are an example. In 1948, at the time of the Italian elections, in order to help the democratic cause Canada publicly associated itself with the declaration of the United States, the United Kingdom and France that they now favoured the return of the Free City of Trieste to Italy. In subsequent years, when it was obvious that such an action was most difficult of accomplishment and the possibility of developing up better relations with Yugoslavia improved, the three Western Powers tried and failed to find a way out by securing a settlement of the issue through direct talks between the two countries. The view in Ottawa of these attempts was that it was strategically to our interest to further Yugoslav co-operation, but it was also important not to give comfort to the anti-democratic forces in Italy which might over-throw the de Gasperi Government. In July, 1952 Mr. Dupuy reported from Rome on informal talks about Trieste with the Yugoslav Minister in Italy and the Italian Under-Secretary of State for Foreign Affairs. He wrote that he had agreed with the latter to arrange for the two diplomats to meet "unostentatiously" in September at lunch in his house. On instructions from the Minister he was warned to use great discretion. The despatch of August 8, 1952, to Mr. Dupuy stated:

> "As you are aware we do not want to become involved in this question, and I know that your constructive efforts to bring together Dr. Velebit and Mr. Taviani will be made in such a way as to give neither party cause to exaggerate our interest in the matter".

105. When the survival of the Yugoslav Government was threatened by an acute economic crisis arising from the over-ambitious nature of the Five Year Plan and the serious drought in 1950, Canada was unexpectedly confronted by the practical problem of whether it should share in extending aid. The question did not arise at the outset from a direct appeal of the Yugoslav Government, but word was received from Mr. Crean in October, that both the French and United States Embassies were planning, as the result of an urgent appeal from the President of the Planning Commission, to propose a joint meeting, of the United States, the United Kingdom, "and possibly Canada and Australia" to discuss the Yugoslav economic situation and decide what, if anything, should be done. Mr. Crean thought that such an approach might be made in Washington within a week. In his judgment, if it was decided to extend aid, there should preferably be no strings attached, and it be granted on the basis of over-riding strategic interests. On October 16, 1950, the Department sent its tentative views to the Washington Embassy in anticipation of the invitation. It did not regard the inclusion in the proposed meeting of Canada and Australia primarily as grain-producing powers, as a satisfactory criterion for participation, and suggested this

---

(1) These passages were repeated in the instructions prepared for Mr. Macdonald in September, 1951, after he was appointed our Ambassador to Belgrade.

might be made clear at the outset, if and when an invitation was extended. But, if the powers most directly concerned extended an invitation, Canada would probably accept. Since it did not appear that Canadian aid would be required before the spring, there was no need for a hurried decision. This was helpful, as neither a loan nor a gift could be made without Parliamentary approval, and Parliament would not meet until February. It was doubtful if Cabinet would consider a gift on the terms the Yugoslavs would suggest. The Department did not entirely share Mr. Crean's views on the inadvisability of tying terms to the assistance, and did not believe that Tito's regime would be endangered if he assumed a more co-operative attitude in the United Nations and toward his Yugoslav neighbours, Greece and Italy. In a reference to Canadian public opinion the Department noted that "a more co-operative attitude about the return of Greek children or the release of Msgr. Stepinac would create a healthier atmosphere". On October 24, a meeting was held in Washington attended by the United States, the United Kingdom, France and Canada. The Canadian representative had not made clear the Department's dislike of the origin of the request for Canadian participation, and, judging from their report, had appeared more willing to consider Canadian assistance than had been intended. In a memorandum of October 26, Mr. Plumptre, then chief of the Economic Division, expressed his concern and personal doubts on the desirability of extending aid. He thought there were many more desirable outlets for Canadian charity, and that Yugoslavia had no special appeal to the Canadian people. The only way Canada could justifiably be included as a donor would be on a United Nations contributions list which the problem did not seem to justify. He urged caution in the Washington discussions until Ministerial views had been received. Mr. Pearson agreed that there was not much chance of a loan or gift, unless there was something approaching starvation in Yugoslavia, and said that Canada could already anticipate "some very heavy relief and economic aid obligations" in the coming year. He thought the countries most directly concerned, the United Kingdom, the United States and France should be prepared to carry the full burden but, if it was decided to extend relief through an international agency such as FAO, OEEC or NATO, Canada would consider assuming its share of responsibility. These views were sent to Washington, where the U.S. authorities, who were already committed to extending aid, showed interest in the suggestions of the possible use of an international agency. On November 6, the United States Government sent Canada an aide-memoire, indicating its intention of aiding Yugoslavia and doing so in part from funds available under the Mutual Defence Assistance Act. Such aid could only be advanced under the act, if the United States and the other members of the North Atlantic Treaty were in agreement that such a step would contribute to the preservation of the peace and security of the North Atlantic area and was vital to the security of the United States. Canada was accordingly asked if it considered that the immediate increased ability of Yugoslavia to defend itself would contribute to the preservation of peace etc. in the North Atlantic area, bearing in mind the strategic location of Yugoslavia and the effect of drought on the ability of that country to supply the food requirements of its Armed Forces. It was also told that the United States would be interested in knowing "whether the Government of Canada feels able to make a contribution of its own to meet the problem effecting the interests of all the North Atlantic Treaty Nations". A memorandum was prepared for Cabinet which stated the reasons for an affirmative answer to the first question on the strategic importance of Yugoslavia. On the second question no direct recommendation was made. It was suggested, however, that if no direct assistance was extended on a NATO basis, FAO might be the channel through which Canada co-operate in relief. Cabinet agreed on November 8 to the first recommendation, but decided that "in

view of present commitments it would not be possible for Canada to participate at this time in the provision of relief in Yugoslavia". The United States was informed accordingly. When the U.S. Embassy asked if the Canadian aide-memoire could be made public the Department replied, rather lamely, that there was no objection to the substance of it being made public, but it would be preferable to keep text secret. As a note to the Minister in that connection observed, "This might not be a very happily worded aide-memoire from the public relations point of view".

106. Having met, none too gracefully, the questions raised by the United States the Department was then confronted by a direct request for assistance from the Yugoslav Government. Their Minister told Mr. Heeney, on December 13, that the assistance promised by the United States and the United Kingdom would still be insufficient to meet the crisis, and that any assistance Canada could give would be most welcome. In appealing for help the Minister emphasized the political capital which the Cominform was making of the situation. Mr. Pribicevic was told of the heavy commitments Canada had already made for aid in Korea and Palestine, but was promised the most sympathetic consideration. In a note to the Minister on the interview Mr. Heeney favoured some assistance, and pointed out that even a token gesture, such a single shipload of grain, would have considerable political value in the current situation in Europe. As he put it:

> "It seems to me that there is as much, if not more value, in keeping the morale of the Yugoslav army in fighting form as there is in the spending of the equivalent amount of money on our own defence programme. As a matter of fact, the Canadian dollar would probably stretch farther in that direction".

The interview was brought to the attention of Cabinet at its meeting of December 28. It reached the conclusion that "while there were difficulties in the way of direct aid to a Communist country, it would be desirable to explore further the possibility of Yugoslavia obtaining aid through the Food and Agriculture Organization". Unfortunately an examination of that possibility, (which should have been made earlier), revealed that FAO had no funds for financing gifts of surplus commodities to needy countries, and no existing machinery by which a Canadian donation for that purpose could be placed at the disposal of Yugoslavia. Dr. Barton of the Department of Agriculture, who was chairman of FAO's Commodity Committee, was also opposed to an attempt to turn the organization into an organization to administer relief. The United Nations Division of the Department then submitted an ingenious suggestion that the United Nations International Children's Emergency Fund might be used by making a donation of commodities, such as fish, part of which could then be made available for Yugoslavia. Although it was the established policy of UNICEF, which Canada had consistently supported, not to accept contributions earmarked for a specific country, there were unofficial assurances that the proposed gift from Canada could be diverted for the most part to Yugoslavia.(1) A contribution at that time would also aid UNICEF in getting further aid from the United States on a matching basis. The Department therefore recommended that an appropriation of $500,000 Canadian be made to

---

(1) The amount UNICEF sent to Yugoslavia was five hundred tons of salt codfish.

UNICEF for the purchase of foodstuffs in Canada. Before a submission went forward to Cabinet, the case for helping Yugoslavia had been strengthened by the action of the NATO Council Deputies in London in agreeing that "it is most desirable that the Western Powers give economic assistance to Yugoslavia to the best of their ability". The United States Government also presented a second aide-memoire in March, in accordance with the provisions of MDAP to permit further aid being granted. The Government, in its reply of March 27, reaffirmed its previous views and agreed that the provision of further assistance would contribute to the maintenance of peace and security. A Cabinet Paper was distributed in March which summarized the recent developments in providing economic assistance and military aid for Yugoslavia. After all this preparation, the Departmental submission of April 11 was then presented with the powerful supporting argument that the Fisheries Supply Board was anxious to dispose of a surplus of Labrador salt codfish. Cabinet approved of the grant to UNICEF on the terms suggested, and Mr. Heeney was asked by the Minister to inform the Yugoslav Minister of its action. He was to express at the same time the hope that the Yugoslav authorities would release Archbishop Stepinac, a step which would be helpful in Western relationships with Yugoslavia. During the interview the Minister was also to be informed of the Government's desire to raise representation in the two countries to Embassy level. In reporting on his interview with Mr. Pribicevic, the Under-Secretary observed that the Minister displayed no great enthusiasm for the gift, pointing out that what was really needed in his country at that time was fats. Nor was he forthcoming about the case of the imprisoned Archbishop, except to give a clearer impression of how much the case was enmeshed in domestic politics.(1)

107. In view of Mr. Pribicevics' lukewarmness about the nature of the Canadian gift to UNICEF it was ironical that, on the same day as the submission was sent to Cabinet, a member of the Yugoslav Permanent Delegation to the United Nations called on Mr. Holmes to inquire, personally and tentatively, if it would be possible for Canada to make a further direct gift of fish. He explained that they were particularly liked by adults in the Dalmatia area, and the gift to UNICEF was, of course, solely for children. The Department recommended favourable acceptance of this request. On May 30, Cabinet agreed to include an item in the supplementary estimates of $45,000 for the purchase and delivery to Yugoslavia of approximately 125 tons of codfish. As an illustration of the disfavor with which even grants of this kind were regarded in some parts of Canada, it may be noted that the Postmaster-General wrote to Mr. Pearson on July 3, 1952 to secure details on the extent of assistance the manner in which it had been undertaken, and the aim of this assistance in order as he explained "to make a reply to a Catholic who bitterly complains that "Catholic Canadians are paying taxes in order to help a country engaged in the persecution of followers of the Catholic faith".

108. It looked for a time that Canada would find it difficult not to make a further and much larger contribution to the policy of "keeping Tito afloat", as it came to be known. In May 1951, the Washington Embassy reported that it had learned the members of NATO, and probably other countries as well, would be asked to participate in a new economic assistance programme. The Deputy Director of the Office of Eastern European Affairs asked that those

---

(1) Subsequently the Archbishop was freed on condition that he reside in his native village.

officials concerned in Ottawa give "preliminary consideration" to the possibility of Canada playing a part. In reply the Department again advised great care in talks in Washington, since it foresaw considerable difficulty in securing agreement to extending aid. It explained that in any event consideration could only be given, if the programme had the full support of the NATO countries, and the United States and the United Kingdom were contemplating substantial aid beyond what had already been contributed. During this period it was also learned that Tito had asked for military supplies and had submitted lists to the United States, the United Kingdom and France. Since the availabilities fell "far short of Yugoslav requirements", Canadian assistance was requested through NATO military channels "within the scope and limitations of Canadian excess military material", that is to say over and above Canadian requirements and those of other NATO countries.(1) It was then possible to reply, initially, that the amount of equipment available and suitable for Yugoslav purposes was too slight to be of use, particularly if, as was anticipated, it might be required in aiding Greece and Turkey. When it transpired later that these countries did not wish to receive such equipment, the question was raised again and is still under active and embarrassed consideration. Meanwhile, officers at Canada House reported that they had been asked to attend a meeting of United States, United Kingdom and French officials where they were told the plans of the three countries for further aid to Yugoslavia and shown the draft recommendation which would shortly be presented at the meeting of the NATO Council Deputies. In view of the difficulty of getting a Cabinet decision at that time, the Department was forced to ask Mr. Wilgress to reserve Canada's position at the meeting. This he did on July 16, when he found himself in the invidious position of being, with the Luxemburger representative, the only ones to delay adoption of the resolution. As Mr. Pearson was then in London, he was consulted and suggested a way out of the difficulty. He thought it was possible to accept the resolution which, as slightly amended by Canada, recommended to member governments that "if they are approached by the Yugoslav Government to extend economic assistance, they should co-operate to the fullest extent possible", with the understanding that in so doing "we are not hereby morally committed to any positive action on any direct request for aid from Yugoslavia". Accordingly the resolution was endorsed at the Deputies meeting of August, 1951. To date Tito's Government has not approached Canada for further economic assistance. The Big Three, after having given assistance to the extent of $75,000,000 since the summer of 1951, were faced in February of this year with the necessity of advancing a further $45,000,000 for the twelve months ending June 30, 1952. In the process of providing this aid the United States submitted to Canada a third aide-memoire on the strategic importance of Yugoslavia to which the government returned an affirmative answer on July 26, 1951.

109. It is perhaps true that Canadian assistance to the government of Yugoslavia would be more palatable in Canada, if Marshal Tito would consent to some form of association with NATO, possibly through participation in a Balkan Command in which Greece and Turkey might be associated. But this policy has not been

---

(1) Previously, in co-operation with the United States after the rupture with Moscow, Canada had eased the controls on the export of strategic materials to Yugoslavia so as to permit the purchase of "reasonable quantities".

accepted in Belgrade, the only concession to date being that consultation and co-operation with a view to resisting aggression would be considered, as the Foreign Secretary said in September, 1951 "..if the situation deteriorated and if the danger of aggression became immediate". As things now stand the significance of the part Yugoslavia plays in the rift between the Soviet Union and the West is fully recognized within the Department. But the past record of its relations with Canada and the sensibilities of Catholic and anti-Communist opinion domestically preclude as thorough co-operation with Yugoslavia as strategic and political considerations might justify.

110. The best illustration of domestic religious considerations affecting Canadian foreign policy is afforded by the controversy over establishing diplomatic relations with the Vatican. As early as 1937, when Canadian missions abroad numbered less than half a dozen, the question of appointing a Minister to the Vatican had been placed before the Prime Minister in a memorandum prepared by the Provincial of the Dominican order in Quebec. Eight years later, in July, 1945, following a conversation with Mr. Robertson in which the matter had been discussed the Provincial submitted a revised copy of his memorandum. He intimated that, although he was not acting in an official capacity, he had "all reasons to be sure" that any proposal from the Canadian Government for the institution of diplomatic relations with the Holy See would be "favourably received, considered and accepted". Father Gaudrault declared that there was no country in the world with such a proportion of Catholics in its population (43%) that did not have diplomatic relations with the Holy See. He recognized that opinion would have to be "very well-prepared with the non-Catholic members of the Cabinet", but believed that the present time was favourable, in view of the opening so many new Embassies and Legations and the prospect of still more being established. In November, 1945, when answering a letter of the Prime Minister's on another matter, Cardinal Villeneuve inquired as to the possibility of such a step being taken. Mr. King answered that the question had been under consideration from time to time, but it had been felt that the establishment of diplomatic relations with Italy should come first. He touched upon the difficulties created by rapidly expanding representation abroad, and his desire to avoid controversy on the question either in Parliament or the press. In his view that would "almost certainly happen", if the question of Vatican representation was "pressed prominently to the fore". In January 1946 Father Gaudrault had a second interview with Mr. Robertson, during which he described Archbishop McGuigan's being made a Cardinal as "an action of great benevolence from the Holy See towards Canada", which should greatly reduce opposition from non-Catholics to the establishment of diplomatic relations. He inquired whether, if that could not be done before the Consistory when the thirty-two newly created Cardinals would be elevated to their offices, it would be possible to have the Canadian Ambassador to France specially commissioned to represent Canada at the ceremony. The Prime Minister brought both questions before Cabinet on January 24, 1946, but it was agreed that no action should be taken at present.

111. Since then the appointment has been an object of petition and counter-petition(1) almost every year, with M.P.'s from Quebec frequently raising the question in the House of Commons. On two occasions the views of the Vatican have been made known. In April, 1947, the Apostolic Delegate to Canada informed General Vanier, while both were in Rome, that the Pope would agree to the appointment of an Internuncio to Canada instead of a Nuncio, and

---

(1) There are nine volumes of resolutions and protests on file to June, 1952.

was prepared to see the Canadian Ambassador to France, or the Ambassador to Greece, being also appointed to represent Canada at the Holy See. There would also be no objection to a Protestant acting as Canadian Minister as was done by the United Kingdom. During an interview with three Canadian journalists a year later, the Papal Under-Secretary of State said, in answer to a question, that the matter of exchanging representation could be settled "in a day". The initiative would have to be taken by Canada, since the Holy See was anxious to preserve the present "very friendly" relations with Canada, and "did not wish to do anything that might be interpreted as an attempt to interfere in Canadian affairs". When there were widespread rumours, early in 1949, that the Government was going to appoint a representative, a marked increase took place in the flow of letters on the subject.(1) At a Cabinet meeting on February 18, 1949, it was again agreed that no action should be taken "at the present time". The Prime Minister and several members of the Cabinet subsequently received a delegation from the Canadian Council of Churches on April 9 at which the appointment was one of the questions discussed. The clearest statement of the Prime Minister's position in answer to protests from Protestant groups(2) was given in a letter to the General-Secretary of that organization on February 21, 1949. In that letter Mr. St. Laurent said:

> "The Government has not yet adopted any policy on the matter of a Canadian diplomatic representative to the Vatican.
>
> Many of us feel that it would be quite useful to have one there because of the confidential information he would be able to obtain for us from other diplomats accredited to the Vatican. We realize, however, that there are probably many Canadians who would look upon our action, if we made an appointment, as a religious gesture to the Head of the Catholic Church and would resent it.
>
> It would be unfortunate to have any controversy in that regard, when it is so necessary for the Christian Churches to unite their strength against the aggression and persecution to which they are subjected, regardless of their denominational affiliation, by Communist Governments.
>
> We have to do our best to appraise the value of the information we would obtain, and also be able to convey, from a mission at the Vatican with the stresses of a religious controversy at home, and be sure that we would not be doing something apt to produce more disadvantages than advantageous consequences.
>
> You may be assured that I am endeavouring to envisage the problem, not from the angle of what it might be worth to Catholics, but exclusively from the angle of what it might be worth to Canada as a whole".

---

(1) Between February and July there were 125 letters of protest from individuals and organizations, and 46 of approval.

(2) Protestants, especially Baptists, and adherents of the United Church of Canada, lay great stress on the principle of the separation of church and state. They maintain that the few acres of Vatican City do not constitute a temporal state requiring diplomatic representation from Canada, and any appointment is essentially for religious reasons of which they do not approve.

The fullest statement of the Prime Minister's views in answering a letter favouring the appointment is contained in a letter to Bishop Boyle of Charlottetown in August, 1949. Mr. St. Laurent told the Bishop:

> "The question of the possibility of Canada having diplomatic relations with the Holy See is one which is receiving most urgent consideration at this time.
>
> I think we have made considerable progress in fostering a more tolerant attitude throughout the whole country, but all matters such as the appointment of a Canadian representative to the Vatican, which could be occasion for the clashing of sentimental differences of viewpoint, are still apt to be very explosive. I am not unhopeful, however, that the Canadian public is more and more coming to realize that, for strictly political advantages in the international field, we should be represented at the Vatican. It might take some little time before the education has been thorough for the government finally to take action, but you may rest assured that full consideration is being given to the problem, both by the Secretary of State for External Affairs, who is the Minister concerned with it, as well by myself".

112. In the meantime the Department secured information from the United States and the United Kingdom on the special value which they attach to representation to the Vatican. The United States, which has also faced denominational arguments over the appointment of a diplomatic representative, as distinct from the President's special representative, remains actively interested in the Canadian position, and has promised, not always successfully, to keep Canada informed of its policy. In April, 1949, our Ambassador in Washington was told, for example, that:

> "The issue is thus being publicly debated on factional lines and it is becoming difficult to consider it from the point of view of the benefit and value to our foreign service of opening the mission".(1)

113. The question of representation at the Holy See also reacts upon consideration of other appointments. Thus, in July, 1949, Mr. St. Laurent pointed out that it would give serious offense to have representation in Israel, and not at the Vatican. When the question of recognizing Communist China was under active consideration, he commented in January, 1950 that, in addition to the concern at recognizing a Communist state which would be felt by many Canadians, "some would be inclined to relate the question of recognition and dealings with other Communist Governments to lack of Canadian representation at the Vatican". In a Divisional note for the Minister's handbook the claim was made that, in 1950, the adverse effects of non-representation at the Vatican were particularly felt. These included lack of adequate assistance for the thousands of Canadian visitors to Rome during Holy Year, the necessity of relying on information from other countries on the attitude of the Vatican towards the Jerusalem issue in the United Nations, lack of access to the valuable information which the Vatican possesses on developments behind the Iron Curtain and lack of any opportunity "of

---

(1) Factional feeling was revealed in 1951 when President Truman abruptly nominated General Mark Clark as "Ambassador to the State of Vatican City", and had to withdraw his nomination. The adverse reaction of U.S. public opinion did not pass unnoticed in Cabinet circles in Canada.

attempting to influence the role which the Roman Catholic Church is playing in the current ideological struggle". When the European Division was asked in the autumn of 1951 to list in order of importance possible new missions in Europe and the Middle East, it placed the Vatican in a tie with Spain for third or fourth place after Finland and Austria.

114. In an earlier chapter it was pointed out that when Turkey first expressed an interest in joining NATO, Canada had been opposed to the suggestion. The manner in which the Government found it necessary to retreat from that position illustrates the difficult situation in which Canada is placed when a major issue of defense policy is firmly advocated by the United States. On August 10, 1950, the Turkish Ambassador called on the Minister to make "preliminary feelers" about the attitude which Canada would take if Turkey applied for membership in NATO. After explaining that the considerations which in 1949 had prompted the Canadian Government to think that "the nations signatory to the Treaty should be limited, as far as possible, to the North Atlantic area, Mr. Pearson commented that the aggression in Korea and subsequent events had somewhat changed the picture, and had shown that the struggle against Communist would have to be waged on many more sectors than the North Atlantic. While pointing out that the admission of Turkey might make it difficult to refuse applications from less effective states in that area, he stated that if the United States, the United Kingdom and France had no objection to the admission of Turkey Canada would not impose a veto, but would indeed give sympathetic consideration to the application. Two weeks later the Ambassador called to present an aide-memoire formally applying for membership. Mr. Heeney repeated the assurances given by the Minister but added a cautionary statement that:

> "The Turkish Government would certainly realize that the admission of Turkey was, up to a large extent, linked up with the admission of Greece and possibly of other countries, such as Iran, the admission of which might become a liability for the North Atlantic Treaty Organization, and that the application of his country would have to be studied in that context...whatever the outcome of this request for admission, a way would certainly be found, within or without the Pact to strengthen the relations between NATO and Turkey".

In a memorandum at the time Mr. Leger commented that Turkey's admission would still further extend Canadian military commitments, and make more difficult the gradual attainment of the economic and social aspects of the Treaty which Canada had always considered important. As Ambassadors from other NATO countries called on the Department to inquire what line Canada was taking on the Turkish request Mr. Pearson decided on August 28 that the reply should be that there was a good deal for and against the Turkish proposal, that we would not oppose if the United States, the United Kingdom and France favoured it and that until their views were known we should not take "any firm position". Three days later it was learned that at the NATO Deputies' meeting in London the Chairman, Mr. Spofford, had referred to the Turkish application and given the view of the United States that "it would be undesirable for any North Atlantic country to give the Turks any indication of its position .... pending an exchange of views among all North Atlantic countries". This unexpected development necessitated the Department notifying all its missions in North Atlantic countries to avoid discussion of the question, or, if that were impossible, to make it clear that "Canada is not taking any firm position and will not take any, unless and until the attitude of the powers more directly concerned is known". At Ankara, where General Odlum had been for some time reporting enthusiastically upon Turkey's

will to fight in the event of war, the need for caution was particularly stressed. At the NATO Council meeting in New York in September, 1950 it was decided not to admit Turkey but it was agreed that "association of the Turkish Government with the appropriate phase of the planning work of the North Atlantic Treaty Organization with regard to the defense of the Mediterranean would contribute significantly to the defense of that area". The Council invited the Turkish Government to be associated with NATO for that purpose and Turkey agreed. Greece was given and accepted a similar invitation.

115. Unfortunately this solution did not meet the wishes of either country, where concern for the future had been sharpened by the serious developments in Korea at the end of the year. As a result defense planning made little, if any progress in that area. When a meeting of the heads of the U.S. missions in the Middle East was held in Ankara in February, 1951, they drafted a recommendation to the State Department that "other things being equal", a mathematical phrase with more apparent than real clarity, "the best method to provide for the security of these countries was to invite their adherence to the North Atlantic Treaty". It was not until a story about this recommendation had appeared in the New York Times and enquiries were made that the State Department admitted to the Canadian Embassy on March 20, 1951 that the recommendation was being studied. It promised that the United States would consult other treaty members as soon as it had decided to support such a recommendation. Shortly afterwards, the fact that Mr. Pearson invited the Greek and Turkish Ambassadors to attend the luncheon given on the second anniversary of NATO (April 4) seemed to have rekindled the hopes of the representatives of the two countries that Canada was also willing to reconsider sympathetically their position. The Departmental view, as given to the Canadian Ambassador in Washington on April 20, 1951 was that so far as Canada was concerned "the cons were more convincing than the pros". Ad hoc arrangements for the defence of the Middle East could be based more effectively on existing foundations than by a new arrangement such as the extension of NATO. It was still true that Canada would not oppose the admission of Turkey and Greece, if the other powers and particularly the United States wished to accept them. But what was preferable was serious consideration of other courses of action several of which were mentioned, "since we consider that the admission of Turkey to NATO is not to the best of our interests in present circumstances". These views were communicated to the State Department on an informal basis. It promised to bring them at once to the attention of the interdepartmental group working on the problem and to inform the Department what decisions were made before the question was brought up in NATO. However on May 15, the U.S. Ambassador called on the U.K. Foreign Office to present an aide-memoire, which said that the United States had come to the conclusion that the relationship of Greece and Turkey to NATO could best be met by their inclusion as full members. The same action was taken in France, as both these countries were linked with Turkey in security pacts. On the following day this news leaked to the press in both London and New York. In the Foreign Office the official feeling was that they would have preferred an alternative solution to that suggested, but, "if the United States held firmly to the view that only the inclusion of the two countries in NATO can solve the problem, the Foreign Office isn't likely to oppose this development". The question was formally raised by the United States in the NATO Deputies' meeting on May 16 with a request for an early discussion.

116. In Ottawa there was indignation at the failure of the United States to inform Canada in advance, of its position, and annoyance at the speed which the press had learned of developments. Canada House was told, apropos of the U.S. suggestion for an early

discussion of the question that:

> "We regard the question of the admission of Greece and Turkey as one with such far-reaching implications that it would be unwise to allow ourselves and other NATO members to be hustled into a premature discussion of the topic in circumstances which are reminiscent of the tactics employed over the German rearmament issue".

Mr. Wilgress was instructed to recommend, in accordance with a Cabinet decision on May 18, that discussion be postponed until a later date, while making clear that Canada was not opposed in principle to a discussion of the problem. He was to request documentation on the political and military considerations from the countries more directly concerned. It did not ease the situation for the Department to have the Turkish Ambassador call upon Mr. Heeney on May 21, to remind him of the assurances given the previous autumn, and to intimate that he had viewed the invitation to the NATO lunch in April as an indication that the Canadian Government wished to see the association of his country become closer. He asked that Canada take active steps to further the Turkish application, and not be content to follow the lead taken by the United States, the United Kingdom and France. To justify the request he flatteringly stated that his country considered there were four Great Powers in the North Atlantic Alliance, and, as the fourth one, Canada "was expected to make its voice heard". Mr. Seymen was given the same assurances as in the previous year, and assured that Canada would not take a passive role in the discussions. At the same time, there were suggestions that a Mediterranean Pact might be an alternative to the proposed policy, and a reminder that:

> "Under no circumstance should a situation develop whereby the unity of the members of NATO should be weakened, because if such a situation arose, the whole fabric of Western defence would be weakened accordingly with serious consequences for Turkey as well as for all of us".(1)

Five days later the Greek Ambassador called to present a formal note from his Government asking for Canada's support of Greek membership.(2) He advanced as a principal argument the claim that:

> "Any prolongation of the present situation of uncertainty and suspense in which the two countries, who, like Greece and Turkey, could contribute substantially in the defence of Europe, are left outside the North Atlantic Treaty, constitutes in itself an additional danger of war, since the eventual aggressor is likely to take it as a positive lack of solidarity among democratic countries between themselves and towards Greece and Turkey more specifically".

---

(1) The Turkish Government also presented, a formal aide-memoire to General Odlum and Ambassadors of other NATO countries represented in Ankara on June 13, stating that it would consider "a prompt acceptance without reserve of the recent proposal of the United States of America proof of their friendly sentiment towards Turkey".

(2) The Greek request came after the Deputies had agreed in London to recommend to their individual Governments to refrain from indicating their respective position to the two applicants. In view of the talk with the Turkish Ambassador, it was impossible not to give him parallel assurances and thereby unavoidably go beyond the intent of the Deputies' recommendation. The formal reply to the Greek note promised friendly consideration "Subject to the limitations imposed by the paramount importance of maintaining the solidarity of the existing Treaty Organization".

117. While the Department was weighing the various elements in the problem and requesting National Defence to prepare a military appreciation of the issues involved, Mr. Wilgress was reporting from London on the U.S. memorandum to the NATO Deputies. It was his view that it primarily reflected "the pressure of military thinking rather than a careful balancing of politico-economic factors as well as purely military considerations". He believed that Canada should emphasize the point that the inclusion of Greece and Turkey would substantially alter the basis of the North Atlantic Community which underlies the treaty itself. He forecast that, Italy excepted, the other smaller European powers more likely to take a position of active opposition or passive acceptance, to the U.S. proposal, while the United Kingdom would not offer sustained opposition. The Department shared the High Commissioner's views about the weakness of the political arguments in the U.S. memorandum. It was somewhat encouraged by news from Washington that the conclusions report Greek and Turkish membership were in no way final, and that the United States "looked forward to the fullest exchange of views within NATO with the object of achieving a solution mutually agreeable to all". It had also learned from Mr. Ford in Moscow that two views were held there by Western diplomats on the interpretation which the Russians might place upon the admission of Greece and Turkey to NATO. The Netherlands and Norwegian Ambassadors were of the opinion that it might be regarded by the Russians as the first step towards turning NATO "into a real encirclement of the Soviet Union". The United States-Italian argument was that the Soviet rulers were already so firmly convinced of the aggressive intent of NATO that they would not be so disturbed by the admission of Greece and Turkey as to create a situation where the advantages of their admission would outweigh hesitations about offending Soviet sensitivities. Mr. Ford took a halfway position. He thought the admission of Greece and Turkey would not be sufficient to force a showdown "unless it were combined with a decision to arm Germany and bring it also into the North Atlantic Treaty Organization". It might discourage hasty action by satellites against Yugoslavia. But the main effect in Mr. Ford's judgment might be "to harden Russian minds against the idea that an accommodation with the West is possible". Mr. Ford concluded that on the whole the positive gains exceeded this disadvantage if it existed. His comments were of particular interest, since the United States had not commented on that aspect of the question in its memorandum.

118. By the end of May the Department had decided to support a suggestion from the United Kingdom that the question should be examined in its military aspect by the Standing Group of NATO a suggestion which the Deputies accepted. Mr. Wilgress was advised to abstain from playing a prominent role in the Deputies' discussions since

> "It would be improper for the Canadian Government to take a leading part in urging a course of action which would involve others in extending commitments, although it is quite proper for Canada to comment on any measure which would substantially alter the character of NATO".

The Department had decided that parliamentary approval would be required if the decision to admit the two countries was made, as it would constitute a major commitment for defence in an area in which Canada had not been hitherto directly involved. Such a consideration further underlined the need for great care in reaching a decision, and the inadvisability of the Deputies reaching a hasty conclusion "for the mere sake of trying to meet a given deadline". For that reason Canada favoured examination of the problem at the next meeting of the North Atlantic Council.

119. While the Standing Group was preparing a reply to the military questions prepared by the Deputies, they continued to study the political aspects of the problem. During that period Mr. Pearson visited London and had an opportunity on June 25 to address a meeting of the Deputies. For obvious reasons he avoided any direct reference to the membership question, but, after pointing out that common defence was "the immediate and urgent goal" of the North Atlantic Organization added that there was no reason why the farther horizon should be lost sight of "the ultimate creation of the Atlantic area of a great community of free nations". During his visit Mr. Pearson decided that it was pretty clear that the United Kingdom would not push too hard its opposition to the United States proposal. He told the United Kingdom Foreign Secretary that "we still preferred to meet Turkish desires by some method short of full membership". The United Kingdom made known its support of Turkey and Greece as full members of NATO on July 18. It expected Turkey's role in Middle East defence arguments to be clarified before admission. Further embarrassment was caused Canada when the Times reported in London that when this statement was discussed in Ankara during an Assembly debate the President received the British and Canadian Ambassadors and "thanked them for British support of the Turkish cause". Fortunately, General Odlum was able to report that, although he had been summoned with Sir Noel Charles to meet the President, he had acted as an "incidental spectator" who had not been thanked. He had told the President that, as Canada was a member of the Atlantic Pact and a colleague of Britain's in the Commonwealth, he was "delighted to be associated with Sir Noel on so happy an occasion". The Deputies continued to study the non-military implications of the U.S. recommendation. Mr. Wilgress had found it, as he reported on July 17, "difficult and embarrassing" to remain in the position of cautious detachment from the debate in which states like Norway had vigorously pressed for a Mediterranean pact. After consultation with the Department, which shared the doubts of "our friends the Netherlands, Norwegians and Belgians", but did not wish to let them get a false impression that "we could maintain a position of last ditch resistence to the admission of Greece and Turkey", Mr. Wilgress made a statement on July 30, which had been cleared by the Minister.

120. He said that his country realized there were only two methods of meeting the needs of the situation, a Mediterranean Pact or full membership in NATO for Greece and Turkey. Canada was inclined to favour the former but would accept the alternative "if that became clearly the most acceptable solution". He suggested that a Mediterranean Pact should be "considerably abbreviated", omitting such provisions as were contained in Article 2 of the North Atlantic Treaty, and should deal "entirely with the reciprocal security consideration of the signatory countries". If that were done, it would enable NATO to develop along the lines originally contemplated. Mr. Wilgress believed that the practicability of this solution would become clearer when details were received from the Standing Group in answer to the Deputies' questions on the command arrangements for the Middle East area. Lastly, he advised that no decision be made by the Deputies, who should simply advance consideration of the question sufficiently for the Ministers to reach a decision at the coming Council meeting. As it turned out, the Standing Group made no helpful contribution to the discussions of the Deputies on a Mediterranean Pact and at one point observed, rather ingenuously, that "the formal decision cannot be given therefore to the military command structure until Greece and Turkey are admitted to NATO".

121. By this time Mr. Pearson had decided that, since the United States continued to press strongly for according Greece and Turkey full membership and had made it clear that no NATO bases would be involved, which reduced the provocation to the Soviet Union, and since all other countries, except Norway and Canada, seemed prepared to fall in with U.S. wishes, it would be undesirable to have further delay and controversy. He so reported to Cabinet on August 8. There was general agreement that "if an aggression were launched against Greece and Turkey it would likely be met by a collective effort, as in Korea, and that it was doubtful if Canada would be more involved through having Greece and Turkey in NATO than by the hard facts of the present world situation". The Cabinet therefore decided that the Minister should support the admission of Greece and Turkey at the meeting of the North Atlantic Council in Ottawa and should so inform the governments of Greece and Turkey. Since it was still unclear that the question could be settled at the Ottawa meeting on September 15, Greece and Turkey were not immediately informed. By August 23, the Minister felt sufficiently confident of the outcome to tell the Counsellor of the Turkish Embassy that the Canadian Government hoped to see a favourable decision reached at the forthcoming meeting. He had also decided not to support the view of the United Kingdom Government that the question of command arrangements in the Middle East should be resolved before the decision on membership was taken.

122. On September 18 Mr. Pearson formally stated the Government's position at the Council. He conceded that Canada had adopted a "fairly cautious attitude" on the issue - a caution which was dictated by concern for the future of NATO "lest by setting a precedent for extending membership in this way its original purpose and character be lost and the whole organization be converted into a purely military alliance of anti-Communist states". He also expressed concern that the considerations which appeared so strong in the case of Greece and Turkey might not be raised in the future in the case of other countries in the Middle East involved in defence planning for the Middle East. It was his view that Greece and Turkey should from the first be regarded as full members "glad to accept all the obligations as well as to receive all the rights of membership" . . . The Minister concluded by saying that:

> "Having regard to all these considerations and the necessity, as we see it, of taking action without delay on this matter, the Canadian Government has come to the conclusion that, despite the obvious merits of a Mediterranean pact, admission of Greece and Turkey to full membership in NATO is the only practical solution at this time".

In telegrams to Ankara(1) and Athens giving this information, the Department commented that:

> "Although the objections of some countries have still to be overcome, the announcement of Canada's position will probably be an important factor in eventually securing unanimous approval".

---

(1) This action greatly eased things for General Odlum, who had been reporting on Turkish sensitivity over procrastination about admission, which he described as the "apex of Turkey's short-term ambitions", and his increasing difficulties in avoiding comment.

This approval was given on the following day, when it was agreed that each government should take the necessary steps to secure approval of a protocol to the Treaty effecting the necessary modifications to Article 6, which has to do with the territory covered by the Treaty. Five days later a memorandum to Cabinet asked that Mr. Wilgress be authorized to sign the protocol, and that a resolution be introduced to Parliament as soon as possible after signature of the protocol, approving of its ratification by the Government. On September 26 Cabinet approved these recommendations, and Mr. Wilgress signed the protocol on October 17. It was not until five days later, however, that the Danish deputy added his signature, as his Government insisted that it could not act until the Danish Parliament had given approval.

123. The lengthy gap between approval in Ottawa and signature in London raised some irritating problems of ratifications. It had been the Minister's view, which was endorsed by Cabinet on October 13, that Canada should postpone action until the three governments principally concerned, the United States, the United Kingdom, and France, had ratified the Protocol. He expressed this opinion in a debate on foreign policy in the House of Commons on October 22, although it was qualified by saying that "it might be desirable". Mr. Bliss of the U.S. Embassy sent a letter saying that the State Department was "rather unhappy" about this statement. He explained that, because of the unfortunate delays in London, Congress had adjourned before signature of the Protocol had been completed and could therefore take no action until it reassembled in January. There was no difficulty anticipated in securing senatorial approval, but, if Canada could take action in advance of the United States but after either the United Kingdom or France or both had obtained approval, it would be "very helpful in keeping up the momentum and influencing other members of NATO to complete the requisite Parliamentary action".(1) It must have given Mr. Ritchie some satisfaction to remind Mr. Bliss in a second interview of the background of the situation and to comment that it "would certainly seem a very extraordinary procedure for the Canadian Government to press ahead with her ratification of the Protocol before the Governments which had primary responsibility for the matter". As Mr. Wrong was told: "This United States attempt to push us out ahead of themselves seems to us, in view of the whole history of this question, to be somewhat preposterous". But Mr. Bliss was assured that Canada would not be the cause of any unnecessary delay.

124. While Mr. Pearson was in Paris for the meeting of the U.N. General Assembly, he had an opportunity of discussing the question further with Mr. Acheson and Mr. Eden. Since Parliament might not reassemble after the Christmas recess until February, it was possible that all other NATO states would have completed ratification by that time, leaving Canada in the invidious position of holding up the invitation to Greece and Turkey. As he cabled Mr. Heeney on November 9, 1951, he was therefore considering Parliament being asked to take action during the closing days of the session in late December. Cabinet was informed of this proposed change in timing on December 6 by the Prime Minister, and agreed to it. Accordingly, as the final item of business in the session the House of Commons approved of adherence to the protocol on December 29, 1951. The debate was marked by cordial references to Greece and Turkey from all the speakers. The Minister did not explain, and was not asked, why Canadian action was preceding that of the United States. His main justification for the protocol was that it strengthened peace by removing uncertainty, and that

---

(1) The State Department spoke on similar lines to Mr. Wrong in Washington.

it strengthened the deterrent value of NATO by adding the defensive strength of Greece and Turkey to the organization. On January 21, 1952, the Canadian acceptance of the Protocol was deposited with the State Department, Canada being the second country to take action. There was no doubt by that time that the United States Senate would act affirmatively upon the question. It was now the Canadian turn to express the hope in the Deputies' meeting that other NATO members would complete ratification in order that Greece and Turkey be present as full members at the Lisbon Council meeting, and not merely as observers, as had been necessary at Rome during the November meeting. Ratifications were completed by February 15 and three days later Greece and Turkey formally acceded to the North Atlantic Treaty.

125. During the debate in the House of Commons on the admission of Greece and Turkey to NATO, Mr. Pouliot, in one of his characteristically clever confused speeches, raised the issue of Spanish membership in the following statement:

> "In my humble opinion, if we are to have an Atlantic Pact the more members we have the better. If we are to include Turkey and Greece among the Atlantic Pact nations, why not stop and take Spain on the way? What is the objection to Spain? It would be easy to have them with us and they would be an asset. Some people are afraid to talk about Spain. Spain would be a loyal ally. There is no reason for not having Spain".

It is highly probable that in these views the speaker expressed the opinion of most of Quebec, where the appeal of Spain as a Catholic and anti-Communist country is very strong, and where the objections to Franco as the head of a totalitarian state who came to power after a particularly cruel civil war carry far less weight than im other parts of Canada, especially in Labour and C.C.F. circles. It is true that the Spanish Civil War did not as deeply stir public opinion in Canada as in the United Kingdom, France and the United States. As Mr. St. Laurent told Mr. Pleven, during his visit to Ottawa in February, 1951, "apart from a few extremists on both sides, the subject of Spain's relationship with NATO was not of serious political importance in Canada". The Prime Minister believed that, if given time, the Canadian people would accept Spanish adherence to the alliance without very much serious criticism. Nevertheless Canadian relations with Spain have had a chequered character since 1946, arising, as the note in the Minister's Handbook puts it, "from the attitude of the world community as expressed through the United Nations", from the resentment at Franco's pro-Axis "neutrality" during the Second World War, and from its legacy of the Spanish Civil War.

126. Before the Second World War, Canada had formally recognized Franco's government (April, 1939) as the de jure government of Spain, and a Spanish Consul-General was stationed in Montreal. At that time there was no thought of exchanging diplomatic relations. This question was raised by the retiring Spanish Ambassador in London with our High Commissioner in September, 1945. Under instructions from Mr. Robertson, who was in London with the Prime Minister shortly afterwards, Mr. Massey told the Charge d'Affaires that the Canadian Government was "not prepared to receive a diplomatic mission from the present Spanish Government", a decision which was received with "gratification" in the Foreign Office. When the former Consul-General in Montreal, Count de Morales, who had been transferred to Havana, told our Minister in Cuba in June, 1946, that he had in mind coming to Ottawa to discuss with the Canadian Government an exchange of missions, after which, if successful, he would be appointed the

first Spanish Minister to Canada, Mr. Vaillancourt was told that the visit would "serve no useful purpose", since the views of the Government were unchanged. The Count did come, however, and was informed that Canada was not only indisposed to exchange diplomatic missions but also did not wish, as suggested, to send a Consul-General to Spain. It would accept him again as Consul-General in Montreal if a formal request was made. This was done, and Count de Morales received provisional recognition in August 1946. So matters stood when the question of Spain again came up in the General Assembly of the United Nations.(1) The Count then called, under instructions from his Government, to urge that Canada should not support any resolution attacking Spain or its government. He took occasion to raise again the question of diplomatic relations, but with the same result. In reporting on the interview, Mr. Pearson commented that the Consul-General was:

> "At some pains to point out that he had received many indications of friendship for, and understanding of, his Government from persons he had met in Quebec, especially those connected with the Church".

127. The debates in the U.N. General Assembly in 1946 and thereafter indicated one phase of Canadian policy. Although Canada abstained from voting on the resolution concerning Spain which was adopted at the General Assembly in December, 1946, because it disapproved of some of the sections of the resolution, Mr. Ilsley summed up the Canadian position on Spain as follows:

> "We abhor the record and the present policies of the Franco dictatorship.
>
> "We earnestly hope that the Spanish people may be able to rid themselves of Franco by peaceful means and establish a democratic, responsible and enlightened administration.
>
> "We are not prepared to support at this time any intervention in Spain which might impede Europe's recovery or revive in Spain the horrors and sufferings of civil war".(2)

The resolution, as adopted, asked U.N. members to withdraw their heads of missions from Madrid (which, of course, did not affect Canada), barred Spain from membership in specialized agencies until a new and acceptable government is formed in Spain, which Canada considered inadvisable, and recommended to the Security Council that if, within a reasonable time, the Franco regime had not been replaced by a satisfactory government, the Security Council should consider "the adequate measures to be taken in order to remedy the situation" . . . As this final claim was constitutionally improper, in recommending that the Security Council take action which was a violation of the Charter, it was the chief reason for the Canadian abstention on the omnibus resolution. At the Second Session of the General Assembly in 1947, Spain was again a subject of debate. The Canadian spokesman reaffirmed the dislike of the Franco regime expressed on the last occasion, and Canada voted for the resolution which, in its final form, simply expressed the confidence of the General Assembly in the Security Council exercising its responsibilities under the Charter as soon as it considers that the situation in regard to Spain so requires. When the Security Council deleted the Spanish

---

(1) At the first part of the General Assembly Session in London a resolution had been carried that barred Spain from membership.

(2) This statement was repeated by Mr. St. Laurent in the House of Commons on February 16, 1947, in answer to a question from Mr. Dorion.

question from its agenda in June, 1948, on the ground that no new developments had occurred to justify its retention, Canada, then a member, supported the resolution. There still remained on the U.N. record the recommendation concerning heads of mission in Madrid and the ban on Spanish membership in Specialized Agencies. The latter Canada had never liked, but felt bound to uphold, since it believed that it was clearly desirable that U.N. members should abide by resolutions which are passed by substantial majorities and are in accord with the Charter, and since it also believed that it was more important to have the Specialized Agencies in proper relationship with the United Nations than that Spain should be a member of any one of them. By 1950 the doubts concerning the wisdom of continuing the boycott of Franco's Spain had increased sufficiently to force a successful reconsideration of policy in the General Assembly. The resolution which recommended the revocation of the remaining operative clauses of the first resolution on Spain was supported by Canada and was adopted.(1) Again, however, Canada expressed dislike of the totalitarian form of government in Spain, while emphasizing that the General Assembly was not being asked to reach a political verdict.

128. During this period of U.N. activity Canadian diplomats who met Spanish colleagues in missions abroad were instructed in a circular despatch to assume an attitude "of formal courtesy and no more". They were also reminded, when necessary, to be discreet in expressing their personal views on Spain. On April 2, 1948, the Canadian Minister in Denmark, Dr. Laureys, reported a conversation of his in which the Danish Foreign Minister agreed with him that "now, in the presence of the Communist programme in Europe, we should all be more lenient towards Franco and not exclude Spain from our midst, a great people of twenty-seven million, which, in all Europe, is the only one to have really barred the way to the Communists". He was informed in a personal letter by Mr. Pearson of the former's concern that he might have gone "a little too far" in developing his own ideas on the relations between Spain and other Western countries. He was also reminded of the official Canadian views expressed at the U.N., which had not changed, and confidence was expressed that "you would have prefaced your remarks to Mr. Ramussen with some clear indication that they were very personal and tentative opinions that you were advancing, and that they did not in any way represent the views of the Government".

129. Shortly after this admonition another Spanish Consul-General raised the question of diplomatic relations with Mr. St. Laurent, emphasizing that it would not be necessary for Canada to send a Minister to Spain immediately. Because of his claim that the only countries which refused to accept Spanish missions were the Slav countries, Mexico and Venezuela, it was decided to prepare a departmental memorandum summing up the general situation. The Consul-General's statement was found to be incorrect, notably with regard to the Commonwealth, and on July 21, 1948, the usual refusal was sent to him, although it was qualified by the adjective "malheureusement". The wish was also expressed that circumstances might make it possible in the future "d'agir dans la sens de la suggestion que vous avec soumise". In January, 1948, Mr. Desy reported from Rome that he had been approached informally by the Spanish Ambassador with a suggestion much on the lines of the Consul-General's, but with the additional

---

(1) Canada is now (1952) also prepared to support the admission of Spain to UNESCO, and would not object to Spain being included in a "package deal" on admission of states to the United Nations.

concession that Spain would welcome his own appointment while he continued to reside in Rome. He was given a copy of the letter to the Consul-General and the views expressed at the General Assembly were again summarized. The letter added that we could hardly consider appointing a Minister while the U.N. resolution still stood, and in any case would not wish to accept a Spanish Minister, unless it were possible to reciprocate at an early date, which current staff shortages made out of the question.

130. After a request from the Department of Trade and Commerce the Cabinet agreed on July 13, 1949, to the appointment of a Trade Commissioner in Spain, subject to the concurrence of the Secretary of State for External Affairs. Concurrence was given, but Mr. Pearson continued to express the same views as in the past in an interview with Maclean's Magazine that appeared on October 15, 1949. After pointing out that Canada had no diplomatic representation in Madrid and had not supported Spain's attempt to join the United Nations, he continued:

> "Certainly relations between the two countries . . . cannot be on as friendly a basis as they should be while the memory of Franco's relations with the Nazis and the Fascists during the war remains so fresh, and while so many people in Canada feel that this government in Spain does not derive authority from the Spanish people and does not admit freedom of speech, religion, and assembly".

131. But the interest in a more friendly attitude towards Spain continued to find expression in Parliament and elsewhere, as was illustrated by speeches from Mr. W.J. Browne, M.P., of Newfoundland, and Dr. Gauthier, M.P., of Quebec, in November, 1949.(1) Because of this and the changing attitude of the United States, a lengthy Departmental paper on Spain was prepared in December which reflected the influence of NATO. It concluded that the Spanish question had "resolved itself largely into a problem for the North Atlantic countries". It did not regard Spain as of sufficient strategic value to warrant inclusion among the Western countries, and argued that the policy of maintaining the status quo, unspectacular as it was, and liable to the danger of lassitude, appeared to be "the only possible and reasonable course to take". Yet the paper declared at the same time that it was important that Spain should take its normal place in North Atlantic political and economic planning as soon as possible. It believed Spain, as a democratic and co-operative power, could be of great assistance in maintaining a community of interests with Latin America. It laid down four main principles of policy for Canada:

(1) to keep in step with the United Kingdom, the United States, and France;

(2) to take no initiative because of lesser Canadian interests in Spain;

---

(1) In an editorial at the time the Toronto Telegram urged consideration of Dr. Gauthier's arguments. In a survey of editorial opinion on Spain during January and February, 1950, by the Information Division, the conclusion was reached that the cleavage of opinion occurred "primarily along religious and cultural lines" and that "prejudice, wishful thinking and deeply-rooted antagonisms played an inordinate part in determining attitudes". It predicted "an outburst of virulent denunciation" no matter what stand was taken by the Canadian Government. No such outburst occurred, however, on the announcement of Mr. Maguire's appointment as Trade Commissioner in Spain.

(3) to try and prevent any divergence between the United Kingdom, the United States and France;

(4) to develop Canadian commercial relations with Spain.(1)

A copy of this paper was sent to the Department of Trade and Commerce for the information of newly-appointed Trade Commissioner, Mr. E.H. Maguire. The covering letter remarked that it might be of assistance "in view of the special political significance of this post and, for the time being at least, the somewhat delicate nature of his position in Madrid".

132. By July, 1950, the Department had modified its conclusion to the point of agreeing that, if staff considerations permitted, "a sound case could be made for opening a mission for its own sake" in Spain and not, as had been considered, simply in balance with the recognition of Communist China. The arguments advanced in favour of this move included the increasing political, economic, and strategic importance of the Iberian Peninsula, the failure of the policy of the Western Powers to shake Franco's regime in any way, the possibility of normal diplomatic relations, supported by patient trade efforts, doing more "to embolden normal democratic impulses, than continued ostracism, the anxiety of Spain and a considerable section of Canadian opinion to see diplomatic relations established, the probable gains in trade which were of special importance to the fishermen of Newfoundland, and the value in negotiation of direct contact with Spain over financial problems such as the treatment of the Barcelona Traction Company. The Minister concurred in the recommendation but favoured delay until it was seen what action the U.N. Assembly might take at its next meeting. As has been noted, the Assembly did remove the bars to normal diplomatic contact at its 1950 meeting, a policy which Canada supported.(2) But budgetary reasons prevented any action then being taken. In answer to an enquiry from the Commonwealth Relations Office, they were informed on December 16, 1950, that "we are not contemplating opening a mission in Madrid in the near future". The same view was held in the spring of 1951, when there was some discussion of establishing a Consulate-General, pending a diplomatic appointment, as had been suggested by the Spanish Government. In September, 1951, as has already been noted, the European Division placed Spain and the Vatican in a tie for third place for exchange of missions. For "practical reasons" it placed Spain slightly ahead of the Vatican, "subject to the importance of the domestic political issues involved". The Minister agreed that an office should be opened in one of these places, and the question is now (August, 1952) under active review.

133. Early in 1951, the position of Spain began to impinge more directly on NATO considerations. Portugal had, naturally, always been sympathetic to the Spanish position and had warmly advocated Spain's admission at New York, in September, 1950.

---

(1) These were limited by reason of Spain's dollar shortage and the dispute with Canada over the treatment of the Barcelona Traction Company and its subsidiary. They were also impeded by disagreements on pre-war commercial debts, which were recently removed when the Deputy Minister of Trade and Commerce visited Madrid, early in 1952, and secured an agreement.

(2) Canada was still not prepared to see Spain become a member of the United Nations, and had so informed the United Kingdom before the Assembly met.

During General Eisenhower's visit to that country, he was given a strong advocacy of Spanish membership in NATO by Prime Minister Salazar. Mr. Ritchie formed the impression during a conversation on February 5, 1951, with the United States Minister in Ottawa that the Supreme Command had been "considerably impressed". When this was reported to Mr. Pearson, he commented that he did not think anything should be done without very careful diplomatic preparation, and in any event not until after the French elections. The last observation was prompted by remarks from Prime Minister Pleven during his visit to Ottawa. Mr. Wilgress was informed of these developments, with the suggestion that Spain might be made a topic for discussion by the Deputies as one way of heading off the danger of it being raised in more abrupt fashion by Washington, as the French Prime Minister feared. He was not to take any official initiative, but might find a way of suggesting it privately to his NATO colleagues. Mr. Wilgress replied that he thought it would serve no useful purpose at the present time, since it might reveal wide differences of view, and also "might serve to disclose the main preoccupation of the United States military, which would have a disastrous effect on the morale of the Western European countries". On February 19, three days after this telegram, the Counsellor of the U.S. Embassy asked an officer of the Department what the Canadian reaction would be to association of Spain with NATO either formally or informally, or to some bilateral arrangement between the United States and Spain, or to the inclusion of Spain in the European Army scheme. He was given a cautious reply which repeated the views expressed by Mr. St. Laurent and emphasized the difficulties of the situation for European countries. Mr. Morgan said that the United States realized the controversial nature of the problem and the need for its careful handling. The State Department did not incline towards a bilateral treaty and had no intention of making any arrangements with Spain without previously informing its NATO partners. At the time Mr. Morgan called, Mr. Acheson had already told Congress that he hoped Spain could be "linked with Atlantic Defence plans". It was also learned from London that the new United States Ambassador to Spain had been instructed to carry on "exploratory conversations" with the Spanish Government on that question. This development impelled the United Kingdom to inform the State Department that such discussions at the present time might have "most unfortunate repercussions". They had asked the United States to suspend conversations until there was a clarification of the military objectives which the United States desired.

134. All of these developments were summarized in a memorandum for the Minister, who commented that he would prefer the question discussed by exchanges of views between the countries more directly concerned than at NATO meetings. It was felt that Canada's main concern was to have the problem of Spain "discussed in such a manner that it does not poison relations between NATO members". Accordingly, our Ambassadors in Washington and Paris and our High Commissioner in London were so informed, all three being asked to make Canada's views known at a suitable opportunity. From Washington came the news, at the end of March, that the exploratory conversation between the U.S. Ambassador in Madrid and Franco had indicated that, under present conditions, the best solution for Spanish security might be a defence agreement among the United States, Spain, and Portugal. Given adequate military assistance by the United States, Spain would be willing to enter an agreement with exactly the same obligations as if Spain were in NATO and, properly armed, Spain "would, under any and all circumstances, be prepared to send troops to fight beyond the Pyrenees, even if there were no defence agreement". The State Department believed it was premature to raise the question of NATO membership. By June, the question had been made more difficult by

General Bradley stating publicly in Paris that the Western Powers would be "better off" to include Spain as well as Greece and Turkey in NATO.(1) The State Department assured our Embassy that the General spoke "from a strictly military point of view" and that no steps would be taken without consultation with the U.K. and French Governments. In the meantime the assessment of Spanish military capacities and requirements would continue. In July the Washington Embassy learned that the U.S. Government intended to consult the United Kingdom and France on the possible security and economic arrangements which might provide the basis for a bilateral agreement with Spain. Shortly afterwards, the Ambassadors of those countries were told that, subject to consultation with their Governments, the U.S. Government proposed to approach the Spanish Government with a request for naval and air facilities in Spain and Spanish Morocco in exchange for economic aid and assistance in developing airfields of interest to them and communications. Military equipment would not be made available at present and no assurances would be given for the future. As Earnscliffe informed the Department on September 19, 1951, the United Kingdom strongly opposed this policy on both moral and material grounds. It believed that the admission to Western ranks of Franco's Spain would have the result of dangerously weakening the ideological foundations of the Atlantic Pact and would seriously impair Western morale "if the idea were to spread that Europe was to be defended from the Pyrenees". For material reasons it was highly undesirable to have United States arms and equipment diverted to Spain from the urgent needs of more deserving countries. For these reasons the United Kingdom proposed to make it clear to the United States that the Spanish question was a matter "on which the United Kingdom feels very strongly indeed". The French Government also registered disapproval. The anxiety of the United Kingdom was not lessened by the visit of Admiral Sherman to Spain. The State Department informed all NATO countries on August 3 that there was no proposal for the inclusion of Spain in NATO, no proposals had been advanced for an alliance, and no requests had been made for U.S. bases. The latter statement was qualified by the statement that negotiations had been restricted to "arrangements for facilities for the U.S. Air Force and Navy in Spain". By September a U.S. Service mission was in Spain to survey the existing airfields and anchorages to see what alterations and additions would be required, and an economic mission followed later.

135. It would certainly be putting it far too luridly to suggest that these developments have tended to "poison" relations among NATO countries, which had been described as Canada's prime concern when the talks first began. Since the failure of their overtures in July, the United Kingdom has taken the line that, if the United States chose to treat these talks as a purely local matter and on a bilateral basis, there was nothing to prevent such a course of action. Similarly, France appears to have lodged no further protest against U.S.-Spanish discussions.

---

(1) In March, Canada House learned from the Foreign Office that the United Kingdom considered the inclusion of Spain in NATO as a "non-starter". A Departmental memorandum, of April 17, declared that the admission of Spain would "greatly stretch the fabric of the North Atlantic alliance", and that the element of timing was much less urgent in the case of Spain than was true of Greece and Turkey.

On its part the United States has reaffirmed its views on last August on not discussing Spanish membership in NATO, or a U.S.-Spanish alliance, or a bases agreement. It has proceeded to bargain with Franco for naval and air facilities with the backing of Congress, which has voted substantial sums expressly earmarked for Spain. Like Nazi Germany it has found Franco to be a tough negotiator. Last August Portugal reminded the NATO Deputies that approval for the admission of Greece and Turkey to NATO only strengthened the case for admitting other new members, and that Spain was clearly more of an Atlantic Power than either of those countries. In the spring of 1952 the Spanish Ambassador to the United States did suggest that his country might be interested in closer association with the North Atlantic Alliance. During this period the Canadian position might be described as one of discreet concern. There do not appear to have been any expressions of anxiety on the trend of policy to the United States following the receipt of the U.K. memorandum last July. At a press conference on August 7, 1951, after pointing out in answer to a question that Spain's association with NATO was not an immediate problem, the Minister commented that he thought "defence arrangements between Spain and the United States were a matter for those two countries". In March, 1952, during a radio interview, when he was asked if Canada was "headed for some kind of alignment with Franco Spain", he replied that there was nothing that he knew of to suggest that. He pointed out that there had been bilateral talks between the United States and Spain, but it was not on NATO questions.

136. At the request of the Department, National Defence has prepared an appreciation of the military value of Spain in the defence of Europe. This report of January 15, 1952, from the Joint Planning and Joint Intelligence Committee concluded that:

> "In view of the current risk of war and the estimated capabilities of the U.S.S.R. before 1954, and although there are areas of greater importance to the Western Powers in Europe and the Mediterranean countries, it is conceded that in event of war before 1954, Spain is of considerable strategic importance to the Western Powers".

The report believed that, from the military point of view, it was desirable to give Spain some assistance, subject to the following conditions:

> "(a) It does not prejudice the build-up for the defence of Europe and the Middle East;
>
> "(b) It is undertaken in such a way that it would not promote any serious disharmony among the Western Powers".

The latter stipulation again underlines the strength of the political considerations in relating Spain to Western strategy, and the corresponding necessity for the Department of keeping constantly under review the manner in which these may affect the attitude of the European members of NATO. The fact that NATO had come to be regarded, in Mr. Ritchie's phrase, as "a first-class club for organizing the free world" also makes it imperative to study in ample time problems of membership rather than, again to quote Mr. Ritchie, "to let the organization stumble into new commitments and semi-commitments prompted by the exigencies of the moment".

BIBLIOGRAPHICAL NOTE

The following files were consulted for this chapter:

277(S)	Consolidation of Western Europe
50149-40	Western European Union - General File
11030-40	Western European Union - Brussels Treaty - 2 vols.
1143-40	Integration of Europe - General File
10094-40	Integration of Europe - Schumann Plan - 2 vols.
1143-A-40	Integration of Europe - Pflimlin Plan
50172-40	Integration of Europe - European Army Conference and European Defence Community - 5 vols.
10774-40	Council of Europe - 4 vols.
50154-40	Rearmament of Western Germany - 3 vols.
10935-F-40	Establishment of Contractual Relations with the Federal Republic of Germany - 2 vols.
10935-G-40	Reunification of Germany - 2 vols.
7CA-14(S)	Occupation, Control and Administration of Germany - 4 vols.
7CA-17(S)	Peace Settlement and Treaty with Germany - 3 vols.
5013-40	Peace Settlement and Treaty with Germany - General File
7DE(S)	Meetings of the Deputies of the Foreign Ministers for Preparation of the Peace Treaties - Vols. 3 - 7
8882-A-40C	Reports of the Allied Control Council in Germany to the Council of Foreign Ministers, Moscow, London, 1947
7CA-18(S)	Settlement of Western Germany - 2 vols.
7CA-2(S)	Canadian Participation in the Control Commission for Europe
7CA-19(S)	Moscow Talks re Berlin and Reference to the United Nations - 4 vols.
7-CA-20(S)	Germany - Berlin Air Lift
7-DE-2(S)	Meeting of the Council of Foreign Minister to discuss Germany, May, 1949 - 2 vols.
10935-B-40	The German Federal Republic - Relations with Canada
10935-C-40	The German Federal Republic - Foreign Policy
10936-C-40	The German Democratic Republic - Foreign Policy

10935-F-40	Establishment of Contractual Relations with the Federal Republic of Germany - 2 vols.
10935-G-40	Reunification of Germany - 2 vols.
50135-40	Canadian Representation in Germany - 2 vols.
52-7-F(S)	U.S.-U.S.S.R. Relations. Memoranda on As Affecting Canadian Policy
6781-40C	Canadian Relations with the Soviet Union - General File
2462-40	Diplomatic Relations Between Canada and the Soviet Union - Vols. 2 and 3
2-AE-S	Relations Between the Western World and Soviet Union and its Satellite States - 2 vols.
50140-40	Relations Between the Soviet Union and Yugoslavia
50156-40	Relations Between the Soviet Union and United States
50128-41	Soviet Union Foreign Policy - General File
7802-40	Soviet Foreign Policy - 4 vols.
7631-C-40	U.K. Policy in the East European Area
1-926-40	Maintaining or Withdrawing of Canadian Diplomatic Missions to the Soviet Union and Satellite Countries
1185-40	Canadian Government Control of the Composition and Movements of Soviet and Satellite Diplomatic and Non-Diplomatic Personnel - 2 vols.
50030-AF-40	NATO Council Deputies' Exchange of Views on Political Subjects. Vol. 1.
17-E2V-40	Whereabouts and Return to Canada of Miss Anna Teuber - 2 vols.
50182-40	Psychological Warfare - Vols. 2, 4.
4900-C-9-40	Letters of Instruction to the Head of the Canadian Mission at Belgrade
7805-40	Political Situation in Yugoslavia - 2 vols.
7189-40	Relief of Yugoslavia from Canada
50004-40	Economic Assistance for Yugoslavia - 2 vols.
9035-40C	Commercial Relations Between Yugoslavia and Canada - General file
11452-40	Canadian Policy re Yugoslav Communism
10277-40	Diplomatic Relations Between Yugoslavia and Canada
50176-40	Yugoslav - Italy Relations - Trieste. 2 vols.
45-J(S)	Diplomatic Relations Between Canada and the Vatican

7951-40	Establishment of Diplomatic Relations Between Canada and the Vatican - Proposals re
7951-A-40	Canadian Diplomatic Representation to the Vatican - Resolutions and Protests re. Vol. 9
50030-V-3-40	North Atlantic Treaty Organization. Admission of Greece and Turkey - 4 vols.
50030-V-2-40	North Atlantic Treaty Organization. Admission of Spain - Proposals re
8150-40C	Diplomatic Relations Between Canada and Spain


0164 7 104566 1201

LIBRARY E A/BIBLIOTHEQUE A E
3 5036 20006887 5

DOCS
CA1 EA 60C12 ENG
vol. 1
Soward, Frederic H. 1899-
Canadian external policy 1946-195?
: an analysis
43266957